



Canadian Restaurant and  
Foodservices Association  
Association canadienne  
des restaurateurs et des  
services alimentaires



January 10, 2008

His Worship Mayor Sam Katz  
Council Building  
510 Main St.  
Winnipeg, MB R3B 1B9

Dear Mayor Katz:

We understand that Winnipeg City Council will be discussing a potential ban on trans-fats in Winnipeg restaurants during tomorrow's council meeting. On behalf of Manitoba's 1,700 foodservice establishments, we would like to provide you with some background information on the current status of trans-fat elimination from restaurants.

The Canadian Restaurant and Foodservices Association (CRFA) and the Manitoba Restaurant & Foodservices Association (MRFA) fully support the reduction and elimination of artificial trans-fat, but we recommend a comprehensive national approach on this issue involving all segments of the food industry, as opposed to a patchwork of regional trans-fat regulations.

Furthermore, the foodservice industry has voluntarily taken significant steps to reduce trans-fat in the products they offer, in advance of any government intervention. The federal government has given the industry two years to remove trans-fats from their menu items before imposing their own regulation, and any move by Winnipeg to speed up this process is unnecessary.

### **National Trans-Fat Task Force**

CRFA was an active participant in the national Trans-Fat Task Force, which included representatives from industry, health, consumer and scientific representatives. CRFA endorses the trans-fat limits set out in its final report, *TRANSForming the Food Supply* (2% of the total fat content for vegetable oils and soft, spreadable margarines and 5% of the total fat content for all other foods, including ingredients sold to restaurants.)

The federal Minister of Health formally responded to the Task Force Report on June 20<sup>th</sup>, 2007 when he announced a two-year timeline for industry to voluntarily meet the limits set out in the Task Force Report. Minister Clement adopted this two-year voluntary approach recognizing the significant progress made to date by industry, as well as some specific challenges that remain for certain sectors and products such as baked goods.

The Federal Minister of Health has also clearly indicated he will regulate industry if these goals are not achieved. While a very tight timeframe, the majority of the industry believes this target to be achievable provided the issues of supply and alternatives can be dealt with and an approved method is established for addressing problem areas (i.e. how to distinguish between natural and processed, and trans that occur during processing).

In addition, CRFA has published a technical guide for its members on how to work with suppliers to replace trans-fat with healthier alternatives. The guide is available free of charge on the CRFA website at [www.crfa.ca](http://www.crfa.ca). A copy of the guide has been included with this letter for your information.

In view of our commitment to the initiative being led by Health Canada and endorsed by the Heart and Stoke Foundation, we fail to understand what benefits are to be achieved

by the City of Winnipeg adopting a timeframe that at best is 6 to 12 months ahead of the Federal initiative, especially in the face of the challenges outlined in this letter.

### **Industry Progress to Date**

Many restaurants have already reduced trans-fats to the recommended limits and others are working hard to make the transition as quickly as possible. In December 2007, the foodservice industry received a very positive report card from Health Canada with the Department's release of its National Trans-Fat Monitoring data.

The national data clearly showed that restaurants across the board have already made significant trans-fat reductions in their menu offerings – only 6 months into the two-year timeline. The restaurant industry has made great progress to date and we are confident we will meet the targets set out by the Federal Minister of Health well ahead of the two-year timeline. However, this must be done on a national basis as Canada's food supply is national with supply chains that stretch across the country.

What is critical about a national approach is that government, industry and public health advocacy groups all recognize the entire food value chain must work together to eliminate trans-fats from the Canadian food supply – at every level of the food chain. That means producers, manufacturers, retailers and foodservice must all work together to eliminate trans-fat from the national food supply at the source.

While CRFA supported the national regulatory approach of the Trans-Fat Task Force, consumers can be confident that a voluntary approach will achieve the same results as industry works to eliminate trans-fats from the Canadian food supply – this as been clearly demonstrated in the results of Health Canada's Trans-Fat Monitoring Program.

### **Calgary's Trans-Fat Ban**

We have serious concerns about the Calgary Health Region's (CHR) Medical Officer of Health's recent move to unilaterally ban trans-fats in the Calgary region.

Calgary's local trans-fat ban has created uncertainty for business and consumers as there is no clear means of enforcement and compliance is a challenge for local restaurant operators, some of whom work off of national supply chains and national contracts.

These measures are particularly challenging for independent restaurant operators who are only just now hearing from the CHR they must reformulate immediately in order to be in compliance with a local regulation some 18 months in advance of the national timeline.

Product reformulation and testing can take many months, and sometimes years, depending on the application and this accelerated timeline penalizes local business that are already dealing with many other business challenges such as labour shortages and razor thin profit margins.

### **Supply of Suitable Alternatives**

After consulting with their suppliers, many foodservice operators are very skeptical that an adequate supply of suitable trans-free alternatives will be available at an affordable price, if the June 2009 implementation date is moved up. There is already high demand for trans-free oils and products and many chain operators that have switched to trans-free alternatives have contracted with suppliers for large volumes of trans-free products. The demand for a finite amount of trans-free alternative oils and products will continue to grow exponentially across the country as the food industry strives to meet the Federal trans-fat phase-out timeframe.

The additional demand created by the CHR ban, and any other potential regional bans, will increase demand to the point of outstripping the current supply of trans-free alternatives. As a result, prices for these products will increase significantly, especially for smaller operators with no buying power, assuming they can receive the product within a reasonable timeframe at all.

Another potential concern that was brought to the industry's attention during the debate over the CHR ban is the pressure there may be on canola crops not only to meet growing demand for trans-free canola cooking oil but also as a component for bio-fuel. The demand for canola as a possible bio-fuel component could leave little supply left for additional canola food oil production.

