



Ottawa, October 28, 2014

Memorandum D10-14-2

Administrative Policy – Tariff Interpretation of Fresh Fruits and Vegetables for Processing

In Brief

The editing revisions made in this memorandum do not affect or change any of the existing policies or procedures.

This memorandum outlines and explains the interpretation of the words “for processing” to differentiate between imported produce destined for the fresh (table) market and imported produce destined for conversion by food processors.

Guidelines and General Information

Administrative Policy

1. Fresh fruits and vegetables must be classified under one of the tariff items mentioned below when imported by a firm engaged in the processing of fresh fruits and vegetables when the imported goods are destined for such processing.
2. The “for processing” tariff items are: 0702.00.10, 0703.10.21, 0703.10.29, 0704.90.10, 0706.90.10, 0707.00.10, 0708.10.10, 0708.20.10, 0709.20.10, 0709.51.10, 0808.20.10, 0809.10.10, 0809.20.10, 0809.30.10, 0809.40.10, 0810.10.10 and 0811.10.10.
3. For purposes of this policy the following definitions are applicable:
 - (a) “processing” means the conversion by the domestic food processing industry, of food materials from their natural state to another form or state, by reduction in size, mixing, forming, heating (including cooking), freezing, dehydrating, or any combination of these, for subsequent use as human or animal food. The product obtained by any of these processes will normally be finished by packaging in some manner, e.g., canning or bottling. However, packaging, itself, is held not to be a processing operation.
 - (b) during “conversion” various operations may take place, e.g., cleaning, separating, draining, trimming, peeling, dehusking, hulling, shelling, pitting, coring, stemming, silking, centrifuging, filtering, or extraction (by solvents or pressure).
 - (c) the “domestic food processing industry” encompasses only commercial enterprises engaged primarily in processing raw materials into prepared food by carrying out the type of operations listed in paragraph 3(b) of this memorandum.
4. The Appendix to this memorandum contains a list of the food processors registered with the Canadian Food Inspection Agency (CFIA). Shipments of bulk, fresh produce imported by a firm on this list will be considered to be “for processing”. Where doubt exists as to the status of an importer/owner, or the purpose for which an importation of fresh produce is made, Canada Border Services Agency (CBSA) officers must make appropriate enquiries to ensure correct tariff classification.

5. Importations of fresh produce fall into four categories. These are:
 - (a) pre-packaged fresh produce for immediate sale to consumers through the retail distribution system;
 - (b) bulk fresh produce for immediate sale to consumers through the retail distribution system;
 - (c) bulk fresh produce for pre-packaging prior to retail distribution; and
 - (d) bulk fresh produce for processing by processors.
6. As the act of packaging goods is not considered to be processing, only bulk fresh produce imported for processing prior to packaging, and bulk fresh produce for commercial food processors is the subject of this policy. The bulk fresh produce imported for processing will have one or more of the following characteristics and may be identified for tariff classification purposes on the basis of these characteristics:
 - (a) fresh produce for processing may be of a different variety, grade or size from that normally supplied for fresh table use;
 - (b) crops for processing do not normally undergo the careful, expensive methods of harvesting or preparation for market that typify crops destined for the fresh (table) market. For example, they may require washing, separation of leaves, twigs, dirt, etc.;
 - (c) farm costs and costs at the wholesale or import levels are usually less than the costs for fresh table products;
 - (d) fresh produce for processing is normally transported in bulk, directly from grower to processor.

Procedures

7. CBSA officers should visually examine shipments of fresh produce to verify whether the importation consists of fresh table produce or produce for processing. In their examination, CBSA officers should keep in mind the criteria in paragraph 6 of this memorandum and the status of the importer.
8. Special attention should be given to shipments of fresh produce imported by food processors where these goods are inadvertently accounted for on a duty free basis. This may occur, for example, during the off-season when seasonal duty is not applicable to fresh produce for the table market, and these goods may erroneously be accounted for on a duty free basis under a tariff item providing for “other” instead of under the “for processing” item.
9. Conversely, when seasonal tariff items are in effect, CBSA officers must ensure that fresh produce destined for the fresh table market is classified under the appropriate tariff item.
10. The subject tariff items which contain a provision “for processing”, are end-use in nature. Due to the CBSA policy that fresh produce imported by processors for processing must be entered under these tariff items, end-use documentation at the time of accounting is not required.
11. Where, for example, bulk fresh produce is imported by other than those engaged in the domestic food processing industry, and, accordingly, has been classified under an “other” tariff item, the CBSA is prepared to review claims for refund within four years of the date of accounting should the goods be diverted to a food processor for processing. Such claims must be supported by documentary evidence (bill of lading, shipping instructions, purchase orders, etc.) that the actual shipment for which refund is claimed was, in fact, diverted to a domestic food processor for processing.

