



Pure and Simple

Mark Twain once stated, “You can tell German wine from vinegar by the label.” How simple things must have been in those days. No ingredient lists, no nutrition facts – just pure and simple information. These days the regulatory environment governing food can be captured in the adage of Edward R. Murrow, “Anyone who isn’t confused really doesn’t understand the situation.”

What I’m hearing is that the burden of new rules on nutritional labelling and the impact they have on small business enterprises seem to be at their limits. These small businesses are local enterprises such as bakeries, artisan food makers and importers of specialty foods. In fact, even large companies with low volume specialty items feel the pinch of these regulations.

A good question to ask is whether it’s more important to have access to your favourite foods or to see a nutrition facts table on its label. The answer to this question may be moot, as companies cease importing or making these types of foods. If high costs plus low margins do not equal large sales, things don’t look so good. That’s one thing I do remember from university. The food business is quickly becoming inaccessible to entrepreneurs or even small businesses wishing to expand.

There are exemptions in the current regulations, but these are tokenized. One example is the extended transition period for smaller companies to comply with nutrition labelling, which ends Dec. 12, 2007. At the end of this period there is no other remedy available for small businesses or ones dealing with specialty items. In contrast the U.S. continues to offer exemptions for low volume products where the company has less than 100 employees and sells fewer than 100,000 units in a 12 month period. If the sales and company grow beyond this, there are another 18 months offered to then bring the labelling into full compliance. Would that not seem practical in Canada as well, albeit



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scaled to our industry?

Aside from the complexity and the cost of implementing regulations, most complaints are directed at the lack of resources available from governments at all levels in assisting with regulatory compliance. Rulemaking in the U.S., at least on the federal level, is far more obliged to consider the impact on businesses. The Food and Drug Administration (FDA) is obliged to provide resources specifically for small enterprises. Check out the FDA website in the U.S. and compare it to both that of Canadian Food Inspection Agency and Health Canada. The FDA website is not perfect, but the contrast will obviously point out that improvements are needed on this side of the border.

The viability of small enterprises and their compliance to regulations would be greatly enhanced if there were improvements in three key areas of the regulatory process. The first is to keep regulations simple: Simple to understand and simple to implement. Canadian nutrition labelling is not a good example of “simple.” Douglas Adams said, “A common mistake that people make when trying to design something completely foolproof is to underestimate the ingenuity of complete fools.” The next would be to lighten the burden for smaller enterprises by providing reasonable and rationalized exemptions. This would permit smaller enterprises to focus resources on food safety matters. The last, and sometimes the most underrated, is to provide simple, consolidated and well thought out plain language information resources. This is a self-help society, and a lot can be accomplished with simple information. Oscar Wilde said it best, “The pure and simple truth is rarely pure and never simple.”

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