### **Timelines**

As has been reported in the media, a number of larger chain restaurants (including Manitoba's own Salisbury House) have already taken steps to phase out artificial trans-fats. However, it has taken these larger chains years of product testing and reformulation using various trans-fat alternatives to come up with cost effective and healthier trans-fat alternatives that do not significantly alter food product quality, taste and texture.

Most smaller, independent foodservice businesses, which make up almost 60% of the foodservice units in Manitoba, have not yet begun this process. The process for eliminating trans-fat is more complicated than simply substituting one oil for another. Each menu item has to be tested with a variety of trans-free alternatives. Besides determining how trans-fat free alternatives affect the taste and texture of menu items, other operational factors such as the alternative's shelf life need to be tested to ensure cooking consistency and affordability as some oils need to be changed more frequently.

Forcing operators to eliminate trans-fat before healthier alternatives are available will force foodservice operators to simply substitute trans-fat with saturated fats, such as off shore tropical oils, instead of healthier alternatives. This concern influenced the timelines recommended by the Trans-Fat Task Force and was raised as an issue by the

Federal Standing Committee on Health. The American Heart Association was unsupportive of the New York City trans-fat ban for this reason.

### **Operator Costs**

Manitoba's foodservice industry is already financially critically challenged on a number of fronts. Implementing an accelerated trans-fat ban in Winnipeg will financially penalize local businesses as national chains are forced to segregate supply for Winnipeg franchisees in advance of national supply changes. And as we already pointed out, independent restaurant operators may also be forced to pay a premium for alternative oils and trans-free ingredients and products that may very well be in scarce supply.

The foodservice industry is already a highly competitive, labour intensive, low margin industry, with the average Manitoba foodservice operator making a pre-tax profit of only 5.3%, or \$30,412. In the past few years, input costs for everything from energy to leases have skyrocketed. Recent changes to Manitoba's labour standards and annual minimum wage increases have also significantly increased labour costs for all members of the industry. As a result, Manitoba restaurants are suffering, and the province has nearly 200 fewer restaurants today than it did in 1997.

Besides the significant food supply cost increase foodservice operators may face as a result of inadequate supply of reasonably priced trans-fat free alternative products, the increased labour cost on an already overextended workforce must be taken into consideration when looking at any move toward accelerating the removal of trans-fats from Winnipeg's restaurants.

### **Compliance and Enforcement**

It is misguided to place the onus on foodservice operators to ensure the elimination of trans-fat in the Canadian food supply. Costs and lack of resources to ensure compliance and enforcement suggest the municipal approach is unwieldy both for inspectors and foodservice operators. As the Trans-Fat Task Force correctly noted, the appropriate place to eliminate trans-fat is further up the food supply chain at the point of manufacture.

CRFA and MRFA members are also concerned about the compliance and enforcement measures of a trans-fat ban. Members have informed us that many products they receive from their suppliers do not have the product labels containing the trans-fat content information required. Furthermore, many operators currently do not store product in the containers supplied to them by suppliers, due to storage and usage constraints. Many operators have very little storage capacity and point out that keeping all boxes and containers is impractical. Cutting labels from boxes and photocopying labels to prove they are complying with any ban would be time consuming and equally impractical.

A trans-fat ban will also impact city inspectors. City and provincial inspectors are under increasing time pressure, and must use their limited time to identify critical food safety hazards. Checking trans-fat content labels will add unnecessary red tape to both operators and inspectors.

The simplest way to ensure compliance would be to ensure suppliers sell only approved trans-free products as recommended by the Trans-Fat Task Force.

### **Menu Labelling**

We understand council will also be asked to consider introducing legislation to force restaurants to publish nutritional information, including trans-fat content, on their menus. Simply put, menu labeling is impractical and unworkable.

A one size fits all approach to providing nutrition information is impossible to implement in an industry as diverse and dynamic as the foodservice industry. Given the made to order nature of the restaurant industry there are real and significant challenges to providing accurate nutrition information.

Whether it is a legislative or voluntary approach the same challenges remain – legislating menu labeling does not address the very real challenges of a varied, dynamic and personalized restaurant environment.

27 Canadian foodservice companies - representing more than 40% of chain restaurant locations - have signed on to CRFA's voluntary Nutrition Information Program, and provide customers with detailed nutrition and allergen information for standard menu items. By providing information on the same 13 nutrients included on the Nutrition Facts panel on packaged goods, the Nutrition Information Program uses a standardized format to address the wide range of dietary concerns and preferences among consumers.

CRFA is always looking for ways to improve the Nutrition Information Program and continues to work with members to identify opportunities to provide comprehensive nutrition information to Canadians in a manner that makes sense for our customers.

The Trans-Fat Task Force also looked into the issue of menu labeling, and provided the following recommendation:

*"The Task Force considered regulated nutrition labelling and claims, which are useful in the prepackaged sector of the food industry but not as well suited to foods provided by restaurants and other food service operations. Labelling is difficult in this sector because the food is generally not packaged, menus and menu boards offer limited space for nutrition information, food is often customized to order, and preparation is not always standardized." (TRANSforming the Food Supply, page 19, June 2006.)*

In conclusion, we strongly urge you to vote against any move to accelerate the timeline on eliminating trans-fats from Winnipeg's foodservice locations. The process is well underway across the country, and Health Canada is prepared to step in and regulate the industry at a federal level, should the need arise. Foodservice operators across the country have already taken the initiative to reduce or eliminate trans-fats well ahead of any regulatory involvement from federal, provincial or municipal governments. We have done so at the request of our customers.

If you have any questions about any of this information, please contact either one of us directly. Our contact information is included below.

Sincerely,



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