Additional Information

12. The subject tariff items supersede those in the former Customs Tariff (R.S.C. 1970, c. C-41), which were the result of the Tariff Board Reference No. 152, Fresh and Processed Fruits and Vegetables. In its report, the Board recommended for inclusion in the [Customs Tariff](#) a separate classification for certain types of fresh fruits and vegetables when for processing by the domestic food processing industry. In order to assist in determining the tariff classification of this produce, certain comments of the Tariff Board are summarized in paragraphs 5 and 6 of this memorandum.

13. For more information, within Canada call the Border Information Service at **1-800-461-9999**. From outside Canada call 204-983-3500 or 506-636-5064. Long distance charges will apply. Agents are available Monday to Friday (08:00 – 16:00 local time/except holidays). TTY is also available within Canada: **1-866-335-3237**.

Appendix

| Name and Address | CFIA Registration Number |
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| Aylmer Tomato Company Inc., also known as: Del Monte Canada Inc. | 1 |
| Maison Russet Inc. (also doing business as Russet House Inc.) | 3 |
| Dennis Horseradish Inc. | 4 |
| Cherry Country Connections Inc. | 5 |
| P.O.G. Inc. | 8 |
| Niagara Harvest Ltd. | 9 |
| Usine de congélation St-Bruno Inc. (St-Félicien) | 10 |
| Joriki Inc. | 11 |
| Canneberges Atoka Inc. / Atoka Cranberries Inc. | 12 |
| Perfect Taste Limited | 13 |
| Delta Beverages Inc. | 14 |
| Michel St-Arneault Inc. | 15 |
| Harvest PAC Products Inc. | 16 |
| Cross Creek Orchards | 17 |
| Harbour International Limited | 18 |
| Granite Town Farms Ltd. | 19 |
| PEI Juice Works Ltd. | 20 |
| Usine de congélation St-Bruno Inc. | 21 |
| 6317383 Canada Inc. (also known as Nature's Touch Frozen Foods / Les aliments congelés nature's touch) | 24 |
| Caldwell Bio Fermentation Canada Inc. | 25 |
| Apex Food Source | 26 |
| John and Claudia Jaques | 27 |
| 3886298 Canada Inc. (Newport) | 28 |
| Cavendish Farms Corporation / Les Fermes Cavendish Incorporée | 29 |
| FooDelicious (Ontario) | 30 |
| Keybrand Foods Inc. (also doing business as Johnston's Homestyle Products) | 37 |
| CanWest Farms Ltd. | 39 |
| Skjodt-Barrett Contract Packaging Inc. | 40 |
| Lassonde Western Canada A Division of Lassonde Inc. | 41 |
| Ravine Foods Inc. | 42 |
| Lassonde Beverages Canada / Division A. Lassonde Inc. | 43 |
| Versacold Logistics Canada Inc. / Logistique Versacold Canada Inc. | 44 |
| Countryside Cannery Co. Ltd. | 45 |
| Monfitello Inc. | 46 |
| Jema International Food Products Inc. | 47 |

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| Skjodt-Barrett Foods Inc. | 49 |
| Aliments Alasko Inc. | 52 |
| Damon Industries (Canada) Ltd. (also doing business as Orchard County Juice Company) | 54 |
| Campbell Company of Canada | 55 |
| H. J. Heinz Co. of Canada Ltd. | 57 |
| Nation Wide Canning Ltd. | 59 |
| Webster Farms Limited | 61 |
| Simplot Canada (II) Limited | 62 |
| Meadow Berry Farms Ltd. | 64 |
| Abbotsford Growers Cooperative | 66 |
| Summerland Sweets Ltd. | 67 |
| Norfolk Cherry Company Limited | 68 |
| Lakeview Vegetable Processing Inc. | 71 |
| Coca Cola Refreshments Canada Company | 72 |
| 606143 N.B. Inc. (Les aliments de la Péninsule Ltée / Peninsula Foods Ltd.) | 73 |
| Produits Alimentaires Berthelet Inc. | 75 |
| Bonduelle Ontario Inc. (Ingersoll) | 79 |
| W.T. Lynch Foods Ltd. | 80 |
| McCain Foods (Canada) | 81 |
| Usine de congélation de St-Bruno Inc. (St-Bruno) | 82 |
| Fruition Fruits & Fills | 83 |
| Little Burnt Farms | 84 |
| Aliments Putters Inc. | 88 |
| Can-Pacific Farms Inc. | 90 |
| Weil's Food Processing Ltd. | 93 |
| Last Mountain Berry Farms Inc. | 94 |
| Ferme C.M.J.I. Robert Inc. | 95 |
| Joriki Inc. | 97 |
| Lounsbury Foods Ltd. (also doing business as Cedarvale Food Products) | 98 |
| Atlantic Mist Cranberries Inc. | 99 |
| Louis Dreyfus Canada Ltd. | 100 |
| Protenergy Natural Foods Corp. | 102 |
| Versacold Logistics Canada Inc. / Logistique Versacold Canada Inc. | 103 |
| The Dark Tickle Co. | 104 |
| Unico Inc. | 105 |
| Lucerne Foods (Division of Canada Safeway Limited) | 106 |
| Indian Bay Frozen Foods Inc. | 107 |
| Imperial Flavours Inc. | 110 |
| Honey Bunny Inc. | 111 |
| E.D. Smith Foods, Ltd. | 112 |
| Purity Factories Limited | 113 |
| Versacold Group Services ULC | 115 |
| Les Produits Tapp Inc. | 116 |
| Rubicon Food Products Limited | 117 |

