

**FOOD, HEALTH &
CONSUMER PRODUCTS
OF CANADA**



LET CANADA'S MAKERS MAKE:

A PRACTICAL PLAN TO LOWER COSTS, CREATE JOBS, AND STIMULATE ECONOMIC GROWTH

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240-340 ALBERT STREET,
CONSTITUTION SQUARE,
TOWER III

OTTAWA, ON K1R 7Y6

TEL: (613) 723-0777

FAX: (613) 723-0779

INFO@FHCP.CA

2700 MATHESON
BOULEVARD EAST,
EAST TOWER, SUITE 602E
MISSISSAUGA, ON L4W 4V9
TEL: (416) 510-8024
FAX: (416) 510-8043



@fhcp_canada



@fhcp_pasc



fhcp-canada



Food, Health &
Consumer Products
of Canada



FHCP PUTS CANADIANS AND THEIR FAMILIES FIRST

Food, Health & Consumer Products of Canada (FHCP) commissioned an extensive national public opinion survey in January 2025 to find out what Canadians really want.¹ The results inform the path described in this paper to lower costs for Canadian consumers, create more jobs, and contribute to Canada's economic growth.

Canadians want real solutions to the rising cost of living, a clear path to better paying, more secure jobs, and more choices in their daily lives. At the same time, they reject government policies they view as out of touch, lacking common sense, and ultimately making life more expensive by failing to address their core priorities.

People are looking for practical, results-oriented Canada-first approaches that respect their hard-earned dollars, prioritize local job creation, and uphold personal autonomy—rather than policies that seem disconnected from everyday realities and place additional financial strain on them and their families.

FHCP members recognize that people expect three things above all:

- An affordable life with everyday essentials that don't break the bank.
- Good, local jobs that help keep small towns and big cities thriving.
- A reliable source of essential, quality food, health, and consumer products that they use every day.

¹ Abacus Data national survey of 3,000 Canadian adults conducted in January 2025.





We're committed to delivering on these expectations by producing safe, high-quality products in Canada, lowering supply-chain barriers, and championing modern, common-sense regulations. When government gets out of the way and lets makers make and do what they do best, we see economic growth that benefits everyone—workers, families, and entire communities.

For over 60 years, FHCP has been the largest national industry association representing companies that manufacture and distribute most of the everyday products found in Canadian households. Our industry is the top manufacturing employer in Canada with over 350,000 people working to make the products Canadians depend on in nearly 10,000 facilities in every region of the country.

Our members transform what Canadian farmers produce into value-added finished goods that feed families at home and worldwide. They make safe and effective over-the-counter medications and natural health products that empower Canadians to practice self-care, relieving pressure on an overburdened healthcare system.

Consumers have trusted FHCP members' brands for more than a century. Almost 80% of the products that Canadians see on the shelves of their grocery and drug stores are proudly made by our member companies. Canadians interact with our products every day, putting our sector at the heart of every Canadian home and community.

FHCP'S THREE PLEDGES

In this 2025 election year, we're asking every federal leader, every candidate running for Parliament, and every Canadian to get behind these three pledges:

- 1. Champion Consumer Affordability and Access:** Eliminate needless taxes, fees, and policies that increase the final price of everyday products and negatively impact the reliability of product supply.
- 2. Slash Unnecessary Red Tape:** Remove outdated and burdensome regulations and processes that drive up the cost of everyday essentials.
- 3. Boost Canadian Production & Reduce the Cost of Doing Business:** Create a climate for job creation, offer a business environment that attracts foreign capital investment, end inter-provincial trade barriers, and secure the supply chain of everyday essentials.

CHAMPION CONSUMER AFFORDABILITY AND ACCESS

Over the past five years, Canadians have consistently ranked the cost of living as one of their top concerns and even as the United States has added more uncertainty, affordability remains the most important issue for Canadians of all ages.

