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POLICY

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Canada Moving Forward on Front of Package Labeling

Report Categories:

Trade Policy Monitoring

SP2 - Prevent or Resolve Barriers to Trade that Hinder

U.S. Food and Agricultural Exports

Retail Foods

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Report Highlights:

On August 31, 2017, Health Canada initiated the bidding process for a graphic design contract for front of package (FOP) labels. Bidding for the two year contract will close on October 10, 2017, with work to begin immediately following bid approval. Health Canada is planning to implement eventual FOP labeling requirements in 2021, alongside previously approved changes to nutritional labeling.

Keywords: Canada, CA17037, Labeling

Background

In a 2015 mandate letter to the Minister of Health, Prime Minister Justin Trudeau requested that public health be promoted, in part, by improving food labels with respect to added sugars. In October 2016, Health Canada identified objectives for creating front-of-package (FOP) labels to help Canadians make food choices, as part of the [Health Eating Strategy](#). Specifically, Health Canada identified a “need [for Canadians] to have the right tools to access, understand and use nutrition information to make healthier choices.” Three key nutrients of concern to public health were identified for FOP “high in” labels: 1) sodium, 2) sugar, and 3) saturated fat. Initial threshold proposals for mandatory labeling are based on a 15 percent daily value of the nutrient for prepackaged foods and a 30 percent daily value for prepackaged meals.

Table 1: Proposed nutrient thresholds per serving size for “high in” FOP labels

Nutrient	Prepackaged foods	Prepackaged meals
High in sodium	345mg	690mg
High in sugar	3g	6g
High in saturated fat	15g	30g

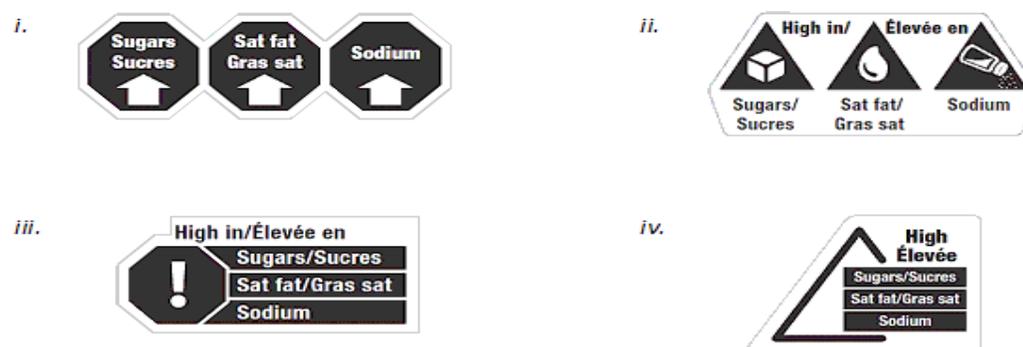
Table 2: Proposed nutrient thresholds for “high in” FOP labels for food for young Children*

Nutrient	Prepackaged foods
High in sodium	225mg
High in sugar	1.5g
High in saturated fat	7.5(8)g

* Children 1 year of age but not older than 4 years of age.

Health Canada is in the process of determining symbols for FOP labeling. Current strategies detail the use of symbols and text to quickly convey the desired message to consumers.

Figure 1: Examples of FOP "high in" symbols under consideration by Health Canada



An initial public consultation was held from November 14, 2016 to January 13, 2017. Additionally, stakeholder meetings were held with various industry groups. Health Canada has indicated that FOP label designs should be finalized in 2018.

FOP Graphics Development

Health Canada published a [tender on the Government of Canada’s procurement website](#) on August 31, 2017, seeking bids for a graphic design firm to develop FOP labels for Health Canada as well as a compendium and graphics guide to be used in outreach to the food processing industry and by FOP label designers. The tender closed on October 10, 2017 with a contract start date to immediately follow approval of the winning bid. The duration of activities is anticipated to encompass the next two Canadian fiscal years (2017-2018 and 2018-2019) with an estimated value of \$90,000 CAD plus taxes.¹

The design process will primarily focus on adapting new FOP labeling symbols from a number of stock symbols. Health Canada indicates that 168 symbols have been compiled, accounting for different sizes, permutations, and nutrient combinations. They indicate that, depending on the design process, 200 variations of symbols may need to be developed. Health Canada also indicates that as part of the deliverables, two existing FOP labeling symbol formats are to be modified to meet Canadian needs as part of the consultation process. These are the “[Facts Up Front](#)” voluntary FOP initiative from the Grocery Manufacturers Association and the Food Marketing Institute and the Australian [Health Star Rating](#) FOP labeling system, which uses a five-star rating to identify healthy foods, in which higher star counts indicate healthier food choices.

