



**Suggested Responses to  
Canadian Food Inspection Agency's Report  
*Canadians' Views on Domestic Origin Labelling:  
Canadian Wines and Blended Wines***

**June 14, 2012**

**What are the guidelines for using “Product of Canada” and “Made in Canada” claims on foods?**

- *Product of Canada*: 98% of the contents of the food must be Canadian.
- *Made in Canada*: any food product that does not qualify as “Product of Canada” but the last substantial transformation<sup>1</sup> occurs in Canada. Such products can be labelled “*Made in Canada from domestic and imported ingredients*” or “*Made in Canada from imported ingredients*”.
- *Other Qualified Statement*: If a product does not meet the criteria for either the “Product of Canada” or the “Made in Canada” claim, then alternative claims may be used provided they are truthful and not misleading, such as:
  - “*Roasted and Blended in Canada*” to describe coffee since the coffee is always imported
  - “*Packaged in Canada*” to describe a food imported in bulk and packaged in Canada
  - “*Distilled in Canada*” to describe an imported product that underwent distillation in Canada
  - “*Brewed in Canada*” to describe a product with imported ingredients brewed in Canada

**Are Canadian wineries permitted to use the “Made in Canada” label claim?**

The Canadian Food Inspection Agency (CFIA) has verbally advised that Canadian wineries should not use the “Made in Canada” claim for wines that are a blend of Canadian and International wines because it does not perceive blending to be a “substantial transformation.”

**What are the current federal guidelines for labelling blended wines?**

CFIA permits blended wines to use “*Cellared in Canada from imported and domestic wines.*” This was adopted in May 1995 and satisfies the country of origin label requirements under the Food and Drug Regulations.

**What is a “Cellared in Canada” wine?**

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<sup>1</sup> The CFIA defines last substantial transformation as: “*When a food undergoes processing which changes its nature such that the food becomes a new product bearing a new name by which the food is generally known by the consumer, it is considered to have undergone substantial transformation.*”

“Cellared in Canada” wines are value wines made from a blend of imported and domestic wines and compete with foreign wines in the under \$10 per bottle category.

### **Why is the “Cellared in Canada” claim being reviewed?**

The CFIA was asked to review the “Cellared in Canada” claim in light of its new guidelines for “Made in Canada” and media claims that suggested consumers had differing opinions regarding the meaning of “Cellared in Canada.”

### **Are “country of origin” labelling regulations required for food safety reasons?**

The “country of origin” claim on a label is not related to food safety or quality.

### **What information will CFIA consider in its review of blended wine labelling?**

CFIA has considered the following to support their labelling review of blended wine products:

- Canada Food Labelling Guidelines for “Product of Canada,” “Made in Canada,” and “Qualified Statements” (2008)
- Wine Council of Ontario Label Clarity Working Group Research Report (Pollara /Research Strategy Group 2009)
- Review of International wine labelling practices (CVA 2010)
- National consultation on the Canada Food Labelling Guidelines (AAFC/CFIA 2010)
- CFIA research report “Canadians’ Views on Domestic Origin Labelling: Canadian Wines and Blended Wines” (Nanos Research 2011)

### **Has the industry acted on the research to date in advance of CFIA guidance?**

The recommendation stemming from the Wine Council of Ontario’s 2009 Label Clarity Report was that “Cellared in Canada” be replaced with “*Blended from International and Canadian Wines.*” As a result, signs and retail displays at the Liquor Control Board of Ontario were changed to “*International Canadian Blends.*” The BCLDB has adopted “*Bottled in British Columbia*” – *From International and Domestic Wine,*” for its signs and retail displays.

## **NANOS REPORT**

### **Did the wine industry have any input into the survey questionnaire?**

The Canadian Vintners Association was not asked to provide any input on the development of the survey and was not consulted prior to the release of the Nanos report.

### **Are you satisfied with the results of the survey?**

Overall, the report appears to have followed public opinion survey methodology. The report also recognized and highlights a response bias (page 18) for the reader benefit -- “*When testing the options, there was a potential for respondents to exhibit a response bias toward additional information because there was no additional cost or downside for asking for this information.*”

The survey results found that the majority of consumers (56%) exhibited a preference for the use of “Blended in Canada” for wine mixed and sold in Canada from wines imported from different countries. Combined with the 26% of respondents that support “Bottled in Canada”, it is possible to conclude that 82% of respondents would support “Blended and Bottled in Canada.”

This claim captures the economic value added in Canada and aligns with other qualified statements such as “Brewed in Canada” and “Distilled in Canada,” as well as the “Made in Canada” designation for other food products.

### **Were there any surprises in the survey results?**

Some of the results appeared to contradict Canadian wine sales data, for instance:

- Wines that retail for less than \$10 a bottle account for approximately 45% of total sales in Canada but only 11% of the Nanos survey sample report buying wines in this price range.
- Wines that retail for \$15 a bottle or more account for roughly 18% of total wine sales in Canada, yet 71% of the Nanos survey sample report buying wines in this price range.

It was also a surprise to find that 22% of survey respondents identified as “Non-Drinkers” were included in the analysis.

There is also an error in the survey which suggests that “Product of Canada” claims require only 75% Canadian content in the product. Since 2009, the CFIA threshold requirement for “Product of Canada” claims has been 98%.

Presently, Country of Origin claims for foreign wines sold in Canada require only 75% content for the country identified on the label. An industry objective is to have this amended to align to the much higher standard required for “Product of Canada” claims.