Rising inflation, the price of food and essential consumer packaged goods, and global disruptions such as the COVID-19 pandemic have exacerbated a sense of financial precariousness. This anxiety is further fueled by news about supply chain issues, labour shortages, and volatile trade relationships, particularly with the United States.

National polling in January 2025 confirmed this economic anxiety about the cost of living: 42% of Canadians cite affordability of essentials like food, health products, and daily consumer items as their top priority – well above concerns about trade, employment, healthcare capacity, or climate change. Over half surveyed report feeling deeply stressed by food and consumer packaged goods prices, highlighting significant financial strain on household budgets.

We want to work with government to eliminate needless taxes and fees that inflate prices for consumers and make it easier for them to access the products they need, every single day. More Canadians are accessing food banks than ever before. Our plan will help lower costs for consumers, secure the supply of essentials, and lead to a drop in prices over time.

Here are some examples of the opportunities that we see:

- Eliminate any form of a carbon tax that directly or indirectly affects ordinary Canadians through higher grocery, heating, and gas prices.
- Help Canadians access the product information they need with modern digital tools instead of cramming more and more words onto increasingly complex, expensive labels and making packaging more difficult to recycle. Reducing packaging waste this way rather than through banning plastics benefits consumers and the environment.
- Help Canadians practice self-care by removing GST from select consumer health products and make them eligible under the Medical Expense Tax Credit. Over 80% of Canadians surveyed considered these good ideas. Why not go even further and make the GST holiday applied to food last year permanent?





SLASH UNNECESSARY RED TAPE

Since the introduction of the one-for-one rule nearly a decade ago—a policy meant to balance new regulations by removing existing ones—the number of federal administrative requirements has surged by 14.6%, reaching 148,770 in June 2022.² Red tape and burdensome, outdated regulations have a chilling effect on domestic and foreign investment in manufacturing.

It's not just businesses that see the problem here: 80% of Canadians surveyed believe modernizing outdated regulations and cutting red tape is crucial so Canadian businesses can innovate, grow, and meet their unmet needs. Sixty percent of those surveyed said cutting red tape for food and health products can speed up approvals without compromising safety.

A recent study by Canadian Manufacturers & Exporters and FHCP of over 320 manufacturers found that 77% of them indicated that if regulatory compliance costs were reduced, they would reallocate the savings to capital improvements such as plant expansions, facility upgrades, and new equipment.³

We see many opportunities to work with government to cut red tape and modernize regulations so that businesses can thrive and deliver safe, affordable essential products for Canadian families.

Here's a sample:

- Among many challenges with Canada's food regulatory system is the prolonged shortages of infant formula in 2022 and 2023 that exposed critical flaws in our regulatory system, where approval for new products can take over 410 days—far longer than in the U.S. (90 days), Europe, or Australia. These delays limit access to essential and innovative formulas, leaving families vulnerable.
- Because of an outdated regulatory regime, Canadians' only gain access to new non-prescription drugs seven to ten years after Americans or Europeans. By fixing this, we can give people access to more safe and effective self-care products, supporting their personal health management and reducing the minor ailment burden on our healthcare system.
- Competitiveness is not a core component of regulators' mandates. If this were changed, real consideration could be given to the potential impact of their activities and decisions on consumer access to essential products and economic growth

² Canadian Manufacturers & Exporters, *Regulate Better, Grow Faster: CME 2024 Regulatory Burden and Red-Tape Survey*, 2024.

³ Canadian Manufacturers & Exporters, *Regulate Better, Grow Faster: CME 2024 Regulatory Burden and Red-Tape Survey*, 2024.

BOOST CANADIAN PRODUCTION & REDUCE THE COST OF DOING BUSINESS

Canadians are looking at global disruptions—like those triggered by the pandemic and trade disputes with the United States—and concluding that Canada must be more self-sufficient. Policies that enhance domestic capacity and economic self-sufficiency are favoured to mitigate future crises. Polling showed that 80% of Canadians think the government should be prioritizing Canada-first policies for critical supply chains in food, health, and consumer products.

