

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 2/13/2018

GAIN Report Number: CA18013

Canada

Post: Ottawa

Canada Proposes Front-of-Package Labeling Regulations

Report Categories:

Trade Policy Monitoring

SP2 - Prevent or Resolve Barriers to Trade that Hinder

U.S. Food and Agricultural Exports

Retail Foods

Snack Foods

Approved By:

Evan Mangino, Agricultural Attaché

Prepared By:

Alexandrea Watters, Agricultural Specialist

Report Highlights:

Canada published proposed front-of-package labeling regulations on February 10, 2018. A 75-day public comment period will remain open until April 26, 2018. Canada will extend the implementation period for the revised nutrition labeling regulations to December 2022 to coincide with the proposed front-of-package labeling implementation timeline.

Key Words: CA18013, Canada, Labeling, FOP

Canada released the proposed regulations for front-of-package (FOP) labeling on February 10, 2018 in Canada Gazette, *Part I*. A 75-day public comment period is open through April 26, 2018. Health Canada is collecting consumer preferences for four proposed FOP labeling design schemes through an on-line survey over the same time period.

Health Canada also announced that a technical webinar to discuss the FOP regulations will be held on March 1, 2018; registration details will be forthcoming and should be made available on Health Canada's FOP consultation website.

Background

In response to the increasing prevalence of nutrition-related chronic disease in Canada, Health Canada began pre-consultations on FOP labeling as part of Canada's <u>Healthy Eating Strategy</u> in 2016. The aim of FOP is to quickly and easily provide consumers with relevant information as to whether a food is high in any of three nutrients of concern: saturated fat, sodium, and sugar.

Pre-consultations for FOP began in November 2016, using surveys and focus group analysis to gather data on FOP design proposals. At a <u>Stakeholder Meeting in September 2017</u>, Health Canada, industry groups, and consumer advocacy groups discussed possible thresholds for the nutrients of concern as well as products that could be exempted from regulations. The September meeting also discussed FOP labeling schemes used in other countries as well as a range of designs favored by both industry and consumer groups. See GAIN Report <u>CA17037</u> for more information on the September 2017 discussion.

According to the Government of Canada <u>Cost-Benefit Analysis</u> of the proposed regulations, the FOP label would be applied to approximately 37,600 stock keeping units (SKUs) at a weighted cost average of \$23,260 CAD per SKU. Canada projects the total cost of the FOP labeling requirement to be \$874.6 million CAD, affecting an estimated 31,154 Canadian businesses.

Final regulations would enter into force when they are published in Canada Gazette, *Part II*. Industry would have until December 14, 2022 to comply with FOP labeling regulations.

Proposed FOP Regulations

According to the proposed regulations, pre-packaged products that meet the nutrient thresholds as "high in" any of the three nutrients of concern must include an FOP label to indicate that the product is high in the nutrient of concern (see Table 1).

The proposed FOP regulations include a number of products that would be exempted, such as:

- fresh, frozen or canned vegetables or fruit without added ingredients;
- prepackaged individual portions served by a food service vendor;
- non-flavored whole and partly skimmed milk;
- whole eggs;
- sweeteners, including maple sugar and maple syrup;
- table salt and flavored salts.

A full list of proposed exemptions is available on the <u>Health Canada webpage</u> and in the <u>Canada Gazette</u>, *Part I* beginning on page 295.

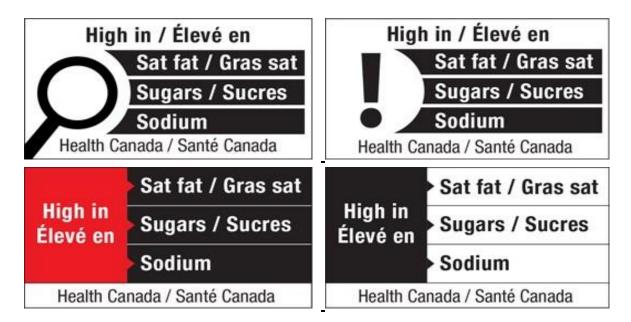
Table 1: Nutrient Thresholds Requiring FOP

Nutrient	Column 2: Threshold for prepackaged products other than those referred to in columns 3 and 4	Column 3: Threshold for prepackaged products intended solely for children one year of age or older but less than four years of age	Column 4: Threshold for prepackaged meals and main dishes with a serving of stated size of 200 g or more
Saturated fat	15% of the daily value for the sum of saturated fat and <i>trans</i> fat indicated in column 3 of Part 1 of the Table of Daily Values.	15% of the daily value for the sum of saturated fat and <i>trans</i> fat indicated in column 2 of Part 1 of the Table of Daily Values.	30% of the daily value for the sum of saturated fat and <i>trans</i> fat indicated in column 3 of Part 1 of the Table of Daily Values.
Sugars	15% of the daily value for sugars indicated in column 3 of Part 1 of the Table of Daily Values.	15% of the daily value for sugars indicated in column 2 of Part 1 of the Table of Daily Values.	30% of the daily value for sugars indicated in column 3 of Part 1 of the Table of Daily Values.
Sodium	15% of the daily value for sodium indicated in column 3 of Part 1 of the Table of Daily Values.	15% of the daily value for sodium indicated in column 2 of Part 1 of the Table of Daily Values.	30% of the daily value for sodium indicated in column 3 of Part 1 of the Table of Daily Values.

Proposed Designs

Health Canada has proposed <u>four FOP labeling designs</u> for consumer comment, based public research data and results from earlier consultations.

Figure 1: Health Canada design proposals under consultation for FOP labeling.



Formatting specifications and FOP label requirements are outlined in the proposed <u>Directory of Nutrition Symbol Formats</u>. While the final FOP label design will be incorporated directly into the Food

and Drug Regulations, the Directory of Nutrition Symbol Formats will be incorporated by reference when the final regulations are published in Canada Gazette, *Part II*.

FOP labels must be presented in one of two recognized formats:

- 1) standard format two separate FOP labels are shown (one English and one French);
- 2) bilingual standard format a single symbol with wording in both English and French.

Public Comment Submissions

Comments on the proposed regulations can be submitted via e-mail or mail to:

Email: LRM_MLR_consulations@hc-sc.gc.ca

Mail:

Bruno Rodrigue (Attention: Canada Gazette, Part I, February 10, 2018) Director, Office of Legislative and Regulatory Modernization Health Canada 11 Holland Ave, Suite 14 Ottawa, Ontario K1A 0K9