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November 26, 2007

All Trade Associations

Dear Sir/Madam,

Re: New Canadian Organic Regulations

For the past year, the LCBO has been validating claims relating to organic products by requiring a certificate or letter from a recognised organic certification body attesting to the organic status of the products. In the absence of pertinent Canadian organic regulations, the LCBO accepted any product as organic if it met a recognised standard.

On December 14, 2006, the federal government passed into law new Organic Products Regulations under the Canada Agricultural Products Act. These new regulations come into force December 14, 2008.

In parallel, two national organic standards entitled *Organic Production Systems General Principles & Management Standards* and *Organic Production Systems Permitted Substances List* were published by the Standards Council of Canada (SCC). These standards set out requirements for all food products sold in Canada that claim to be organic or made with organic ingredients.

To ensure compliance is achieved by the enforcement date, the LCBO will be updating its requirements for organic beverage alcohol products. All products that claim to be organic or made with organic ingredients, including Vintages and Private Orders, will be required to comply with LCBO requirements which will be based on these new federal regulations. The following highlights some of the requirements that will be implemented:

Organic Labelling

- An organic product label must state the name of the certification body/organisation that has certified the product as organic. A logo that does not name the certification body/organisation is not adequate to meet this requirement.
- The new “Canada Organic/Bioologique Canada” logo will replace several other logos claiming organic status however, its appearance on the label will be voluntary. Imported products from countries that have signed reciprocal agreements with Canada may use this new logo provided a country of origin declaration or the word “imported” appears in close proximity to it.



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- A product certified as having 70-95% organic content is required to display the statement “x% organic products” in the same field of vision as the most prominent organic claim.
- Non-certified multi-ingredient products cannot be labelled organic. However, these products will be permitted to identify organic ingredients only in the list of ingredients.
- No other statements or claims may be used to indicate a product is organic, made from organic ingredients or produced using sustainable agricultural practices.

Starting January 1, 2008 all new organic products submitted for label review will be reviewed against the Canadian standard but will not be rejected based on the above requirements. A grace period will be established for vintage dated wines up to and including 2007 vintage. All other wines, spirits and beers will be required to fully comply effective December 14, 2008.

Supporting Documentation

Any beverage alcohol product that claims to be organic or made with over 70% organic ingredients must meet the requirements of the aforementioned SCC standards. In addition, the manufacturer must supply proof that the product meets the Canadian organic standards. The LCBO will accept one of the following:

- A copy of the certificate certifying the product to the Canadian organic standard
- A copy of the certificate certifying the product to another organic standard accompanied by a letter from the certifying agency that the product meets the Canadian organic standard.
- A copy of the certificate certifying the product to another organic standard if the standard has been accepted as equivalent to the Canadian standard by CFIA. This last option depends on other nations signing reciprocal recognition agreements with Canada. At the time of writing, no such agreements have been made.

As above, a grace period will be established for vintage dated wines up to and including 2007 vintage. All other wines, spirits and beers will be required to comply effective December 14, 2008.

Sulphites, Pesticide Residues, Additives

The LCBO's QA Laboratory routinely screens organic beverage alcohol products for a number of chemical constituents that are either not permitted or only permitted at low levels. Starting January 1, 2008, products claiming to be organic will be rejected if they contain any of these constituents in excess of the levels prescribed in the SCC standards. Of particular note, the maximum allowable levels of free sulphite (FSO₂) and total sulphite (TSO₂) permitted in organic wine are 30 mg/L and 100 mg/L, respectively.



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Additional information concerning the new Canadian organic regulations and standards are available through the following links.

<http://laws.justice.gc.ca/en/SOR-2006-338> (regulations)

http://www.pwgsc.gc.ca/cgsb/on_the_net/organic/index-e.html (standards)

Sincerely,

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Vice President, Quality Assurance

- c.c. Bob Peter, President & Chief Executive Officer
Bob Downey, Senior Vice President, Sales & Marketing
Roy Ecker, Senior Vice President, Retail Operations
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