



FLAX COUNCIL OF CANADA

GMO Flax Update 20 January 2010

The Flax Council of Canada issues regular GMO Flax Updates to keep producers and industry informed on the actions being taken to resolve the current GMO flax issue.

Canadian Flax in the Brazilian Marketplace

Since November 4, 2009, Government of Brazil has ordered the mandatory holding and testing of all flax shipments entering Brazil from Canada prior to release. All testing is done in Brazil by Eurofins Laboratory, the only laboratory accredited to date by Brazilian authorities to perform testing.

To date, several containers have tested positive for traces of FP967 (CDC Triffid), a genetically modified (GM) variety of flax. Due to Brazil's zero tolerance level for non approved GM products, these shipments have been halted at the border by the Ministry of Agriculture authorities. All detained shipments will, at the discretion of the importer, either be destroyed or returned to the importer for re-export. Flax importers/exporters are responsible for all administrative and storage costs.

Brazilian authorities, in consultation with representatives from the Government of Canada, have confirmed that they will accept requests for re-testing. However, new testing will be done on the same samples and at the Eurofins Laboratory. Costs will be the responsibility of the importer/exporter. Canadian exporters should be aware of the potential risk in exporting to Brazil and that all shipments will be tested upon arrival, regardless of any testing abroad. Shipments will not be released until testing is completed and all shipments tested positive in Brazil will be seized.

Before exporting to Brazil, Canadian flax exporters must take into consideration Brazilian requirements and ensure that the product is compliant with the Brazilian zero tolerance policy for non-approved GM products.

