

Agence canadienne d'inspection des aliments



Food > Labelling > Information Letters

# Guidelines Defining Product of Canada and Made in Canada on food labels and advertising

Canada's food supply is increasingly global in nature and many Canadians are seeking clearer information about the foods they buy. Canadians want credible, meaningful information about the foods they buy. Many want to purchase food products that are made and processed using Canadian standards, which they trust with good reason. Some simply want assurance that a significant amount of the product contains Canadian ingredients.

On July 15, 2008 the Government of Canada announced the new labelling guidelines for the use of these claims. The revised guidelines will help Canadians make informed choices about the products they are purchasing. They were developed to reflect consumer and industry expectations about what constitutes a Canadian product and to promote compliance with subsection 5(1) of the *Food and Drugs Act* and subsection 7(1) of the *Consumer Packaging and Labelling Act*.

#### **Product of Canada**

Under the guidelines when the label claim Product of Canada is applied, all or virtually all of the significant ingredients, components, processing and labour used in the food product must be Canadian. Food products claiming Product of Canada must contain very little or no foreign content, with the exception of minor food additives, spices, vitamins, minerals and flavouring preparations.

#### Made in Canada

The Made in Canada claim may be used when the food product is manufactured or processed in Canada regardless of whether the ingredients are imported or domestic or a mix of both. However, this claim must always be qualified with either Made in Canada from domestic and imported ingredients or Made in Canada from imported ingredients. To use these qualified claims, the last substantial transformation of the product must have occurred in Canada. This recognizes the importance of value added by Canadian ingredients and processing.

#### **Other Qualified Claims**

Qualified claims for other food products that do not meet the Product of Canada and Made in Canada guidelines may continue to be used. In particular, Roasted in Canada, Packaged in Canada, Distilled in Canada, Processed in Canada, etc. could be used provided that they are not false or misleading. However, use of Product of Canada and the qualified Made in Canada claim is encouraged for those products that meet the guidelines in order to provide consistency and clarity for the consumer.

#### **Enforcement and Compliance**

The CFIA enforces the requirements of the *Food and Drugs Act* and the *Consumer Packaging and Labelling Act* to protect consumers against product misrepresentation. Consumers expect labelling and advertising information, including claims, to be truthful and not misleading. The use of these claims on most food labels remains voluntary. However, when these claims are applied, they will be assessed based on the established criteria. When non-compliance is identified during inspections and when responding to complaints, appropriate corrective action will be taken.

The guidelines came into effect on December 31, 2008. It is recognized that many products produced or manufactured before this date may already be on store shelves. However, it is expected that all products produced after this date would comply with the guidelines.

Additional information on the Canadian Food Labelling Initiative can be found on the Canadian Food Inspection Agency's website and in the <u>Guide to Food Labelling and Advertising</u>. A number of <u>Frequently Asked Questions</u>, along with answers which provide further detail on the interpretation of these guidelines, have also been developed. Should you require further information or have questions regarding these guidelines, please call the CFIA at 1-800-442-2342/TTY 1-800-465-7735.

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## Frequently asked Questions on Product of Canada and Made in Canada Claims

#### **Product of Canada**

#### Q1: What is meant by the phrase "all or virtually all"?

A: "All or virtually all" means that all the significant ingredients in a food product are Canadian in origin and that non-Canadian material is negligible in the food. Ingredients in a food that are present at very low levels and that are not generally produced in Canada, including spices, food additives, vitamins, minerals, and flavouring preparations, may be used without disqualifying the food from making a Product of Canada claim. Foods such as oranges, cane sugar, and coffee, which are not grown in Canada, may be considered minor ingredients when present in low amounts. Generally, the percentage referred to as "very little" or "minor" is considered to be less than 2 per cent of the product.

### Q2: Why is the percentage of contents referred to as "very little" or "minor" set at 2 per cent?

A: This guidance corresponds to B.01.008 (4) of the *Food and Drugs Regulations* (FDR) which permits that certain ingredients be shown at the end of the list of ingredients in any order as they are present in minor amounts. Normally, these are less than 2 per cent of the total content of the product.

### Q3: Do ingredients like chocolate and coffee used as flavourings disqualify a food from using a Product of Canada claim?

A: When such ingredients are minor ingredients added as a flavouring in a food (i.e., less than 2 percent) and labelled as for flavouring, their presence would not disqualify the food from a Product of Canada claim.

# Q4: If an imported product is completely transformed into another product, such as beer brewed in Canada or spirits distilled in Canada, is it eligible for a Product of Canada label?

A: Beer or spirits processed in Canada using imported ingredients would not be eligible for a Product of Canada claim. A Made in Canada from domestic and imported ingredients claim could be used to inform the consumer that the product contains both domestic and imported ingredients. Other claims, such as "Brewed in Canada" or "Distilled in Canada" could be used provided that they were accurate and truthful and not misleading to the consumer.

### Q5: If a food product is grown or raised in Canada but grown from imported seed or fed imported animal feed can it still use a Product of Canada claim?

A: The use of imported agricultural inputs such as seed, fertilizers, animal feed, and medications will not affect the ability to use a Product of Canada claim.

