



Removing Red Tape for the Beer Industry

The Government will modernize the compositional standards for beer under the Food and Drug Regulations to reflect innovation in the industry. The Government will also develop a plan to modernize other compositional standards.

The Government of Canada recognizes that some provisions under the *Food and Drug Regulations* are not keeping pace with industry innovation and changing markets. For example, the specific standards of composition for beer under the *Food and Drug Regulations* do not account for some new styles of craft beer on the market. The Government will develop a plan to address these issues through regulatory modernization initiatives.

Removing Red Tape for the Beer Industry

The brewing industry is an important contributor to the Canadian economy, representing more than \$14 billion in economic activity or 0.9 per cent of total gross domestic product. The production, distribution and sale of beer together account for 163,200 Canadian jobs, or 1 out of every 100.

Creativity and innovation in the development of products are critical to success in this industry. Large and micro brewers alike are always looking to develop unique products that respond to consumers' evolving tastes. To be successful in doing so, they require a modern regulatory environment that can keep pace with innovation.

Canada's compositional standard for beer outlines the specific requirements that must be met for a product to be labelled, packaged, sold or advertised as beer. Brewers have raised concerns with the existing standard and the barriers it can create for product innovation.

For example, the Pump House Brewing Company experienced delays in launching its new "Blueberry Ale" when it was determined that existing labelling standards for beer and ale would not permit both names on the label. Similar regulatory impediments delayed the launch of Rickard's "Cardigan Seasonal Spiced Lager." Under the beer standard, the addition of a spice, in this case nutmeg, meant that there was a question as to whether the product could still be considered beer. This led to delays and additional costs.

The Government will modernize the compositional standard for beer to enable the industry to take full advantage of innovation and market developments. The Government will also develop a plan to modernize compositional standards for other foods and beverages.