



Memorandum D10-14-69

Ottawa, April 25, 2017

Administrative Policy – Interpretation of the Term “For Processing” as found in the Chapters 1 to 21 and Tariff Item 9907.00.00.

In Brief

This memorandum outlines and explains the interpretation of the term “for processing”, as they appear in Chapters 1 to 21 and tariff item 9907.00.00 of the [Customs Tariff](#). This memorandum replaces D10-14-2, *Administrative Policy – Tariff Interpretation of Fresh Fruits and Vegetables for Processing*.

Guidelines and General Information

Administrative Policy

1. The term "processing" means the conversion, by the domestic manufacturing industry, of materials from their natural, or processed, state to another form or state for subsequent use as human or animal food, nutritional supplements or cosmetics. Examples of conversion processes include; reduction in size, mixing, forming, heating (including cooking), freezing, dehydrating, cleaning, separating, draining, trimming, peeling, dehusking, hulling, shelling, pitting, coring, stemming, silking, centrifuging, filtering, or extraction (by solvents or pressure) or any combination of these.
2. Neither pasteurization nor packaging/repackaging is considered to be a processing operation.
3. The "domestic processing industry" encompasses only commercial enterprises engaged in the processing of materials into prepared human or animal food (excluding enterprises that prepare fresh food products for direct sale to a consumer), nutritional supplements or cosmetic products by carrying out the type of operation(s) listed in paragraph 1 of this memorandum.
4. Shipments of bulk goods imported by a firm engaged in the aforementioned activities will be considered to be "for processing".
5. Such goods will normally have one or more of the following characteristics:
 - (a) fresh, or frozen, goods of a different variety, grade or size from that are normally offered for retail sale directly to consumers;
 - (b) they did not undergo the careful, more expensive methods of harvesting or preparation for market that typify goods destined for direct sale to consumers; for example, they may require washing, separation of leaves, twigs, dirt, etc. before processing;
 - (c) farm cost, wholesale prices or value-for-duty is usually less than that for fresh table products; or
 - (d) they are normally transported in bulk.
6. CBSA officers may visually examine shipments of goods to verify whether the importation consists of goods for immediate sale or goods destined for processing.
7. Tariff items that contain a "for processing" provision are conditional relief tariff items. Memorandum [D11-8-5 - Conditional Relief Tariff Items](#) provides the CBSA's interpretation of such provisions. They may be claimed at

time of accounting (paragraphs 17-24 of D11-8-5) despite the required processing not having yet occurred. However, as also explained therein, an importer must be able to demonstrate that the criteria upon which conditional relief was granted has been met when requested by the CBSA (paragraphs 51-55), this applies even in the case of imported goods subsequently sold to a Canadian further processor.

Additional Information

8. Information about the retention of records may be found in [D11-8-6, Interpretation of Section 3 of the Imported Goods Records Regulations](#) and information regarding refunds may be found in [D6-2-3, Refund of Duties](#).

9. For more information, call contact the [CBSA Border Information Service](#) (BIS):

Calls within Canada & the United States (toll free): **1-800-461-9999**

Calls outside Canada & the United States (long distance charges apply):

1-204-983-3550 or 1-506-636-5064

TTY: **1-866-335-3237**

[Contact Us online](#) (webform)

[Contact Us](#) at the CBSA website

References	
Issuing Office	Trade and Anti-dumping Programs Directorate
Headquarters File	N/A
Legislative References	Customs Tariff
Other References	D6-2-3 , D11-8-5 , D11-8-6
Superseded Memorandum D	D10-14-2 dated October 28, 2014