### Q6: If a product is all or virtually all Canadian but is packaged in Canada using imported packaging materials, would a Product of Canada claim be appropriate?

A: As consumers are interested in the Canadian content and production or manufacturing of the food product and not the packaging itself, there would be no objection to packaging materials being sourced from outside Canada provided that the food meets the Product of Canada criteria.

### Q7: What could be considered a Canadian meat product under the Product of Canada guideline?

A: Meat products that come from animals which are born or hatched, raised and slaughtered in Canada would be considered Canadian. An animal would not be considered Canadian if it was exported and re-imported into Canada.

#### **Q8: How does Product of Canada apply to fish and seafood?**

A: Wild fish and seafood products can be labelled Product of Canada when caught by vessels in Canadian waters (or adjacent waters as per Canadian regulatory fishing quotas) and the products from the fish and seafood are processed in a Canadian establishment using Canadian ingredients.

In the case of farmed fish and seafood, the farm must be located in Canada, and the processing must occur in a Canadian establishment with the use of Canadian ingredients.

#### Q9: Can chocolate milk say Product of Canada on the label?

A: As this is a processed product containing ingredients that are not grown in Canada, a Product of Canada claim could not be made. However, a company could choose to make a Made in Canada with domestic and imported ingredients claim if the criteria are met. In order to provide accurate information to consumers, additional or more specific terms could be used such as "contains Canadian milk".

#### Q10: Would Product of Canada be allowed on products using imported cane sugar?

A: Products using imported cane sugar at levels greater than 2 per cent would not be eligible for a Product of Canada claim as this would be seen as misleading to the consumer. The qualified Made in Canada claim would be appropriate.

#### **Made in Canada**

### Q1: The criteria for a qualified Made in Canada claim requires that the last substantial transformation occur in Canada. What does substantial transformation mean?

A: When a food undergoes processing which changes its nature and becomes a new product bearing a new name commonly understood by the consumer, (e.g. salad, pot pie, sausage, pizza, beer), it is considered to have undergone substantial transformation. Those processes which result in a substantial transformation may be outlined in more specific legislation, such as the *Meat Inspection Regulations* and *Processed Products Regulations*.

# Q2: If Made in Canada is printed on the label, are the qualifying statements "from domestic and imported ingredients" or "from imported ingredients" mandatory? That is, can a label just say Made in Canada when it is a mixture of domestic and imported input?

A: If Made in Canada is printed on the label, the claim must be qualified to indicate that it is manufactured in Canada from imported ingredients or a combination of imported and domestic ingredients.

### Q3: Can a product say 'Made in Canada from domestic and imported ingredients even if the Canadian content is minimal?

A: Made in Canada from domestic and imported ingredients could apply to all products which are substantially transformed in Canada using imported and Canadian ingredients. These claims are intended to indicate that a food product is manufactured or processed in Canada, not to specify the amount of Canadian ingredients. This claim recognizes the importance of the value added by the Canadian processing industry to Canadian jobs and local economies.

Q4: On a product using the Made in Canada from domestic and imported ingredients claim, is it possible to distinguish which ingredients are Canadian and which ingredients are imported, and at what level?

A: The Government of Canada recognizes that industry may choose to highlight the origin or amount of specialty ingredients (e.g. 10% real Italian olive oil). This policy does not affect the ability to do so.

Q5: How will ingredients grown/sourced in Canada, then exported for processing outside of Canada and re-imported to be made into finished food products in Canada, be treated?

A: As a general rule, products which are exported and reimported are not eligible for the Product of Canada claim. A Made in Canada with imported ingredients or Made in Canada with domestic and imported ingredients claim may be appropriate, where criteria are met.

Q6: Would an animal imported for slaughter be eligible to make a Made in Canada claim with qualifiers?

A: As slaughter results in a substantial transformation, a Made in Canada from imported ingredients claim would be permitted.

Q7: How will the new guidelines affect the fresh cut industry? What will the requirements be for labels for fresh cut fruit or vegetable products, or mixed salads that are prepared in Canada with produce sourced from Canada and various countries?

A: A Made in Canada from domestic and imported ingredients or Prepared in Canada statement would be acceptable.

Q8: Can a Made in Canada claim be used highlighting a specific ingredient as being Canadian? For example, could a can of chili state Made in Canada from Canadian beef.

A: When a company chooses to use the Made in Canada claim it must be accompanied by one of the two qualifiers: from domestic and imported ingredients or from imported ingredients. Claims with respect to the origin of some, but not all ingredients, in a qualified Made in Canada claim could be misleading.

The Government of Canada recognizes that food processors may choose to highlight the origin or amount of specific ingredients. This policy does not affect the ability to do so.

A company may choose to provide additional information on the label to indicate the significance or amount of Canadian ingredients. Ingredient claims appearing on the label would be acceptable, provided that they are truthful and not misleading. An ingredient claim such as Contains Canadian beef may be acceptable if all the beef is Canadian. Other examples could include: "Contains Canadian Chicken", "100% Alberta beef" or "Real Canadian cream".