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| McCain Foods (Canada), A Division of McCain Foods Limited | 118 |
| Sprague Foods Limited | 119 |
| Bonduelle Ontario Inc. (Tecumseh) | 129 |
| Nestle Canada Inc. (also doing business as Nestle Professional Vitality) | 131 |
| Sun-Brite Canning Ltd. (also doing business as Sun-Brite Foods Inc.) | 132 |
| Reserved – Southcoast IQF Inc. Valid November 19, 2013 (Varley) | 140 |
| Baxters Canada Inc. | 142 |
| Local Saunders Family Farm | 149 |
| Valley Select Foods Inc. | 150 |
| Feature Foods International Inc. | 152 |
| Knol Farms Limited | 161 |
| Four Oaks Investments Ltd. (also doing business as Riverbend Plantation) | 162 |
| Nect'Art de Fleurs Inc. | 165 |
| Sun Glow Food Service Limited | 168 |
| McCain Foods (Canada) Ltd. | 169 |
| Pacific Coast Fruit Products Ltd. | 171 |
| Bonduelle Canada Inc. | 174 |
| Bakemark Ingredients Canada Limited | 175 |
| Fruitful Adventure A Prairie Orchard | 178 |
| Fireside Kitchen | 181 |
| Berryhill Foods Inc. | 185 |
| Narang Farms & Processors Limited | 186 |
| Aliments Cibona Foods Inc. | 188 |
| Les Produits S & G Products Inc. | 191 |
| Purewal Blueberry Farms Ltd. | 192 |
| The National Agri-Food Technology Centre / Food Development Centre | 193 |
| Wing Hing Lung Ltd. (also doing business as Wing's Food Products) | 195 |
| Kurtz Orchards Foods Inc. | 196 |
| Les Aliments Krinos Foods Canada Ltd. / ltée | 197 |
| Celtrade Canada Inc. | 204 |
| Mukhtiar And Sons Packers Limited | 207 |
| Jasper Wyman & Son Canada Inc. | 209 |
| Pacific Canadian Fruit Packers Inc. | 211 |
| Les Vergers Leahy Inc. | 214 |
| Clover Leaf Cheese Ltd. | 217 |
| Kahlon Farms Ltd. | 220 |
| Triple Crown Packers Ltd. | 222 |
| Pepsico Beverages Canada (formerly The Pepsi Bottling Group (Canada) Co.) | 224 |
| Bonduelle Canada Inc. | 225 |
| Sandel Foods Inc. | 230 |
| Miinan Incorporated | 231 |
| Elman's Food Products Ltd. | 233 |
| Bonduelle Ontario Inc. (Strathroy) | 234 |
| A & P Fruit Growers Ltd. | 235 |

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| Graham's Groves | 236 |
| Forteau Food Processors Limited (also doing business as Labrador Preserves Co.) | 237 |
| Oliver Olives Inc. | 239 |
| Leading Brands of Canada Inc. | 241 |
| 9002-2120 Québec Inc. (also doing business as Les Moûts de P.O.M.) | 246 |
| Bassano Growers Ltd. | 247 |
| Mountain Spring Juices Ltd. | 249 |
| Les Aliments Livabec Foods Inc. | 250 |
| Mondiv (Division de Spécialités Lassonde Inc.) / Mondiv (Division of Lassonde Specialities Inc.) | 251 |
| Lamb Weston, A Division of ConAgra Limited | 254 |
| Aliments Ouimet-Cordon Bleu Inc. / Ouimet-Cordon Bleu Foods inc. | 265 |
| The Minute Maid Company Canada | 266 |
| Sun-Rype Products Limited | 276 |
| Sun Pac Foods Limited | 282 |
| Fraser Valley Packers Inc. | 283 |
| Alberta Agriculture & Rural Development | 284 |
| Green Grove Foods Corp. (previously Power Packaging / A Division of Exel) | 286 |
| Ya Ya Foods Corp. | 288 |
| McCain Foods (Canada) (also doing business as McCain Foods Limited) | 289 |
| KD Cannery Inc. | 290 |
| B.C. Frozen Foods Ltd. | 292 |
| Fruit d'Or Inc. | 294 |
| Wing's Foods of Alberta Ltd | 295 |
| Fruit d'Or Inc. | 296 |
| The Saskatchewan Food Industry Development Centre Inc. (also doing business as The Food Centre) | 297 |
| Lakeside Packing Co. Ltd. | 299 |
| Cavendish Farms Corporation (also doing business as Cavendish Appetizers) | 300 |
| Gladwin Farms Ltd. | 303 |
| Prairie Berries Inc. | 304 |
| Bleuets Mistassini Ltée | 306 |
| Westberry Farms Ltd. | 307 |
| Rootham's Gourmet Preserves | 310 |
| Crofters Foods Ltd. | 311 |
| GERI Partnership (also doing business as Golden Eagle Blueberry Farm) | 312 |
| Oxford Frozen Foods Limited | 315 |
| Les Aliments Whyte's Inc. (St-Louis) | 316 |
| Les Entreprises Marie Louise Molhan Inc. (also doing business as Les Caprices de Maribou) | 317 |
| Huron-Sands Motel & Dining Room Limited | 327 |
| Earth's Own Food Company | 328 |
| Oxford Frozen Foods Limited | 334 |
| Oxford Frozen Foods Limited | 335 |
| Rainbow Farms Limited | 341 |

