



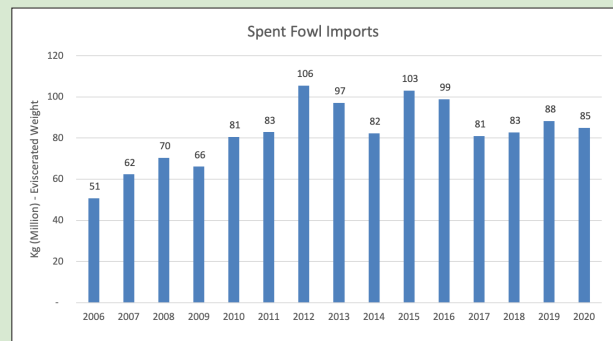
Imports of broiler meat mislabelled as spent fowl must be stopped

THE ISSUE

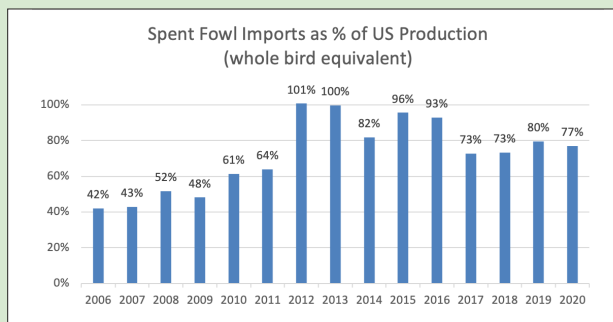
Chicken meat is being fraudulently declared as spent fowl in order to bypass import controls, taking jobs and revenue away from the Canadian economy, and putting Canadian consumers at risk due to broken traceability within the food system.

- » Spent fowl are egg-laying hens that, having reached the end of their production cycle, are then processed for their meat. They are a by-product of egg and hatching egg production.
- » Canada imports both broiler and spent fowl meat. While there are import limitations on broiler meat, there are no restrictions on spent fowl imports, and those coming from the U.S. enter into Canada duty free.
- » Realizing that it is impossible to visually distinguish between the two products, some importers have been purposely mislabelling broiler chicken meat as spent fowl in order to circumvent import controls.
- » When the situation first became apparent in 2012, Canada was importing the equivalent of 101% of the United States' entire spent fowl production. This is of course impossible, and can only be explained by import fraud.
- » Despite some fluctuation in the level of imports since 2012, the proportion of Canadian imports to U.S. production remains unrealistically high. Canadian imports still represent 80% of U.S. production, despite the fact that according to U.S. data, their main export market is Mexico.

- » Based on our estimates, any imports above 60 MKg deserve close scrutiny. Current estimates are that 29% of Canada's spent fowl imports is actually mislabelled broiler meat.



Source: AAFC, 2020, compilation by CFC



Source: AAFC, 2020, compilation by CFC

- » The Canadian Food Inspection Agency (CFIA) suspension of a U.S. cold storage establishment in August 2016 resulted in a decline in imports. The immediate nature of the drop in imports following the suspension is further evidence of fraudulent behaviour.
- » At the height of the illegal imports, Canada lost 1,400 jobs, \$105 million in contributions to the economy, \$35 million in taxes and at least \$66 million in government revenues per year due to tariff evasion.
- » The fraudulent imports have also put Canadian consumers at risk due to broken food system traceability, which undermines food safety. If there were to be a chicken meat-related food safety recall in the U.S., broiler meat imported from there that was purposely mislabelled would not be captured by the CFIA's recall efforts, and could result in cases of serious illness in Canada.

THE SOLUTION

- » In 2014, with financial support from Chicken Farmers of Canada, Trent University successfully developed a forensic DNA test that can verify whether a given product contains chicken, spent fowl or a combination of the two.
- » In order to put an end to ongoing import fraud and ensure this activity does not take place in the future, the Government of Canada must

- incorporate the DNA test as a means of import verification for spent fowl meat. This would prevent fraudulent imports, while creating jobs, and reinforcing the safety of the Canadian food system.
- » The United States Fowl Council is supportive of measures that prevent the mislabelling of broiler meat as spent fowl, as they also stand to lose from these illegal practices.