

*Canadian Health Food Association
Pre-Budget Submission 2014*

Presented to:
House of Commons Standing Committee on Finance

By:
The Canadian Health Food Association

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Background

The Canadian Health Food Association is Canada's largest trade association dedicated to natural health and organic products. Our members include manufacturers, retailers, wholesalers, distributors, and importers of natural health and organic products. Ours is an industry that contributes billions of dollars to the Canadian economy every year, employs thousands of people across the country, and serves the health needs of the more than 70 per cent of Canadians who consume our products every day.

Needed: Smart Regulation, Less Red Tape, and Legislative Modernization

Our industry has been operating in a less-than-certain regulatory environment ever since the *Natural Health Products (NHP) Regulations* came into effect in 2004. CHFA embraces the need for regulation of all health products in Canada, and our members have been working hard to comply with the rules as they have been introduced over the past decade. However it has been very challenging. Most of our industry's challenges have come as a result of the disconnect between the very low risks associated with our products as compared to pharmaceuticals and the regulatory rigors demanded by the government.

For our industry to continue to prosper, grow, and continue to create jobs, the regulations governing our industry need to be mindful of the very low risk profile of our members' products. Natural health products are just that – natural. They are not drugs and they should not be treated as such. Continuing to do so will cost our economy jobs at a time when they need to be created, and it will deprive Canadian consumers' access to the safe, high quality and effective NHPs they have come to rely upon in record numbers. As long ago as 1998, the Standing Committee on Health called for legislative modernization for Canada's NHP industry. It is time to act on that recommendation.

The government has been committed to the reduction of red tape for Canadian small businesses. We applaud this initiative. The regulatory burden for business in Canada is a heavy one, and the small businesses that make up the majority of our membership bear this disproportionately because they lack the compliance resources of larger firms. No one is disputing the need for regulation of all health products in Canada. But they need to be smart and appropriate to be effective and to balance the costs they impose with the benefits that they bring.

The government's Red Tape Reduction Commission recognized the long-time concerns of NHP retailers and suppliers that red tape is killing both Canadian innovation in NHPs and thousands of jobs in an industry that contributes more than three billion dollars per year to the Canadian economy. The Commission's original report contained five specific recommendations related to the regulation of NHPs. We applauded this focus at the time of the report, and support the efforts of the government to implement them since then.



These recommendations included, inter alia, “a move to more proportional oversight based on risk.” CHFA along with its 1,000-plus members are calling for collaborative action with Parliamentarians to establish an action plan for an efficient and predictable regulatory environment for NHPs to ensure the future health of Canadians.

What our industry needs is a reasonable long-term approach to regulation that takes into account the low risk profile of NHPs. The government’s focus on the reduction of red tape has already made an important impact on our and many other industries, but there remains much work to be done. CHFA and its members stand ready to support the government in its efforts to further reduce the red tape burden on Canadian business, and to allow them to focus on innovation and job creation instead of administration.

Recommendation: That the budget contain concrete and specific measures designed to implement the NHP-related recommendations in the government’s own Red Tape Reduction Commission report and the number one recommendation of the 1998 Standing Committee on Health Report on NHPs, and that the government work towards legislative modernization that acknowledges that NHPs have a much lower risk profile than drugs

Smart and effective regulation of Canada’s multi-billion dollar NHP industry is the right thing to do for the Canadian economy and the 70 per cent of consumers who rely on NHPs every day. NHPs are not drugs and should not be treated as such in federal legislation.

