House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Food & Consumer Products of Canada

or

( ) **an individual** **Name:** _____

Topic: Manufacturing and value-added processing

*Recommendation 1: Please provide a short summary of your recommendation.

Develop a national manufacturing strategy:
Canada is operating in a global market where most of its competitors have a national strategy for their value-added manufacturing sector. In order to remain competitive, Canada needs to develop a bold strategy that focuses on the industries that have growth potential and help them access emerging opportunities, thereby creating more jobs for Canadians.

We support the Canadian Manufacturers & Exporters' recommendation to develop a national capital investment fund that would encourage companies to expand or build new facilities in Canada.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$100 million -$499.9 million

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

We recommend that Industry Canada take the lead and conduct an analysis of the Canadian manufacturing industry - which is long overdue - and work with business to develop a national strategy to build a robust Canadian manufacturing sector thereby creating value-added jobs for Canadians.

This exercise will help Industry Canada sharpen its focus and more strategically allocate limited resources away from unsustainable industries toward industries in Canada with the most growth potential.

A national capital investment fund is estimated at $150 million per year.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Food and consumer product manufacturing has excellent growth potential and is a unique industry with some 6,000 manufacturing facilities located in every region in Canada, including rural areas. Food processing facilities in rural areas provide an important direct market for the food that farmers grow. Rural processing facilities also provide off-farm employment opportunities and countless indirect jobs that help support the economic sustainability of communities. Rural residents can also benefit from improved services like transportation that a larger tax base provides.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Our industry is already the top employer in manufacturing in Canada and has the potential to grow and provide even more high-paying jobs to Canadians across the country.

Consumers also stand to benefit as they will continue to have access to safe, affordable and high-quality food and consumer products. Increasingly, Canadians prefer to buy food that is grown and processed in Canada. This speaks to the trust in our products and the recognition of our country as world leader in food safety. Our industry has a winning brand domestically and internationally that we can, and must, build on.

Topic: Innovation and commercialization

Recommendation 2: Please provide a short summary of your recommendation.

Implement regulatory modernization:
The most effective way to maximize the potential of our industry is to rapidly modernize the regulatory framework that governs our products. We are very encouraged by Health Canada's excellent work in streamlining food additive approvals and urge similar changes for health claims and fortification. We encourage the timely implementation of CFIA's regulatory modernization agenda and the Canada-US Regulatory Cooperation Council, which are urgent in light of new rules announced by the US in July 2013, applying to all food imports (and Canadian exporters).

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

Political will is required to ensure that these regulatory initiatives are implemented in an expeditious and thoughtful manner.

It's important to note that funding set aside in Agriculture and Agri-Food Canada's (AAFC) Growing Forward 1 was key to Health Canada's success in modernizing food additive approvals. Both AAFC and Health Canada require adequate funding to allocate toward ongoing food regulatory reform initiatives.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Regulatory modernization would allow Canadian consumers more product choice in retail stores. Currently consumers in Canada are denied access to a variety of innovative and healthier-for-you foods available in other modern industrialized countries. Regulatory modernization would allow innovative and safe products to be approved in a timely manner and made available to consumers across the country.

Regulatory modernization also provides businesses with a more predictable operating environment thereby encouraging investment and innovation in Canada.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

The modernization of Canada's food and consumer product regulations will encourage manufacturers to invest and innovate in Canada. Companies will more likely invest in new products in Canada and if they can be approved for sale and commercialized in a timely and predictable manner. A modern regulatory system could also encourage increased investment in existing facilities or growth in new facilities to support product development.

This could help spur job growth in Canada, improve our industry's competitiveness and build on Canada's winning international brand.

Topic: Manufacturing and value-added processing

Recommendation 3: Please provide a short summary of your recommendation.

Address counterfeit and non-compliant products:
The growing presence of counterfeit and products with non-compliant labels in the Canadian marketplace is one of our industry's biggest challenges. While we applaud the government for the introduction of Bill C-56, we would like this legislation extended to include not just counterfeit but also products with non-compliant labels, which may have ingredients or additives not approved for use in Canada or not clearly identified on the package. This would help level the playing field for industry and ensure the health and safety of Canadians.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

1 year

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

As the government steps up its efforts at the border, additional resources will likely be required in order to stop illegal products from entering Canada.

While we certainly appreciate government action on this file, financial responsibility should fall on the perpetrators of the crime and not on those who play by the rules. Canadian manufacturers already face enormous challenges and FCPC and our member companies oppose any new fees that unfairly burden law-abiding rights holders.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

This is primarily a health and safety issue and therefore Canadian consumers would benefit the most. Canadians need to have confidence that the products they buy are safe and of high-quality. It's important that labels be accurate and compliant with Canadian regulations so that people with allergies, for example, can trust the products available on store shelves.

Canadian businesses that play by the rules and take the time to comply with Canada's rigorous product safety and labelling laws would also benefit. They can only compete if the rules are the same for everyone.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

The presence of counterfeit and products with non-compliant labels in Canada is a drain on the economy and is responsible for a loss in employment and a reduction in tax revenues for governments. The cost to the Canadian economy is estimated at billions of dollars. The potential damage to the brand of Canada internationally as well as to the brand of individual companies can be devastating.

Government action can help create a level playing field for industry by creating a fair operating environment for business. This in turn will encourage innovation and help spur job growth.

Please use this page if you wish to provide more explanation about your recommendation(s).

*Please note that at least one recommendation must be provided