



North American commercial clearance and Japanese import clearance. Environmental field testing should not be required for genetically modified varieties which are intended only for processing in Japan, particularly when these traits have already undergone environmental field testing in other varieties of the same species.

In addition, as is already the case with the feed and environmental approval processes, the food safety approval process should not distinguish between the subspecies "Brassica Napus" and "Brassica Rapa". Efforts to persuade Japan of this basis for approval will continue.

Labelling of Food Products Containing Genetically Modified Organisms (GMO)

Like Canada, Japan proposes mandatory labelling for GMO foods that have undergone a significant change in nutritional composition or that present a health concern for a segment of the population. However, mandatory labelling is also being considered for: a) GMO food which may contain GMO-DNA or protein, and are "substantially equivalent" in use, composition or nutritional value to "conventional" food products; and b) foods where there may be "ethical concerns" such as the insertion of an animal gene in a plant product.

Labelling statements such as "contains GMO", "not segregated" and "GMO free" are being considered for the different mandatory or voluntary labelling options. Such statements have the potential to convey misinformation about safety of the GMO food products which are "substantially equivalent" to "conventional" ones. Canada has provided Japan with a response to its proposal for mandatory labelling and expressed concerns with: a) the unclear rationale for the identification of protein and DNA resulting from genetic modification through a mandatory labelling approach; b) difficulties in ensuring and enforcing compliance; and c) the likelihood that the Japanese labelling scheme would not provide consumers with meaningful information on foods and food ingredients derived from biotechnology.

Canada will continue to follow the issue closely to ensure that access for safe and sanitary Canadian foodstuffs is preserved.

Variety-specific Testing of Certain Imported Fruits and Vegetables

Japan requires that certain fruits and vegetables which may be a host to quarantine pests, such as apples and tomatoes, be approved for importation on a variety-specific basis. The scientific basis for such an approach is questionable. In addition, variety-specific testing is expensive, and delays the early introduction of new varieties into the marketplace as they are developed. This is particularly problematic for commercially grown tomatoes, as new and improved varieties are constantly being developed for commercial use. For example, after seven years of bilateral discussion and testing, Japan removed the ban on imports of seven varieties of Canadian tomatoes in September 1996. Of these seven varieties, only one is currently in commercial production.

In June 1998, Canada presented to the Japanese government all of the requisite scientific technical data for five new varieties but has still not received final approval for trade. While pressing for the approval of these five additional varieties under the current system, Canada is asking Japan to eliminate this requirement for new tomato varieties.

Dairy Genetics Subsidy Program

In mid-1998, Japan introduced a program to subsidize the use of semen from proven dairy bulls to encourage Japanese farmers to improve the dairy traits of their animals. Initially the subsidy was only applicable to semen from Japanese domestic bulls however after foreign intervention the Ministry of Agriculture, Forestry and Fisheries (MAFF) revised the listing of approved sires to include some foreign sires and made the subsidy measures retroactive to July 1998.

The revised list includes a total of 67 sires including 19 foreign sires of which five are Canadian. Canadian industry will effectively be excluded from the program as these five listed bulls are either outdated or dead, which indicates a flawed Japanese selection process. In contrast, in free market conditions, where the breeder chooses the semen based on desired genetic traits Canada enjoys a 23 percent share of the Japanese import market.

Canada would prefer that this program not be extended past March 1999. If it is, Canada continues