

How to Manage Food and Beverage Compliance

Part 2: Traceability and Labeling



Introduction

This is the second in a two-part series that looks at the issues and solutions surrounding the necessity of compliance within the Canadian food and beverage industry.

The series provides an overview of the following challenges facing food and beverage manufacturers and advice on how to manage them:

- **Automation:** A look at **how automation can improve compliance** while increasing productivity and worker safety.
- **Traceability:** Brand owners demand ingredient visibility and product supply chain management to protect themselves and the consumer in case of an emergency.

- **Labeling:** Upcoming changes to Canadian labeling requirements mean greater transparency and food safety for the consumer, but more responsibility to the manufacturer.

In this part, we will look at traceability and labeling compliance obligations for food manufacturers.



Traceability is Not an Option

As the food supply chain becomes more complex, it is extremely important to have a traceability process in place to check for food safety and quality control.

A traceability system helps you pinpoint the source of an issue and analyze the scope of the potential problem so you can take immediate action. This enables the manufacturer to recover faster, restoring customer and consumer confidence. A good system can also help you prevent similar issues from happening in the future—as long as you add in new preventative measures.



Tracking is the ability to pinpoint the destination of a particular product, following its path through the food chain from the point of manufacturing to the final point of sale or point of consumption. It's the ability to follow an ingredient "one-step-forward and one-step-back."

For example, a single lot of flour may be used in several batches of batter over time which in turn gets used in several different lots of cake varieties. In this scenario, the manufacturer must be able to trace backwards from the cake to the flour lot source, and be able to track forward to what cakes used the flour from that lot.

Essentially, tracing looks backward to a product's origin, but tracking looks forward to its destination. Together, it is "traceability".

As a food or beverage manufacturer, you need the ability to accurately trace the flow of products and ingredients throughout their lifecycle within your facility. But that's just the start.

While your traceability system may be top-of-the-line, it can still be impacted if there is no standardization amongst your producers, suppliers and distributors. An effective traceability system needs to be a team effort.

But what is **traceability**? Traceability actually involves two things: tracking and tracing.

Tracing refers to the functions that follow the flow of foods and ingredients throughout the production, processing and distribution stages. Knowing the tracing history provides the manufacturer information about the origin of the product and its movement along the supply chain.



A Traceability System Should Be 100% Verifiable

To be fully-compliant, manufacturers need to know the lifecycle of any product before it enters the facility, and to track how it leaves for delivery to the customer—from farm-to-fork. Your customers should also maintain their own supply chain activity of what they do with the product until it is delivered to the end consumer.

Your traceability system needs to be able to: demonstrate one-step back into your supply chain; trace all steps throughout your processing; and provide one-step forward verification to your customers.

But it's not just you, the manufacturer. To provide the best traceability system, you should demand the same one-step-back and one-step forward verification of your vendors. No matter what, your customers will typically demand it of you.

There are a lot of factors to consider. The Canadian government wants everyone involved in the food and beverage industry to be responsible for how products are grown, processed, packaged, stored and transported. Along with the processors, this includes the ingredient growers, suppliers and product distributors.

Labeling & Coding

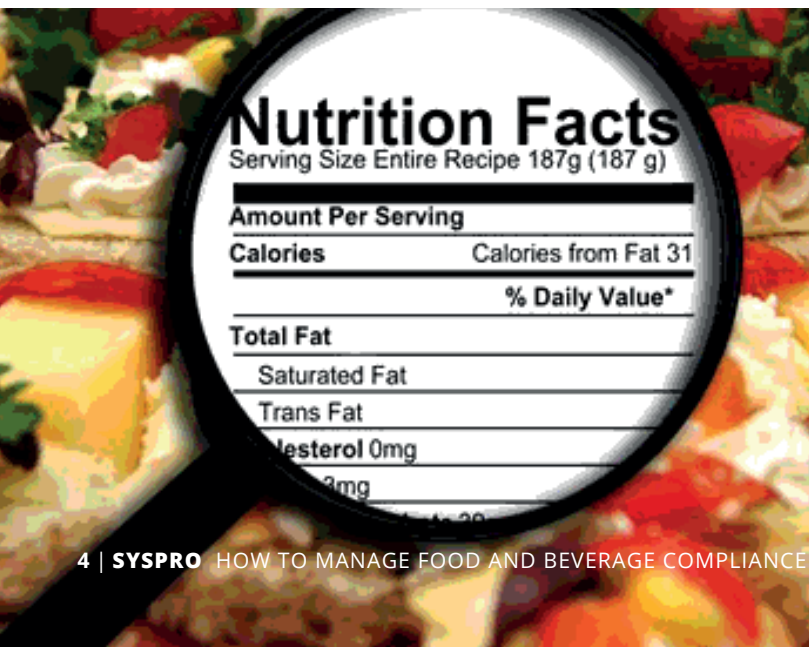
It's not just the Canadian government and its laws of compliance that are important here. More and more consumers need and want to know exactly what they are eating; not only for health concerns, but also to be more socially conscious.

