

Safekeeping Canada's reputation: The high cost of not meeting new food safety rules



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Tim Fraser for National Post/Ali Kizilbash, TWI Foods Inc. founder, says there are benefits to complying to Canada's new nutrition labels if done right.

This summer the Government of Canada proposed new nutrition labels that would give Canadians more information about the food they are purchasing so they can make healthier choices. The proposal followed

the introduction earlier this year of the Safe Food for Canadians Act, which imposed stronger safety rules and increased powers for food inspectors.

While this is all to the good for consumers, it also puts increased pressure on small and mid-sized food manufacturers, said Nancy Harris, executive vice-president and general manager Canada at software provider Sage North America.

A recent survey conducted by Sage of 324 food-related business owners and executives found 50 per cent of North American businesses don't know how they will comply to food regulatory standards. Health Canada's new nutritional labels alone could take up to five years and thousands of dollars for a company to implement.

Ali Kizilbash, who launched Mississauga, Ont.-based TWI Foods, a specialty food company that produces a range of cake-rusks, cookies, cakes and frozen foods serving the South Asian market, knows firsthand what it takes to meet regulatory and consumer demands for transparency. But he and Harris agree it can also reap benefits for companies that do it right.

Among the key findings in the Sage survey are: The typical spend on transparency efforts is between \$20,000 and \$26,000 a year. Almost half (48 per cent) of respondents cited compliance-related issues (such as labelling and lot tracking) as their top business challenge. While 72 per cent say transparency is important to their customers.

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