Further guidance on stressing or highlighting particular ingredients can be found in the *Guide to Food Labelling and Advertising* at

http://www.inspection.gc.ca/english/fssa/labeti/guide/ch4e.shtml#a4\_2

Q9: Would the use of a maple leaf vignette be seen as implying a Product of Canada or Made in Canada claim?

A: The use of a maple leaf or other similar symbol should not imply that the product is wholly or partially Canadian without a clear domestic content statement.

#### **Other Claims**

### Q1: If a product does not meet the criteria for a Product of Canada or qualified Made in Canada claim, can other claims be made?

A: Appropriate and explicit terms that describe the process the food has undergone in Canada may be used provided they are truthful and not misleading. Some examples include "Prepared in Canada", "Roasted in Canada", and "Packaged in Canada".

### Q2: If "Packaged in Canada" is printed on the label, will the country of origin be required to be labelled?

A: These guidelines do not require country of origin labelling on labels and advertisements of food products in Canada. However, under certain regulations, country of origin may be required on some products that are wholly imported. The use of Made in Canada with imported ingredients, Made in Canada from domestic and imported ingredients or any alternate claim, such as "Distilled in Canada" or "Packaged in Canada" should not trigger the need for the country of origin declaration, unless otherwise specified in regulations.

### Q3: Could the term "Refined in Canada" be used for sugar that is refined in Canada from imported cane sugar?

A: While the claim Made in Canada from imported ingredients is encouraged, the term "Refined in Canada" could be used provided it was accurate and not misleading to the consumer.

#### Implementation/Enforcement

### Q1: What is the implementation date of the revised guidelines? Do items on the shelf need to be recalled? Do products in the warehouse need to be re-labelled?

A: The revised guidelines come into effect on December 31, 2008. Product produced on or after this date will be assessed against the new guidelines.

### Q2: Does this proposal apply to all agricultural products, such as animal feed, agricultural seed, or plants?

A: These guidelines apply to food products only. Other consumer goods may be assessed under the Competition Bureau's Guide to Made in Canada claims. More information is available at: (http://www.competitionbureau.gc.ca/epic/site/cb-bc.nsf/en/01231e.html ).

### Q3: Does the guideline apply to a company selling only wholesale/bulk product for further processing?

A: The guidelines apply to foods sold at all levels of trade, including bulk sale or wholesale foods for further processing, when a company chooses to label or advertise their food products with a Product of Canada or Made in Canada claim.

### Q4: Will provincial regulations requiring origin declaration at retail for bulk fresh fruits and vegetables be affected by these guidelines?

A: The Product of Canada guidelines will have no impact on provincial regulations.

# Q5: Will the voluntary guidelines apply to food and agricultural products destined for export? If not, would it be possible for a product to qualify as Product of Canada abroad but not domestically?

A: Products destined for export markets must continue to be identified in the manner required by the importing country. This could result in different label requirements for domestic versus exported products.

#### Q6: What will the CFIA's enforcement approach be with respect to the new guidelines?

A: The CFIA enforces the requirements of the *Food and Drugs Act* and the *Consumer Packaging and Labelling Act* in relation to food to protect consumers against product misrepresentation. Consumers expect labelling and advertising information, including claims, to be truthful and not misleading. The CFIA addresses issues on a priority basis and will verify the compliance of these types of claims based on the established criteria, when the guidelines come into effect. When non-compliance is identified during inspections and when responding to complaints, appropriate action will be taken to promote compliance.

# Q7: Ingredient sources can change frequently due to many factors, such as seasonal availability. Would food processors be expected to change the label as ingredient sources change?

A: Yes. Domestic content claims are voluntary, however if used, the appropriate criteria must be met. It is the responsibility of the company to decide when and which claims to use, keeping in mind that foods cannot be labelled or advertised in a manner that would mislead or deceive the consumer.

### Q8: What documentation is required? The government has committed to reducing paper burden.

A: There is no specific documentation required. Similar to many other aspects of the label information and composition of a food, a company should be able to provide evidence that a product meets the criteria set out in the guidelines on Product of Canada and Made in Canada claims if such claims are used in labelling or advertising.

#### **Other**

### Q1: How will the guidelines affect the Canada grade names? Is there any effect on the Meat Inspection Legend?

A: The guidelines will not affect the regulated Canada grade name requirements or the Meat Inspection Legend. However it has been noted that Canada grade names on products made with imported ingredients may be confusing for consumers. Changes to the current grade names will be considered in the future.

#### Q2: Will the Canada Organic logo be affected by these guidelines?

A: The Canada Organic logo is an indication of certification to the organic regulation and standards. On imported products that qualify to use the Canada organic logo, a country of origin statement is already required in close proximity to the logo, to avoid misleading consumers.

### Q3: How do the Product of Canada/Made in Canada guidelines differ from the country of origin requirements in the U.S. Farm Bill?

A: In Canada, Product of Canada and Made in Canada claims are voluntary. If a company chooses to make a Product of Canada or Made in Canada claim, the guidelines must be met. The U.S. Farm Bill (*U.S. Farm Security and Rural Investment Act of 2002*) sets out mandatory country of origin labelling with many specific requirements.

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