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Report Highlights:

GOC Announces New Food Allergens Labeling Requirements * Bakery Product Prices Push Up Canadian Food Price Index * Second Report on Trans Fats Gives Kudos to Fast Food Industry but Not to Margarine Manufacturers * Maple Leaf Foods to Sell its Burlington Ontario Pork Processing Operation * GOC Invests \$25 Million in Biofuels

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
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[CA]

This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

Disclaimer: Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

GOC ANNOUNCES NEW FOOD ALLERGENS LABELING REQUIREMENTS: The Government of Canada has announced that it will be bringing forth new labeling requirements for food allergens, gluten sources and added sulphites in prepackaged foods. Current *Food and Drug Regulations* require that ingredients of food products be declared on the labels of most prepackaged food however, components of certain ingredients are exempt from declaration in the lists of ingredients. The regulations will also detail how the allergens, glutes and sulphites are to be listed on food labels. Health Canada is publishing its proposed regulatory amendments in [Canada Gazette, Part I](#), on July 26, 2008 to allow for public comment. A 90-day consultation period will follow before the final regulations are brought forward and published in the Canada Gazette Part II. More information on these proposed requirements are available at the following websites:

- [Allergen Labeling](#)
- [Background document: Newly Proposed Labeling Requirements for Food Allergens, Gluten Sources and Added Sulphites](#)
- [Government of Canada Announces Proposed New Labeling Requirements to Protect Health of Canadians](#) (News Release)
- [Questions and Answers on the New Regulations to Enhance the Labeling of Food Allergens, Gluten Sources and Added Sulphites](#)
- [Guidance to Industry](#).

BAKERY PRODUCT PRICES PUSH UP CANADIAN FOOD PRICE INDEX: Fuelled by higher gasoline prices, consumer prices in Canada rose 3.1% in the 12-months ending June 2008, compared with the 2.2% year-to-year gain recorded in May. Statistics Canada reported that June's increase was the largest since September 2005. Consumer prices excluding gasoline rose a more modest 1.8% in the 12 month period. The overall food price index increased 2.8% in the year ending June 2008 with the strongest upward pressure on this index coming from prices for bakery products, which rose 12.3%. *Comment: Retail food price increases have been slower to occur in Canada than in many other countries due partly to the strong Canadian dollar, price competition among food retailers, and the generally "less responsive" price setting mechanisms of Canada's supply managed dairy and poultry industries which tend to more gradually pass along increases (or declines) in their production costs.*

SECOND REPORT ON TRANS FATS GIVES KUDOS TO FAST FOOD INDUSTRY BUT NOT TO MARGARINE MANUFACTURERS: In June 2007, the Government of Canada called on the food industry to voluntarily reduce the levels of trans fat in the Canadian food supply to the levels recommended by the Trans Fat Task Force, a partnership between Health Canada and the Heart and Stroke Foundation of Canada. Canada's Minister of Health said that Health Canada will develop regulations to ensure that the recommended levels are met if significant progress is not made within two years (i.e., by the end of 2009). The recommended levels include limiting the trans fat content of vegetable oils and soft, spreadable margarines to 2% of the total fat content and limiting the trans fat content for all other foods to 5% of the total fat content, including restaurant servings. This week, the Task Force released a second report under its [trans fat monitoring program](#). While the fast food sector showed that it had achieved some important cuts in trans fat levels, many margarine producers had not significantly lowered levels.

MAPLE LEAF FOODS TO SELL ITS BURLINGTON ONTARIO PORK PROCESSING OPERATION: Maple Leaf Foods (MLF), Canada's largest pork processor, has announced that it has begun the formal process of selling its Ontario pork processing business located in Burlington, Ontario. The process will entail a solicitation of interest from potential purchasers, commencing immediately. The Company anticipates that the sale process will be completed by the end of 2008. The announcement had been

expected for some time and is in line with the company's intent to re-focus its operations towards prepared meats, meals and bakery, involving divestiture or exit of several of its primary processing and agriculturally oriented businesses. According to MLF, the Burlington facility is currently slaughtering about 42,000 hogs per week but has a processing capacity of up to 50,000 hogs. The plant is located in close proximity to major domestic and U.S. markets, transportation routes and a skilled labor pool, and is licensed to export its pork products to nearly 50 countries worldwide. *Comment: There has been some speculation in the industry whether a U.S. pork processor might be interested in purchasing the Burlington plant. Smithfield's Foods, the U.S. and the world's largest pork processor, had a brief foray in the Canadian pork industry but sold its Canadian pork business (formerly Schneider) to Maple Leaf Foods about five years ago.*

GOC INVESTS \$25 MILLION IN BIOFUELS: The government of Canada has announced that Suncor would be receiving a \$25 million grant through the ecoABC Program to expand its existing ethanol plant in St-Clair Ontario. Suncor, best known for having pioneered commercial development of the oil sands in Alberta, has diversified and become a major North American energy producer and marketer. The expansion is expected to cost \$120 million, and will double current production capacity by increasing production to 400,000 liters per day as well as produce dried distillers grains with solubles and carbon dioxide. The ecoABC Program allows new ethanol plants to receive long-term, non-interest bearing contribution that are repayable once the plant earns a gross income of more than \$0.20/litre. In addition to the grant, and as a requirement to be eligible for the grant, Suncor also received equity investment from farmers totaling \$12.5 million for the project. The target completion date is 2009.

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Report Number	Title of Report	Date
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CA8027	Canadian Hog Production in Transition	04/25/2008
CA8028	This Week in Canadian Agriculture, Issue 12	05/06/2008
CA8029	Oilseed and Products Annual Report	05/05/2008
CA8031	This Week in Canadian Agriculture, Issue 13	05/08/2008
CA8034	This Week in Canadian Agriculture, Issue 14	05/21/2008
CA8035	Grain and Feed Annual – Revised	05/27/2008
CA8036	This Week in Canadian Agriculture, Issue 15	05/30/2008
CA8038	This Week in Canadian Agriculture, Issue 16	06/03/2008
CA8039	This Week in Canadian Agriculture, Issue 17	06/11/2008
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CA8042	This Week in Canadian Agriculture, Issue 18	06/17/2008
CA8046	This Week in Canadian Agriculture, Issue 19	06/26/2008
CA8048	HRI Report	07/02/2008
CA8049	This Week in Canadian Agriculture, Issue 20	07/11/2008
CA8050	Food Processing Sector Report	07/22/2008

