



**Keeping Trade on Track**

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# Safe Food for Canadians Regulations

## Division 2 – Trade of Fresh Fruits and Vegetables

Regulatory requirement for a membership in the Fruit and Vegetable Dispute Resolution Corporation

On November 22, 2012, the *Safe Food for Canadians Act* (SFCA) received Royal Assent. On January 21, 2017, the proposed *Safe Food for Canadians Regulations* (SFCR) were published in *Canada Gazette*, Part I and are expected to come into force in mid-2018.

Although much of the detail contained in the proposed regulations concerns food safety and traceability, there are important **trade and commerce requirements which pertain specifically to buyers and sellers of fresh fruits and vegetables.**

Membership in the DRC is required to trade fresh fruits and vegetables (i.e.: buy, sell, import, export) unless otherwise exempted as per the proposed regulations. The proposed new regulations will result in the requirement for a mandatory membership in the DRC for some buyers and sellers of fresh fruits and vegetables who were not previously subject to the requirements of the *CFIA Licensing and Arbitration Regulations*.

### ABOUT THE DRC

Canada's Fruit and Vegetable Dispute Resolution Corporation (DRC) was established in February 2000 pursuant to Article 707 of NAFTA, which provided for the creation of a private commercial dispute resolution body for trade in agricultural commodities.

Today, the DRC has members from Canada, the United States, Mexico as well as numerous other countries.

### What is in the proposed regulations: Division 2 – Trade of Fresh Fruits and Vegetables?

#### Prohibition:

##### 26(1) It is prohibited for a person to:

- (a) **sell or negotiate the sale on another person's behalf** of any fresh fruit or vegetable that is to be exported or to be sent or conveyed **from one province to another**;
- (b) **purchase or negotiate the purchase on another person's behalf** of any fresh fruit or vegetable that is to be imported or to be sent or conveyed from one province to another;
- (c) **receive or receive on another person's behalf** any fresh fruit or vegetable that has been imported or sent or conveyed to **from one province to another**; or
- (d) **send or convey from one province to another or import or export** any fresh fruit or vegetables.

\* a person can be an individual or an organization – including an association, company and corporation; includes other recognized legal entities such as LLC, partnerships, etc.

#### Exemption – persons \*

##### (2) Subsection (1) does not apply to:

- (a) a person who is a **member in good standing of the Fruit and Vegetable Dispute Resolution Corporation**, a corporation incorporated under Part 2 of the *Canada not-for-profit Corporations Act*, as described in its bylaws;
- (b) a person **who only sells** fresh fruits or vegetables directly to consumers if that person **paid less than \$100,000 for the fresh fruits and vegetables that they sold to consumers within the previous 12 months**;
- (c) a person **who only purchases, sells or negotiates the purchase or sale on another person's behalf**, sends or conveys from one province to another or imports or exports **less than one metric ton (2 205 lb) of fresh fruits or vegetables per day**;
- (d) a person who only **sells fresh fruits and vegetables that they have grown themselves**; or
- (e) an organization that is a **registered charity** as defined in subsection 248(1) of the *Income Tax Act* or a club, society or association described in paragraph 149(1)(1) of that Act.

### Transitioning to the Safe Food for Canadians Regulations

For members of the DRC, it is business as usual and no action is required. However, if you buy, sell, import or export fresh fruits and vegetables and are not a member of the DRC, it is important to determine if you require a DRC membership.

What do I need to do?	No Action	Action Required
• I have a DRC membership	✓	
• I do not have a DRC membership and I am exempt	✓	
• I do not have a DRC membership, and I am not exempt		Prepare to secure a DRC membership prior to the coming into force of the SFCR.
• I do not have a DRC membership, and I am not sure if I am exempt		Contact the DRC Help Desk for assistance. If it is determined that you are subject to the requirement, you will need to prepare to secure a DRC membership prior to the coming into force of the SFCR.

The DRC has developed a series of self-assessment tools to assist in determining whether or not a DRC membership is needed in order to comply with the proposed new regulatory requirement:

- DRC SFCR Outreach Backgrounder
- Agent, Grower's Agent, Broker
- Farm Markets & Direct to Consumers
- Grower, Shipper, Packer
- Retail, Food Service & Restaurants
- Wholesalers & Distributors

The goal is to ensure a smooth transition to the *Safe Food for Canadians Regulations*. Members of the DRC team are available to attend events across the country to make presentations. The DRC Help Desk is also available to provide information and assist you.

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### DRC Team



- Back (L to R)** Andrea Bernier  
Luc Mougeot  
Fred Webber  
Paola Gonzalez
- Front (L to R)** Iryna Romanenko  
Dawn Hughes
- Absent** Ariadna Sánchez

DRC team members are pleased to provide services in English, French and Spanish

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### Help Desk

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#### Important note:

A DRC membership does not fulfill the regulatory requirement for a CFIA food safety licence as required in the proposed Safe Food for Canadians Regulations. Depending on the nature of an operation, both a DRC membership and a CFIA food safety licence may be required.

#### Questions related to food safety and traceability should be directed to:

**CFIA** (Safe Food for Canadians Act and Safe Food for Canadians Regulations)

[www.inspection.gc.ca](http://www.inspection.gc.ca)

**CanadaGAP®** Food Safety Program

 [info@canadagap.ca](mailto:info@canadagap.ca)  
 (613) 829-4722  
[www.canadagap.ca](http://www.canadagap.ca)



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