



News Release

For immediate release

CANADA'S NEW GOVERNMENT INVESTS \$721,000 IN NATURAL HEALTH PRODUCTS

OTTAWA, June 5, 2007 – The Honourable Chuck Strahl, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, today announced a \$721,000 investment in the Nutri-Net Canada Project to help expand market opportunities for the Canadian functional foods and natural health products industry.

Natural health products include supplements which, in many cases, are made from traditional or specialty crops, seafood and aquaculture. Functional foods are similar in appearance to, or are conventional foods, that have benefits and can help to reduce the risk of chronic disease.

“Consumers today are becoming more interested in extra nutritional benefits in their food staples, such as cereals, eggs, juice and bread. This is great news for the Canadian agri-food industry and Canadian farmers as this industry grows,” said Minister Strahl. “Canada’s New Government is proud to provide an investment that will help to boost market opportunities for Canadian farmers in the natural health product industry.”

Through case studies, regional and national workshops and conferences, and a nation-wide industry networking website the project will provide an in-depth understanding of the sector and lay a solid foundation for building a sustainable national network of the Canadian functional food and natural health products industry. More importantly, the Nutri-Net Canada Project will bring together public and private sector stakeholders from across Canada to develop a national strategy and action plan for accelerating the growth of the Canadian functional food and natural health products industry.

The project is administered by the Canadian Health Food Association (CHFA) on behalf of the coalition of functional food and natural health products organizations known as Nutri-Net Canada. Members of the Nutri-Net Canada Steering Committee include representatives of organizations and institutions supported by the governments of British Columbia, Saskatchewan, Ontario, Quebec and New Brunswick. In addition to AAFC funds, the project will receive over \$900,000 in financial and in-kind contributions from industry, bringing the total budget for all activities to over \$1.6 million.

“As Canada’s largest not for profit trade association representing the interests of hundreds of health food and natural health product suppliers and retailers across Canada, the CHFA is pleased to be involved in this important initiative that will ultimately enhance consumer understanding and choice of functional foods and natural health products,” said CHFA Vice President, Anne Wilkie. “We are extremely grateful for Agriculture and Agri-Food Canada’s enabling support.”



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AAFC funding for this projects falls under the Agricultural Policy Framework (APF), Science and Innovation Broker Program. The APF is a federal-provincial-territorial initiative that aims to position Canada as the world leader in food safety, innovation and environmentally responsible agricultural production.

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BACKGROUND

Nutri-Net Canada, a collaborative initiative among industry and trade associations, institutions and provincial government organizations, aims to promote the development of a knowledge-based, value-added industry dedicated to improving the nutrition, health and well-being of Canadians.

Led by the Canadian Health Food Association (CHFA), Nutri-Net Canada will oversee and coordinate a series of studies and conferences in 2007/2008 as an input to the development of national functional food/natural health product (FFNHP) sector strategy. The strategy will define the scope of the industry, outline short and long term goals and how to achieve them, increase the participation of the traditional food industry, and increase the participation of the health community.

The initiative focuses on accelerating investment in and growth of the Canadian FFNHP sector and positioning it favourably in the global marketplace, while contributing to better nutrition and the health of Canadians.

The Canadian FFNHP Industry

There are at least 24 industry organizations or agencies working directly with and for the FFNHP sector in all regions of Canada. Generally, Canadian firms are still in the developmental stages; however, an increasing number of Canadian companies have met market success and boast global recognition and leadership. The feedstock for this emerging sector comes from agricultural and horticultural production, aquaculture and the marine fishery.

There is a trend towards the growth of products and ingredients based in science to provide consumers with food products with a proven added health benefit. Indeed, natural health products are one of the fastest growing product categories in Canada which by 2005 had reached over \$2.5 billion in retail sales in Canada generating employment of over 25,000 Canadians. These figures do not include the additional economic contribution of functional food value chains.

The Nutri-Net Canada Steering Committee includes representatives of:

- Advanced Food & Materials Network (Canada's National Centre for Excellence in this area);
- Ag-West Bio Inc.;
- British Columbia/Alberta Functional Food & Nutraceutical Network;
- BioAtlantech;
- Canadian Health Food Association;
- Canadian Herb, Spice and Natural Health Product Coalition;
- Centre Québécois de Valorisation des Biotechnologies;
- Institute of Agri-Food Policy Innovation;
- MaRS Landing;
- Natural Health Product Research Society of Canada;
- Wellness West.