Figure 2- Facts Up Front voluntary FOP initiative example

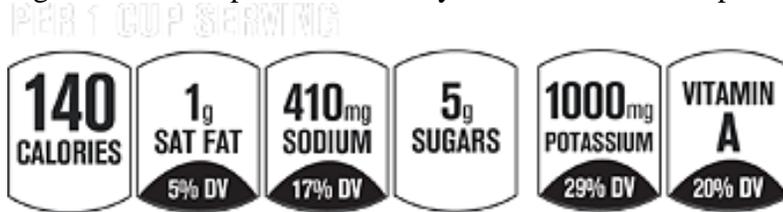


Figure 3- Health Star Rating FOP system example



Under the contract tender, the revision/creation schedule of FOP labeling mock-ups is as follows:

Timeline	New FOP	Revision of existing FOP
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¹ The Canadian fiscal year runs from April 1 through March 30 of the following year.

Regulatory Consultation (week 1-2)	Condiment (1) Cheese (landscape orientation) (1) Sweeteners (1) Variety pack (2)	Cereal (4) Popcorn (3) Yogurt (3) Bar (1) Beverages (3)
Research (week 2-3)	Salad Dressing (3) Crackers (portrait orientation) (3) Cheese (landscape orientation)	Cereal Popcorn Yogurt Beverages
Technical workshop (December 2017)	Chocolate spread (1) Small package (2) Fruit juice (cylindrical shape) (1) Assembly kit (e.g. Taco kit) (1) Variety pack Crackers (portrait orientation) Cheese (landscape orientation)	Cereal Yogurt Bar
Total	17	14

Additionally, 88 iterations (sizing variations, shape changes based on packaging, inclusion of other label claims, etc.) of FOP labeling mock-ups will be required for research purposes. The FOP labeling compendium will include the established 168 FOP labels along with any new mock-ups approved as part of the project.

Health Canada Outreach on FOP

Beginning in October of 2016, Health Canada held meetings and information dissemination sessions with various stakeholder groups concerning Canada’s Healthy Eating Strategy and FOP labeling. A full account of meetings to date is available on the Government of Canada’s [website](#).

Proposed approaches to FOP labeling have revealed divisions between consumer advocacy groups and the food processing and retail industries; consumer advocates generally support the “high-in” FOP labeling approach. Industry groups have raised concerns with the approach, including:

- The proposed “high-in” system would not align with major trading partners, whereas a Facts Up Front style of FOP label would provide the desired information in a format similar to other countries;
- Foods with naturally occurring sugars that exceed the recommended amounts based on the 15 percent daily value would no longer be eligible for “no sugar added” label claims;
- The Proposed approach is negative in focus and symbols (e.g., stop sign) are too strong;

- Products rich in many “good” nutrients, but with naturally occurring higher levels of fat and sugar, would be subject to FOP labels, while nutrient deficient products could be exempt from FOP labels;
- FOP labels could divert consumer attention away from the Nutrition Facts table, which provides the complete nutritional profile of the product;
- Consumer testing by focus groups included an insufficient number of consumers.

Health Canada addressed the above concerns by stating that the FOP labeling symbol design process is ongoing, that label claims about vitamins and healthy nutrients would still be permitted on front-of-package, and that more consumer research would be completed before designs are finalized.

September 2017 Health Canada Webinar

On September 18, 2017, Health Canada held a professionally facilitated stakeholder meeting and webinar event to discuss the Health Canada FOP label initiative with in-person representatives from Health Canada, food and beverage industries, and public health stakeholders as well as many on-line participants. Health Canada reiterated that the FOP label initiative is meant to create a consistent and credible source of information that will help Canadians balance key nutrients of public health concern.