The national public opinion poll further reveals a strong preference for robust domestic manufacturing. Half of Canadians indicate they would rather produce goods locally, even if this raises prices somewhat. Most consumers express surprise or disappointment upon learning that 60–70% of packaged foods are imported from the United States, reinforcing interest in reducing import dependence.

Despite its significant role in the country's economy, the manufacturing sector suffered through a prolonged period of weak investment, sluggish productivity, and declining competitiveness starting in the early 2000s. Canada has experienced an extended period of weak business capital spending, a key reason Canada's manufacturing sector is failing to reach its potential. In fact, the level of business investment in non-residential structures and machinery and equipment to this day remains below its 2014 high water-mark.⁴

As a result, Canada continues to lag its Organization for Economic Co-operation and Development peers in terms of business investment growth, ranking second last among a group of 31 countries.⁵ Closer to home we see that Canadian divisions of multinational companies are 30% less profitable than their U.S. counterparts, highlighting the need to find ways to reduce costs so that companies can reinvest in growth.⁶ The message is clear—businesses see less opportunity in Canada. It's time to increase investment in manufacturing of food, health, and consumer products, while also recognizing the important role of foreign direct investment by multinational companies which create jobs, make capital investments, foster competition among domestic companies, bring new technology, and contribute to workforce skills upgrading.

4 Canadian Manufacturers & Exporters, *Manufacturing Canada's Future*, 2023.

5 Canadian Manufacturers & Exporters, *Manufacturing Canada's Future*, 2023.

6 Food, Health and Consumer Products of Canada member survey, October 2023.





There are also the long-standing interprovincial trade barriers brought into sharp focus as we look to drive economic growth and self-sufficiency in response to the trade dispute with the United States. A 2017 study by Statistics Canada found that cross-Canada trade regulations impose the equivalent of a 6.9 per cent tariff on goods crossing provincial and territorial borders. In comparison, internal trade costs in the United States are essentially nil.⁷

Our sector faces a variety of interprovincial trade barriers. One example is the barrier created by provincial drug scheduling. The federal government decides which health products are approved for sale and whether they require a prescription, but provinces decide where and how products will be sold. Not all provinces follow the same standards (and Quebec has its own challenging process) resulting in delays and unequal access to essential health products for consumers.

It's time for government to **let our makers make**, to stimulate manufacturing of food, health, and consumer products. We want to work with government to make this happen. Here is a sample of the opportunities we see to increase domestic manufacturing production, foreign capital investment, and value-added exports to diverse markets:

- Incentivize capital projects in manufacturing
- Improve the reliability of our rail and trucking system
- Provide reliable and affordable energy to power operations
- Increase coordination across governments to remove interprovincial trade barriers
- Make it easier for businesses to access programs that help them go global
- Expand and upskill the manufacturing workforce
- Invest in recycling infrastructure and support new recycling innovations

If the next government does all this, our sector has the potential to create 100,000 new manufacturing jobs – jobs that pay well, are secure, improve living standards of communities right across the country, and strengthen domestic supply. It's a win-win.

⁷ Canadian Manufacturers & Exporters, *Regulate Better, Grow Faster: CME 2024 Regulatory Burden and Red-Tape Survey, 2024.*

VISION FOR THE FUTURE

We stand ready to work with any government serious about delivering relief for families, ensuring our shelves stay stocked, and building a self-reliant economy immune to tariff crises like the one we face now. It's time for government to create an environment that allows Canada's food, health, and consumer product manufacturers to flourish. Let Canada's brightest minds and hardest-working makers do what they do best—providing affordable, high-quality essentials for everyone, every day.

That's our vision. It's practical, it's tested by the people's own priorities, and it's built for this once-in-a-generation moment. Let's seize it, together. **Let's let our makers make.**



OUR MEMBERS



OUR MEMBERS

