

Apr 2, 2025

International Trade Policy Division (U.S. Tariff Consultations)
Department of Finance
90 Elgin Street, 14th Floor
Ottawa, Ontario K1A 0G5
consultations@fin.gc.ca (Subject: U.S. Tariff Consultations)

Re: Consultations on Canada's Response to United States Tariffs on Canadian Goods

Further to our submission via online form 01-Apr-2025, we would like to provide clarifying details and additional recommendations here.

SafelyFed Canada is a national not-for-profit organization advocating for policies and programs to address the needs of infants, young children and their families in emergencies. Given the potential impacts of the trade war initiated by the United States, SafelyFed Canada sent a letter (attached) to the Health Minister asking for additional financial supports for young families, and for infant formula and iron-fortified cereal from 6m+ to be exempted from tariff measures. The letter was signed by over 100 health care professionals and individuals working to support infant and young child feeding in Canada. We have since also participated in a round table with Health Minister Kamal Khera to discuss the health impacts of tariffs on families and the professionals and organizations who provide care and services to them.

We would like to highlight the following perspectives:

While reducing overall consumption of ultra-processed foods by infants and young children is generally desirable and aligned with Canada's existing nutrition guidance, the application of tariffs will immediately raise costs for parents who use them with no immediate alternative available.

Infant formula prices have risen significantly faster than general food prices between January 2021 and January 2025, with an average increase of 35% on a standard 900g tin. For comparison, the cost of 1 liter of milk rose about 15% in the same period. Moreover, the ultra-processed nature of the products makes them more susceptible to indirect tariff-related increases since the costs of raw materials, packaging, machinery and transportation rise as tariffs are applied to them.

Price increases and disrupted availability may shift consumer behaviour in undesirable ways, including using products that are inappropriate for the child's age (ie: 'toddler' formula is typically less expensive per serving than infant formula), preparing products incorrectly (ie: watering down

¹ Statistics Canada. <u>Table 18-10-0245-01 Monthly average retail prices for selected products</u>. Retrieved April 2, 2025.



formula) or excess purchases hampering normal access. These are all behaviours that occurred after the closure of the US Abbott infant formula plant due to contamination in 2022, resulting in widespread shortages of infant formula in the US, and shortages of specialty infant formula in Canada.

We have identified various tariff codes scheduled to come into force in the second round of retaliatory tariffs that include infant and young child feeding products that are recommended by Health Canada for infants 0-12 months.

Tariff codes 1901.10.20, 2106.90.39 and 2106.90.35 may include standard infant formula (0-12m), extensively hydrolyzed/hypoallergenic infant formula and lactose-free infant formula respectively. For infants 0-9 months, these products are the only recommended alternative to human milk under Health Canada guidance.

Infant formula (0-12m)

Approved products are available here

https://www.canada.ca/en/health-canada/services/infant-care/infant-formula/shortage/infant-formulas-reviewed-health-canada.html with additional items here
https://www.canada.ca/en/health-canada/services/food-nutrition/legislation-guidelines/policies/interim-policy-importation-sale-infant-formula-human-milk-fortifiers-metabolic-products.
html#t1

When the US-based Abbott infant formula manufacturing plant was forced to close due to contamination in 2022, all of Canada's infant formula was imported from the US. Since that time, the interim policy on the importation and sale of infant formula in Canada has resulted in some availability of products from other countries. There is now also one factory manufacturing infant formula in Canada. However, most Canadian families who are not supported to, or are wishing to breastfeed, are still relying on US-imported products.

Further, the lists above include products for special medical purposes, such as extensively hydrolyzed cow's milk protein- or amino acid-based formulas, which are particularly critical to protect from disruption. There are few, if any, manufacturers outside the United States for these products.

Tariff codes 1901.10.10 and 1901.10.90 may include iron-fortified cereal for infants 6m+, which is among the iron-rich foods recommended in Health Canada guidance for 6-24m.

Iron-fortified infant cereal (6m+)



Iron-fortified infant cereal is recommended under Health Canada's Nutrition Guidelines for Infants 6-24m.

https://www.canada.ca/en/health-canada/services/canada-food-guide/resources/nutrition-healthy-term-infants/nutrition-healthy-term-infants-recommendations-birth-six-months/6-24-months.html

Products should be labelled from 6-12m or 6m+ and are iron-fortified (currently not mandatory). Products that are not iron-fortified or that cannot be used from 6 months should be treated as below.

Tariff codes 1901.10.20 may include toddler "milk" (12m+) meal replacements (12m+) and **Tariff Codes 1901.10.10**, **1901.10.90** and **2007.10.00** may include various commercial baby foods (6m+).

These products are subject to content and labelling requirements due to age targeting (ie: permissibility of FOP labels & format nutritional panels required for 6m to <1yr and <4y). They are not recommended under nutrition guidelines, though they are widely used.

Recommendations

- 1) We strongly recommend that infant formula and fortified infant cereal be treated as critical products and excluded from retaliatory tariffs. Further steps must be taken to prevent disruption of supply of these products and prevent further price inflation.
- 2) If it is not possible to exclude these as critical products, we would, in principle, support applications for remission for infant formula (0-12m) and iron-fortified infant cereal (>6m) only under the following conditions:
 - only if it is determined that an adequate supply is not available domestically or from non-US sources
 - only if importers undertake to cap prices at or below April 1, 2025 levels and ensure full supply for all communities, specifically value-priced and specialized products
- 3) Tariffs collected on any product marketed for 0-36m should be earmarked to support young families and strengthen infant food security.

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