Canadian manufacturers have to comply with mandates of the new Safe Food for Canadians Act and Safe Food for Canadians Regulations—the new labeling laws for the food and beverage industry. Although the implementation of these rules has begun, further updates are due in 2020 and 2021.

Safe Food for Canadians Act

To protect Canadian families from potentially unsafe food, the Government of Canada's Safe Food for Canadians Act:

- Makes food as safe as possible for Canadian families
- Protects consumers by targeting unsafe practices
- Implements tougher penalties for activities that put health and safety at risk
- Provides better control over imports
- Institutes a more consistent inspection regime across all food commodities
- Strengthens food traceability



Fines & Awareness

The individual manufacturer is responsible for implementing any changes to meet the new requirements. Compliance failure can result in the seizure of products by federal inspectors or even fines of up to \$15,000.

The Safe Food for Canadians Regulations is a newly-formatted set of rules that states—among many things—that food businesses that import or prepare food for export, or send food across provincial or territorial borders, must have licenses and preventive controls in place that outline the necessary steps required to address any potential risks to food safety.

The Safe Food for Canadians Regulations consolidates 14 existing food regulations into one. Its goals are to:

- Improve the consistency of rules across all types of foods, and between food businesses
- Reduce administrative burden
- Enable food businesses to be more innovative via outcome-based provisions

Included in these regulations are the Consumer Packaging and Labelling Act. The new labeling aspects of the Safe Food for Canadians Regulations—as it stands as of now—are separated into two sections:

1. [Food labeling for consumers](#)
2. [Food labeling for industry](#)

Although only the second section is specific to the industry, both are applicable to the manufacturer.

Labeling Considerations

Although the new Canadian labeling standards were created to help the consumer both read and understand the information provided, it also standardizes data as nutrition, allergens and ingredients.

Consumers care—or should care—about the ingredients contained within any manufactured food and beverage product so they can make more informed choices. Labeling is the most important tool consumers can use to make decisions regarding the consumption of healthy and safe foods.

Food labels must provide a nutrition facts table, ingredients list, and state all nutrient and nutrition claims, provide a percentage of daily values, and denote the serving size. Other labeling should also include best-before dates, country-of-origin data, and clearly note the presence of any potential allergens the product could have been exposed to during the manufacturing process. Manufacturers must also list all of the ingredients contained in the food product by weight, from the heaviest to the lightest.

With regards to industry labeling, the core requirements include: date markings and storage instructions, a list of ingredients and allergens, methods of production, and lot coding data and best-before information. There are more, of course, but these examples are things the manufacturer must have control of to provide a safe product to the consumer.

Lot coding data, for example, is the specific identifier for an individual product within a production lot. It can be a combination of unique numbers or letters or both—but its ultimate goal is for a manufacturer to be able to uniquely identify a batch or lot of product that may be contaminated versus having to recall everything that was produced over a period of time.

From there, traceability is used to determine when or if there is an issue during the food supply chain. It is the basis for a recall plan for products, to mitigate risks and protect both the consumer and the manufacturer.

Servings: larger, bolder type

Serving sizes updated

Calories: larger type

Updated daily values

New: added sugars

Change in nutrients required

Actual amounts declared

New footnote

Nutrition Facts	
8 servings per container	
Serving size	2/3 cup (55g)
Amount per serving	Calories 230
% Daily Value*	
Total Fat 8g	10%
Saturated Fat 1g	5%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 160mg	7%
Total Carbohydrate 37g	13%
Dietary Fiber 4g	14%
Total Sugars 12g	
Includes 10g Added Sugars	20%
Protein 3g	
Vitamin D 2mcg	10%
Calcium 260mg	20%
Iron 8mg	45%
Potassium 235mg	6%

*The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

The ingredient list helps consumers avoid products in case of a food allergy or intolerance. It's why food and beverage manufacturers need to ensure the ingredients they use are accurate reflections of the ingredients listed on the label, and vice-versa.

Transparency for Consumers

Many processors of wild-caught fish for further processed products are now placing a QR (Quick Response) code—similar to, but not exactly a bar code—on the packaging, as a machine-readable optical label containing information about the product. It is not a requirement, but it is being used by brand owners to present transparency to the consumer. At the grocery store, and before purchasing, a consumer can use their smart phone to access such details as: where and when exactly the fish was caught; by which particular fishing vessel, and; even receive information on the species, the ships crew, and how it was transported back to shore. Consumers can also use the QR code to determine if the product and its ingredients were sustainably harvested.

Conclusion

Keeping the customer safe and informed is the end-goal of these compliance regulations. Food and Beverage manufacturers therefore need to have an integrated approach to manage compliance through automation, traceability and labeling. This will help them meet the required standards and ensure that their customers are always safe.

About **SYSPRO**

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