Health Canada noted that current plans would include using black and white for labeling to reduce cost for companies and that the nutrient “high-in” symbol would be similar to Chilean FOP labels (see note below). Recounting that Health Canada’s first round of consultations on proposed FOP labeling generated approximately 1,600 comments, Health Canada indicated it would conduct further consumer analysis before finalizing the FOP approach and labeling symbols. Canada is targeting a 2021 implementation date for FOP labeling to coincide with the implementation deadline for changes to the Nutrition Facts table, which were [approved in 2016](#).

Note: Canada raised concerns about the Chilean FOP label development process at the World Trade Organization (WTO) Technical Barriers to Trade (TBT) Committee on several occasions [between March 2013 and June 2016](#). In [March of 2013](#), Canada expressed concern that they had not received proper notification from Chile about the amendments, that the amendments deviated from international standards, that there was no apparent scientific basis, and that the amendments would be more trade restrictive than necessary.

Food and beverage industry stakeholders raised several concerns during the discussion, including:

- 1) “Stop sign” and/or “yield” symbols could be misconstrued as food safety symbols due to their similarity to the Canadian workplace hazardous materials information system (WHMIS) [symbols](#);
- 2) FOP labels could deter consumers from consulting the Nutrition Facts table, preventing them from understanding the complete nutritional profile of a product;
- 3) Much of the nutritional information of a product is not captured by an overly general FOP label;
- 4) Other countries are using color-based FOP labels that include more information, such as caloric content;
- 5) The need for Canada to align any FOP labeling system with systems used by major trading partners;
- 6) Health Canada does not appear to have modified its proposal or process to incorporate feedback from stakeholders provided through the consultation process.

Other recommendations for further discussion included: how FOP labels could impact the branding of products (especially for smaller or irregular packaged items), bilingualism, the impact of FOP label designs for the visually impaired, cost implications, the fairness of exempted foods and products, and the importance of coordinating the implementation timeline with the Canadian Food Inspection Agency nutritional labeling changes. With regard to the issue of fairness, certain notable disparities included the prospect of labeling nutrient-rich dairy products with “stop signs,” while under certain scenarios nutrient-poor processed products could have no label at all. As well, industry voiced concerns that the sugar content of 100 percent fruit juices might be treated no differently from beverages with added sugars.

During a lively exchange, food and beverage industry stakeholders clearly favored symbols similar to the U.S. Grocery Manufacturers Association’s Facts Up Front approach, while public health groups preferred labels incorporating stop/yield signs and “high-in” information. The Canadian Beverage Association presented details of their own consumer research, in which the majority of respondents indicated that they will consume an unhealthy product even when healthier options are available if the unhealthy product is their choice. When asked to indicate their preferences for FOP label design, 37 percent of consumers indicated that color would be preferred and 25 percent indicated that a “high-in” warning would be desired. However, when presented with possible FOP symbols, 65 percent indicated a preference for a color-coded design similar to Facts Up Front, with 21 percent opting for a “high-in” stop sign approach.

Health Canada noted that consumer research panels have indicated that more simplified systems, such as stop or yield sign symbols, are better suited for consumers of lower cognitive levels. Additionally, while consumers indicate preference for a colored and more informative symbol, consumers are better able to select “healthy” products when faced with stop sign-style FOP labels.

On November 2, 2017, Health Canada published a report on the September 18 Stakeholder Engagement Meeting, available [here](#).

Earlier Health Canada FOP Labeling Evaluation

In June 2017, Health Canada presented the following evaluation of several FOP labeling options at [Public Health 2017](#), the Canadian Public Health Association’s annual conference.

Key Pros	Key Cons
Highlights both positive and negative attributes	No clear risk to health for low and medium levels of nutrients is a challenge for a mandatory approach

	Potential for health halo effect
Balances positive and negative attributes of foods in one score	Complex, category-specific algorithm makes it difficult to enforce No clear and consistent relationship between score and risks to health is a challenge for a mandatory approach
Positive approach to key nutrients of concern	Same as above
Compatible with legislation Strongest incentive for reformulation and innovation	Message is explicitly negative and warning symbols may be perceived as too strong

¼ pie (175g) typically contains (pack serves 4)

Calories	Fat	Saturates	Sugars	Salt
383 kcal	MED 18.5g	HIGH 8.9g	LOW 2.2g	MED 1.28g
	26%	45%	2%	21%

of your guideline daily amount



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