

## 30 Marketing Regulations Resource Kit for Nova Scotia Farmers

There are two types of marketing regulations in Canada, orderly marketing regulations and packaging, grading and labelling regulations. The first set of regulations is a provincial jurisdiction while the second set is a federal jurisdiction.

### **Orderly Marketing**

Orderly marketing is a hallmark of Canada's agricultural industry and takes two forms: supply management and single desk marketing. Supply management is a system where farmers manage the most accurate balance between supply and demand. Production is managed to meet as close as possible forecasts of demand. Single desk selling is a system that is used among farmers of the same commodity so that they can receive a fair price and buyers of that commodity have a single source for production.

### **Supply Management**

Canada's dairy, turkey, chicken and table egg and hatching egg industries are regulated by supply management systems. Managing supply is more complex in agriculture than in other industries, primarily because of the large number of production units and the perishability of the end product. Producers in a supply managed system agree to provide the market with quality products in sufficient quantities not produce surpluses. Producers operate under a quota system, where each producer supplies a share of the market. If there are surpluses, producers support the cost of dealing with them. In addition, the federal government limits imported products to ensure Canadian market requirements are primarily met by Canadian production. The final part of the system is the regulatory mechanisms that enable producers to receive prices that guarantee a reasonable rate of return and normally do not require public subsidies.

The supply management system in Canada was adopted in the 1970s to address the unstable prices, unpredictable supplies and wildly fluctuating producer and processor revenues of the earlier years. Because quota must be purchased in order to market cow's milk, chicken, eggs and turkey, the initial cost of entering these commodities is high. However, the supply managed commodities are generally stable, enable producers to receive

prices that guarantee a reasonable rate of return and normally do not require public subsidies. Canada's supply management system has ensured the viability of the dairy, chicken, turkey, table egg and hatching egg industries.

In Nova Scotia, provincial marketing boards for supply managed commodities are overseen by the Natural Products Marketing Council, which administers the [Natural Products Marketing Act](#) and the [Dairy Industry Act](#). In addition to managing quota for larger-scale producers, the chicken and turkey marketing boards issue licenses for free-range producers and inspect their farms. For more information on marketing boards, licenses and quota requirements for egg, chicken, turkey and dairy (cow's milk), see Appendix 2 of the [Guide for Beginning Farmers in Nova Scotia](#) or contact the appropriate marketing board (see Appendix 1 of the Guide for Beginning Farmers in Nova Scotia for contact information).

### **Single-Desk Marketing**

In addition to supply-managed production, some other commodities also have commodity boards. These commodity boards (also called marketing boards) are created through provincial legislation. In some cases they coordinate the marketing of farm products within a province. This means that the commodity board negotiates price with the buyers of product and then sources the product from the producers. They receive a levy from the producers for this service. All producers of regulated commodities fall under the rules of the marketing Boards unless they produce a small enough amount to be exempt.

For more information on marketing regulations in Nova Scotia, contact the [Natural Products Marketing Council](#) at (902) 893-5943 or PO Box 550, Truro, NS, B2N 5E3.

### **Packaging, Labeling and Grading Regulations**

There are other regulations regarding the marketing of fresh and processed farm products that are enforced by the Canadian Food Inspection Agency. These regulations include standards for grading, packaging and labelling. Basic labelling requirements for all foods are prescribed in the Food and Drug Regulations. These are: Common name, ingredient list, name and address of responsible party, a best-before date (when fewer than 90 days) and nutrition facts table (if the product is sold by someone other than the

person who produced the product). Additionally the Consumer Packaging and Labelling regulations prescribe the labeling of net weight on the label. The [Food Labelling and Advertising](#) page on the Canadian Food Inspection Agency website is a good reference for designing a label for most products including developing a nutrition facts table and making any claims to help promote your product. With the exception of fresh fruit and vegetables, which can be sold without some of this mandatory information, this applies to all food that is produced and sold in Nova Scotia. Once a product crosses a provincial or federal border then additional requirements must be met on the label.

### **Fresh Produce**

Unpackaged fresh produce (fruits and vegetables) that is produced and sold in Nova Scotia does not need to be labeled. Produce that is pre-packaged for the consumer (wrapped, bagged or boxed) must be labeled with the common name of the product if the product is not visible through the package, the grade designation if the product is one of the 31 products in Canada that has a grade standard in the Fresh Fruit and Vegetable regulations, the name and address of the grower, and the net weight of the product and the country of origin. There are commodity specific requirements for products like apples, potatoes, asparagus and peaches, which include naming the variety and size. These requirements can be found outlined on the Canada Food Inspection Agency website at: <http://www.inspection.gc.ca/english/fssa/frefra/quale.shtml>

When prepackaged, 31 of the most common fruits and vegetables grown and sold in Canada must be labeled with a grade designation and must meet the standards associated with that grade. The grade names are different for different types of produce, for example, apples may be graded as extra fancy, fancy or commercial; carrots as Canada No. 1 or Canada No. 2 if tops have been removed. However, most fruits and vegetables are graded as Canada No. 1 and Canada No. 2. For the grade names and descriptions that apply to the different kinds of fresh produce produced in Canada, look up the product in the commodity manuals found at the web site noted above. If the product you are looking for is not listed, then there are no grade requirements and your labeling will be limited to the common name of the product, the name and address of the grower and the net weight of the package.

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### Maple Products

For additional requirements related to the packaging, grading and labeling of maple products that are intended to be sold outside the province, see the [Maple Product Regulations](#) or chapter 13 of the [Guide to Food Labelling and Advertising](#). Otherwise, only the basic labeling requirements described above are needed.

### Honey Products

For additional requirements related to the packaging, grading and labeling of honey products that are intended to be sold outside the province, see the [Honey Regulations](#) or Chapter 12 of the [Guide to Food Labelling and Advertising](#). Otherwise, only the basic labeling requirements described above are needed.

### Processed Products

For additional requirements related to packaging, grading and labeling of processed fruit and vegetable products that are intended to be sold outside the province, see the [Processed Products Regulations](#), or Chapter 11 of the [Guide to Food Labelling and Advertising](#). Otherwise, only the basic labeling requirements described above are needed.

### Shell Eggs

Eggs sold to restaurants or in any retail establishment have to be graded in a federally registered grading station but there are provisions for eggs to be sold at farm gate and at seasonal farmers markets by the producer without grading. The basic labeling requirements must be met except that foods sold directly to a consumer by the person who produced that product do not need to carry a nutrition facts table. For eggs intended to be sold to retail establishments, restaurants or outside the province, see the [NS Regulations Respecting the Grading, Packing, Marking, Inspection, Advertising and Sale of Eggs](#) or the [Egg Regulations](#) on the Canada Food Inspection Agency web site.

### Meat

Grading and labeling of meat is done at the abattoir or at the retail establishment where the meat is sold. For more information, see the [Livestock and Poultry Carcass Grading Regulations](#).

For more information, contact the Canadian Food Inspection Agency:

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Tel: (902) 426-2110  
Fax: (902) 426-4844  
Web: [www.inspection.gc.ca](http://www.inspection.gc.ca)

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