



Ontario Federation of Agriculture

Ontario AgriCentre

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June 1, 2018

Honourable Scott Brison
President of the Treasury Board
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister Brison:

RE: Cost-benefit analysis informing draft regulations on Front-of-Package labelling

The Ontario Federation of Agriculture (OFA) is Canada's largest voluntary general farm organization, representing more than 37,000 family farm businesses across Ontario. These farm businesses form the backbone of our robust food system, and rural communities, with the potential to drive the Ontario economy forward.

OFA fully supports the core objective of the Healthy Eating Strategy. However, OFA is concerned about the adequacy of the cost-benefit analysis conducted as a part of the Regulatory Impact Analysis Statement (RIAS) for the recently concluded Canada Gazette 1 consultation on Front-of-Package (FOP) labelling and Regulations Amending Certain Regulations Made Under the Food and Drugs Act (Nutrition Symbols, Other Labelling Provisions, Partially Hydrogenated Oils and Vitamin D).

Upon review of the RIAS, we have concluded that the current cost-benefit analysis informing the regulatory development process is unbalanced. The RIAS quantifies the 'benefits' of the proposed labels at \$3.19 billion over 10-years, based on numerous unfounded assumptions related to a purported reduction in direct and indirect health costs. No evidence is provided to support the claim that FOP labels will materially change consumption patterns and associated effects on broader health outcomes.

We also question the 'cost' estimate of the proposed labels. The RIAS limits its analysis to a one-time compliance cost for industry of \$817.4 million dollars. While the RIAS notes there could be other significant associated costs borne by the agri-food industry, including foregone product innovations, increased food prices, and lost market share, they deem all such costs 'non-quantifiable' and not included. Thus, resulting in the actual costs of this measure being underestimated. Health Canada should have asked industry for an estimate of the potential market share loss across the entire Canadian agri-food industry. A comprehensive understanding of the full costs of these provisions is crucial to developing appropriate regulations.

OFA believes the efficacy of the proposed FOP labelling regime is questionable. Therefore, we insist that a comprehensive review of the cost-benefit analysis be undertaken before this FOP proposal progresses any further.

We would welcome further discussion about this concern and would be pleased to contribute our input towards a review of the costs and benefits associated with the proposed approach to FOP labelling.

Sincerely,



Keith Currie
President

cc: The Hon. Ginette Petitpas Taylor, Minister of Health
The Hon. Lawrence MacAulay, Minister of Agriculture & Agri-food
The Hon. William Morneau, Minister of Finance
The Hon. Jane Philpott, Minister of Indigenous Services
The Hon. Jean-Yves Duclos, Minister of Families, Children and Social Development
Jean-Guy Forgeron, Assistant Secretary, Treasury Board of Canada Secretariat
Greg Meredith, Deputy Minister, Ontario Ministry of Agriculture, Food and Rural Affairs
Dr. Bob Bell, Deputy Minister, Ontario Ministry of Health and Long-Term Care
OFA Board of Directors