General

Canada does not have standards for butter oil and anhydrous milk fat. Only small quantities are produced and then for specific purposes. Standards which are generally agreed upon are those proposed in the Code of Principles Concerning Milk and Milk Products which Canada is likely to accept.

I. Definition of products

1. Although without standards, we agree that the products should be defined as being produced exclusively from butter or cream and resulting from the removal of practically the entire water and solids-not-fat content.

2. Canada would recognize the standards established by the Code for exports and imports (imports are under import control).

II. Production and utilization

1. Products are made from both butter and cream. The final use does not establish the process.

2. No.

3. Produced only on special order. Yearly production figures are not available. Yearly production capability is in the millions of pounds.

4. Potential uses are as listed in the questionnaire.

III. Marketing and trade

1. Packing may be done in metal containers, polyethylene pouches, plastic tubes, etc. Intended use only affects packaging depending on whether the product is for commercial or direct consumer use. Packaging costs vary depending on the use as above.

   If packed in hermetically sealed cans, products have an indefinite storage life, otherwise the product should be stored under cool temperatures: antioxidants are not permitted in these products.

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2. Canada does not export these products and none are permitted to be imported. Domestically, the products are not subject to sales or excise taxes.

3. Sales are made through private channels and prices are not regulated.

IV. Substitution of AMF/butter oil

(a) 1. Generally vegetable and animal fats are used for cooking mainly on account of the high cost of butter oil.

2. The mixing of butterfat with animal or vegetable fats is not permitted under Canadian law.

(b) 1. No.

2. With butter at 75 cents per pound retail butter oil would be deemed competitive at 95 cents to $1 per pound.