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# Improving Canada's Eating Environment

## **Food Tax and Subsidy Policies for the Promotion of Healthy Diets**

Canadian Health and Scientific Organization  
Policy Consensus Statement

May 2013



# Statement of Support

## *Des appuis de taille*

The following health care professional, health and scientific organizations, support<sup>1</sup> this Policy Consensus Statement on [Food Pricing Policies to Promote Healthy Diets and Reduce NCD Risk](#).

*Les associations de professionnels de la santé, les organisations scientifiques et les organismes de la santé à soutenir cet Appel à la mobilisation pour vendre et acheter des boissons et des aliments plus sains*



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# Purpose & Acknowledgements

This statement supports the advancement of the *Pan-Canadian Framework for Healthy Blood Pressure* ([http://www.hypertensiontalk.com/canadian\\_hypertension\\_framework/](http://www.hypertensiontalk.com/canadian_hypertension_framework/)) which advocates for the implementation of healthy dietary policies as part of a set of key recommendation to improve health and prevent diet-related chronic disease, including hypertension.

Led by the Heart and Stroke Foundation of Canada, Canadian Institute for Health Research (HSFC-CIHR) Chair in Hypertension Prevention and Control, the writing of this statement was supported by the these members of the Canadian Hypertension Advisory Committee:

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# Food Tax and Subsidy Policies: Public Health Justification

## 1. Diet is the leading risk factor for death and disability in Canada.

Chronic diseases, namely heart disease, stroke, hypertension, chronic respiratory disease cancer, and diabetes, account for nearly 67% of all deaths in Canada. (1) Diet is the leading risk factor for total death, disability and life-years lost in Canada, resulting in an estimated 66,000 deaths and 864,000 years of life lost in 2010. (2)

## 2. Food pricing policies influences dietary behaviors

Results from controlled trials (4) and modelling studies (5,6) suggest that taxing unhealthy food and beverage products<sup>3</sup> modifies food purchases and is an effective strategy to reduce consumption of these products. Studies examining the health effects of food policies suggest that both food taxation and subsidy schemes, especially when combined, can prevent diet-related disease, death and disability. (7-10)

## 3. Food pricing policies are cost-effective interventions to improve diet.

Food taxes and subsidies are promoted as a cost-effective population-based intervention to promote healthy diets. (11,12)

## 4. Taxation of unhealthy food and beverages, particularly sugar-sweetened beverages, are revenue-generating.

The treatment and control of diet-related chronic disease in Canada is expensive. (1) Studies from the US and Europe suggest that food taxes can generate millions of dollars in revenue. (12,13) Using the money collected from food tax to subsidize health food has been shown to offset the regressive impact of food taxes across all income groups. (7,14)

## 5. There is strong support for pricing policies by Canadians and Canadian health and scientific organization.

National surveys put support for taxation of junk food and sugary drinks is 40%, particularly if the revenue is used to fund other programs that prevent childhood obesity. (15) Recommendations to implement taxation schemes on unhealthy food and/or beverages have been proposed by several provincial and national health organizations (16-18).

Global Dietary Risks <sup>2</sup>	
1	Diet low in fruits
2	Diet low in vegetables
3	Diet low in nuts and seeds
4	Diet low in whole grain
5	Diet low in omega 3 fatty acids
6	Diet low in fiber
7	Diet low in milk
8	Diets low in calcium
9	Diet low in polyunsaturated fatty acids
10	Diets high in sodium
11	Diet high in processed meat
12	Diet high in sugar-sweetened beverages
13	Diet high in trans fatty acids
14	Diet high in red meat
** Dietary risks are not ranked	

<sup>2</sup> Global Burden of Disease Study, 2010: <http://viz.healthmetricsandevaluation.org/gbd-compare/#>

<sup>3</sup> Currently the strongest evidence base on the benefits and effectiveness of food taxations is for tax on sugar-sweetened beverages

# Recommendations

**There is sufficient and compelling evidence to support the implementation of food pricing policies as part of a multi-component strategy to improve Canadians' dietary habits. The undersigned call upon all levels of government as well as decision and policy makers to act on the following recommendations:**

1. That the federal government impose an excise tax on food and beverage products high in saturated and trans-fats, free sugars and sodium, including but not limited to sugar-sweetened beverages, in combination with subsidies for healthy foods, particularly for food insecure and vulnerable populations. A tax of at least 20% is recommended to have a significant effect on diet-related diseases, including obesity. (20)
2. That in the absence of federal government action, provincial and territorial governments collaborate to develop and implement a harmonized excise tax on food and beverage products high in saturated and trans-fats, free sugars and sodium, including but not limited to sugar-sweetened beverages, in combination with subsidies for healthy foods.
3. That governments at all levels allocate a percentage of revenues from food tax for obesity and chronic disease prevention including research on the effectiveness and impact of fiscal policies as well as on the monitoring and evaluation of tax and/or subsidy policy.

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