

April 3, 2021

Food Safety and Consumer Protection Directorate,
Canadian Food Inspection Agency; and
Food Directorate, Health Canada
hc.bpiaa-bpaii.sc@canada.ca

Via email

RE: RCC Welcomes Joint Policy Statement Food Labelling Coordination with Certain Amendments

Dear Sir or Madam:

The Retail Council of Canada (RCC) is pleased to provide comments on behalf of its members as part of Health Canada's and the Canadian Food Inspection Agency's (CFIA) consultation on the [Draft Joint Policy Statement Food Labelling Coordination](#). RCC is very supportive of the intent of the Policy as it will provide industry with greater predictability with respect to the compliance dates for food labelling changes. However, the following amendments must be made to enhance certainty for industry:

1. A 4-year interval for compliance dates;
2. A standard minimum 4-year implementation period;
3. A standard consideration for in-store scale labels; and
4. Specific criteria defined in advance with industry to trigger any exemptions to these.

Food label changes are costly, involving a whole-of-label redesign with every new requirement. These amendments would help minimize unnecessary and avoidable costs while also meeting the government's objectives.

Impacts of food labelling changes are particularly acute for retailers, given the large number of SKUs that need to be redesigned for private label brands in nearly every food category imaginable. There are thousands of SKUs per member, as high as 8,000 for some. And many are small businesses as well. The list of food labelling regulations provided in the policy gives a sense of the volume of changes industry has had to face in recent years, and does not include quasi-regulatory changes that were brought about in response to risks and/or potential regulatory intervention (e.g. raw breaded poultry).

Without mandated government intervention, labels are generally updated every 4 years, and many label redesigns can go well beyond to 6 or 7 years. This is the minimum amount of time required when

making universal changes across all SKUs. Each change requires the label redesign process to be redone – from design to plates to printing to distribution.

The cost is significant and ranges depending on the required label change, and can be up to \$80 million per company. There are also financial and environmental costs associated with label and packaging waste when unplanned regulatory changes are required before current inventory is used. Any new costs introduced along the supply chain ultimately get passed down as higher product prices for consumers.

While some costs are unique to each change (e.g. technical analysis), a substantial amount of this cost can be mitigated by minimizing the need to touch labels multiple times during an update cycle through coordinated changes (e.g. label redesign, plates) in the form of a 4-year interval for compliance dates and standard 4-year transition period, as illustrated in the following table:

Regulations finalized before...	...are required to be implemented by:
December 2022	December 2026
December 2026	December 2030
December 2030	December 2034

A regulation finalized in May of 2024 would therefore be required to be implemented by December 2030, for example.

A 4-year timeframe is reflective of current industry practice, and would thereby minimize costs, and a standard 4-year transition period is supported in the draft Policy which notes a mean transition period of 3.6 years. Each of the regulations referenced were consulted on individually to arrive at this average – It would allow for much more certainty to have it as standard minimum transition period.

A standard consideration for in-store scale labels must be included in every proposed regulation as a standard section in the Regulatory Impact Analysis Statement (RIAS). RCC members have serious concerns about the potential impacts that new food labelling regulations have on their ability to offer fresh, affordable, store-prepared products to Canadians with regards to scale labels.

Unlike most labels Canadians typically see in their grocery stores on prepackaged foods, in-store scale labels are unique in product labelling. Scale labels are managed differently than any other product labels, with different capabilities and restrictions. They are also always printed on site on an as needed basis.

Consideration must be given with each proposal to either:

- Exempt in-store scale labels when technological limitations and size restrictions of scale label machines make implementation impossible, or at a minimum,
- Exempt scale labels from prescriptive text requirements (e.g. font size, character type) and maintain a flexible and outcomes-based approach when implementation is possible.

This approach will help minimize impacts on a retailer's ability to offer affordable store-prepared and store-packaged food to Canadians.

RCC is also supportive of the proposal for exceptions to this policy in instances of acute risk to Canadians. Circumstances for triggering exemptions must be defined in advance in consultation with industry in order to avoid inconsistent application and maximize predictability.

Thank you for the opportunity to comment, and please do not hesitate to reach out should you require any further information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason McLinton', with a long horizontal stroke extending to the right.

Jason McLinton
Vice President, Grocery Division and Regulatory Affairs

About RCC

Retail is Canada's largest private-sector employer with over 2.1 million Canadians working in our industry. The sector annually generates over \$76 billion in wages and employee benefits. Core retail sales (excluding vehicles and gasoline) were \$377 billion in 2018. Retail Council of Canada (RCC) members represent more than two-thirds of core retail sales in the country. RCC is a not-for-profit industry-funded association that represents small, medium, and large retail businesses in every community across the country. As the Voice of Retail™ in Canada, we proudly represent more than 45,000 storefronts in all retail formats, including department, grocery, specialty, discount, independent retailers, and online merchants.

RCC grocery members provide essential services and are an important source of employment in large and small communities across the country. They have strong private label programs and sell products in every food category.