

August 15, 2017

Honorable Robert Lighthizer  
Ambassador United States Trade Representative  
600 17th Street NW  
Washington, D.C. 20006

Dear Ambassador Lighthizer:

**Re: Technical trade barriers that would affect U.S. food product sales in Canada**

As the U.S., Canada and Mexico begin the NAFTA modernization negotiations we believe an important aspect of the talks is to prevent introduction of any new technical trade barriers in the region trade. In this regard, we have become aware that under a “Healthy Eating Strategy” announced last October, the Government of Canada is proposing several initiatives that will have an impact on food products sold in Canada, both domestic and imported.

Regulatory measures taken by Canada in relation to food product sales are very important to the United States. U.S. sales of agricultural products in the Canadian market were worth \$20.5 billion in 2016 – our second largest export market globally. Throughout the decades, Canada has ranked as a top market for U.S. exporters and accounts for approximately one-quarter of all U.S. high value products exports worldwide including raw meats, pre-packaged products, fresh and processed fruits and vegetables, snack foods and prepared foods. Many U.S. food companies also have manufacturing operations in Canada.

Canada’s Healthy Eating Strategy aims to “improve healthy eating information; strengthen labelling and claims; improve the nutrition quality of foods; protect vulnerable populations; and support increased access to and availability of nutritious foods”. These are all positive goals which mirror many actions in the U.S. However, Canada is setting an explicit goal to change “the food environment” and one particular initiative appears to be an unjustified technical barrier to trade: the imposition of mandatory, front-of-pack nutrition warnings for saturated fat, sodium and sugar.

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Health Canada has been holding consultations on this proposal and plans to publish the regulation this fall. While we assume the proposed measure will be notified to the WTO Committee on Technical Barriers to Trade (TBT Committee), we are concerned that Canada is determined to follow the path of Chile which imposed a similar scheme last year. When Chile first proposed their scheme it was strongly opposed in the TBT Committee by Canada, the U.S. and several other countries<sup>1</sup>. The U.S. described Chile's measure as an "unnecessary obstacle to international trade" and we believe that the alarmist, unscientific, mandatory measure being proposed by Canada is no different. We also believe it will have an inordinately negative impact on consumer packaged foods from the U.S. given the significant market share of branded, U.S. products in the Canadian market.

We also note that by taking this action, Canada is not waiting for the 2021 compliance deadline for their updated Nutrition Facts Table, which is very similar to the FDA's revised and USDA's proposed Nutrition Facts Labels. Nor is Canada following existing Codex guidance on nutrition labeling or waiting for the Codex Committee on Food Labeling to provide guidance on front-of-pack nutrition labeling. This Codex committee, which Canada hosted in May 2016, has the goal of "maximizing harmonization and reducing barriers to trade" in relation to front-of-pack nutrition labeling.

Finally, while consultations are at an earlier stage, Canada is also considering measures to severely restrict the marketing of "unhealthy foods" to children, including advertising, packaging, labeling, promotions and sponsorships that appeal to children. They propose to define children as age 17 or under. This too may be a technical barrier to trade with discriminatory impact on U.S. product sales.

In our view, the launch of NAFTA negotiations is an opportunity to inform Canada that the U.S. opposes all new and unjustified technical barriers to agricultural trade, including the proposed mandatory, front-of-pack nutrition warnings and other measures under Canada's Healthy Eating Strategy.

Sincerely,



Barry Carpenter  
President and CEO  
North American Meat Institute

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<sup>1</sup> c.f. (13-2438) WTO Committee on Technical Barriers to Trade, MINUTES OF THE MEETING OF 6-7 MARCH 2013.