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| Aliments Original, Division Montréal (2002) Inc. | 342 |
| McCain Foods(Canada), A Division of McCain Foods Limited | 345 |
| Bonduelle Canada Inc. | 370 |
| CLIC International Inc. Faisant aussi affaires sous: Ramico Foods Inc. | 375 |
| Bremner Foods Ltd | 388 |
| La Maison Bergevin Inc. | 400 |
| Pied-Mont Dora Inc. | 532 |
| Golden Town Apple Products Ltd. Division of A.Lassonde Inc. | 535 |
| A. Lassonde Inc. / Aliments Mont-Rouge | 538 |
| A. Lassonde Inc. (Siège social & usine) | 539 |
| Abbotsford Growers Cooperative Union | 543 |
| Select Food Products Ltd. | 571 |
| Hillaton Foods Limited | 609 |
| McCain Foods(Canada), A Division of McCain Foods Limited | 635 |
| Les Aliments Whyte's Inc. (Laval) | 638 |
| Great Valley Juices, Division of A. Lassonde Inc. | 652 |
| Greaves Jams & Marmalades Ltd. | 656 |
| Reinhart Foods Limited/ Aliments Reinhart Ltee | 673 |
| Kraft Canada Inc.(Montréal) | 683 |
| Pacific Coast Fruit Products Ltd. | 688 |
| Thomas Canning (Maidstone) Ltd. | 691 |
| Bonduelle Canada Inc. | 695 |
| Forest Hills Farms | 700 |
| Cavendish Farms Corporation | 703 |
| Lucerne Foods (A Division of Canada Safeway Limited) | 711 |
| Smucker Foods of Canada Corp. / Corp. de Produits Alimentaires Smucker du Canada | 720 |
| Snowcrest Foods Limited | 734 |
| Lucerne Foods, A Division of Canada Safeway Limited | 736 |
| Spécialités Lassonde Specialties Inc. | 776 |
| Cherry Lane Frozen Fruits 915690 Ontario Inc. | 783 |
| S. Gumpert Co. of Canada Ltd. | 787 |
| Millen Farms Limited | 900 |
| Coastwise Processors Inc. | 920 |
| Sunrise Juices Ltd. | 930 |
| Matt & Steve's Tasty Beverage Co. 1426828 Ontario Inc. | 940 |
| Terra Beata Farms Ltd. | 941 |
| Driediger Farms Ltd. (also doing business as Blueridge Produce) | 942 |
| Bleuets Sauvages du Nord Inc. | 944 |
| Perfect Berries Limited | 945 |
| Nutra-Fruit Inc | 947 |
| Vergers Paul Jodoin Inc. | 948 |
| South Alder Farms Ltd. | 950 |
| M&M Garlic | 954 |
| Kerry (Canada) Inc. | 2250 |

| References | |
|--------------------------------|---|
| Issuing Office | Trade and Anti-dumping Programs Directorate |
| Headquarters File | HS0702.00-0, HS0703.10-0, HS0704.90-0, HS0706.90-0, HS0707.00-0, HS0708.10-0, HS0708.20-0, HS0709.20-0, HS0709.51-0, HS0808.20-0, HS0809.10-0, HS0809.20-0, HS0809.30-0, HS0809.40-0, HS0810.10-0 and HS0811.10-0 |
| Legislative References | <u>Customs Tariff</u> former Customs Tariff (R.S.C. 1970, c. C-41) |
| Other References | N/A |
| Superseded Memorandum D | D10-14-2 dated May 30, 1988 |