

PolicyPennings by Dr. Daryll E. Ray

## Some coffee sold in Canadian stores is labeled as “Product of Canada”!

Did you know that a package of coffee can be labeled “Product of Canada”? We ran across that tidbit of information in an email by Colleen Ross, a Canadian farmer, agricultural policy commentator, and Women’s President of the National Farmer’s Union of Canada. This information surfaced while we were looking for background on an article that declared, “Canadian beef and pork producers want Ottawa to more vigorously oppose a U.S. plan to place country of origin labels and tracking rules on their meat products” ([www.edmontonsun.com/News/Canada/2007/10/08/pf-4559811.html](http://www.edmontonsun.com/News/Canada/2007/10/08/pf-4559811.html)).

We had heard that there is meat in Canada labeled “Product of Canada” and wondered how Canadian producers could oppose COOL (Country-of-Origin) labeling in the U.S. if they had similar labeling in their own country. What we learned was very interesting. They have labeling, but it is not the same as the U.S. version of COOL.

So, how does coffee, an agricultural product not commercially grown in Canada, end up with a label reading “Product of Canada”? It seems that if the raw coffee beans are roasted, ground and packaged in Canada then they can be labeled “Product of Canada.”

And that is not all. Ross writes to her Canadian readers, “Another case in point is the ‘Canada No. 1 Fancy’ apple juice you buy. The concentrate actually comes from China, but the water and bottling/canning happens in Canada, hence ‘Product of Canada.’”

According to Bob Friesen, President of the Canadian Federation of Agriculture, Canadian authorities have two requirements for the application of the “Product of Canada” label. Material he provided us from the Competition Bureau Canada indicate that, “the last substantial production operation [must have been] performed in Canada, resulting in a new and identifiable final product” ([www.competitionbureau.gc.ca/Internet/index.cfm?itemID=1494&lg=e](http://www.competitionbureau.gc.ca/Internet/index.cfm?itemID=1494&lg=e)). In addition, “Canadian direct labor and/or material content [must be] at least 51 percent” of the final product.

By roasting and grinding coffee and converting apple concentrate to apple juice, a transformation of the imported product has taken place. And as long as the costs of the transformation and packaging is greater than the cost of the imported ingredients, the resulting product can be labeled “Product of Canada.”

The Canadian Food Inspection Agency provides the following example of their labeling requirements, “Olives imported from Spain, in bulk, which are repackaged in Canada in a ‘new brine’ become a ‘Product of Canada’/ ‘Produit du Canada’ (assuming that the 51 percent rule is satisfied)” ([www.inspection.gc.ca/english/fssa/labeti/labetrie.shtml](http://www.inspection.gc.ca/english/fssa/labeti/labetrie.shtml)).

In our research we found that, while Canadian beef and pork producers are trying to defeat U.S. COOL legislation, other Canadian farmers are trying to lobby their government for true “Country of Origin Labeling.” Canadian agricultural producers want labeling changes so Canadian customers can be assured that the apple in the “Product of Canada” apple juice was actually grown in Canada and the organic soybeans that are used to produce “Product of Canada” organic soymilk were actually grown in Canada.

Perhaps Canadian farmers might want to take a page out of the original U.S. COOL legislation. In that legislation, beef, pork, and lamb must be exclusively born, raised, and slaughtered in the U. S. for the country of origin to be listed as the United States. That is unless the Canadian beef and pork producers along with U.S. agribusinesses are successful in gutting COOL provisions from farm legislation.

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