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food in canada

CANADA'S FOOD & BEVERAGE PROCESSING MAGAZINE

BOLD Adventures

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The new retail landscape

The recent announcement by Target that it was closing all 133 of its Canadian stores is further evidence that the retail landscape in Canada continues to change. The recent years have seen increased consolidation by the major grocery chains, the proliferation of large-format multi-merchandise retailers, and the continued spread of discount channels.

"There will be a little less grocery space available with Target leaving," agrees Tom Barlow, president and CEO of the Canadian Federation of Independent Grocers, "but we are over-served — there is a lot of availability but it's dominated by the major players. Unfortunately the pie isn't getting any bigger."

So why should food and beverage producers care about these changes? "The concern is that the buying power goes to the very few, which can be used to demand better pricing," says Barlow. "The cost of getting new product listed is also so high that we're not seeing the innovation we see in other markets. The barriers to entry are just too high."

But Barlow says there are opportunities out there for food manufacturers able to provide something unique. Shifts in the retail environment mean that at the store level grocers are altering their offerings to meet current consumer demand for innovation, value-added, quality and a wider selection. Chains are also giving more shelf space to healthier choices and niche products like local or halal.

"We're seeing the centre of the store compressed, and we're seeing expansion out into the outer aisles, with large sections for fresh, healthy and specialty goods in conventional grocery," says Barlow. There has also been a shift back to smaller specialty stores such as stand-alone bakeries and butchers, as well as larger retailers "trying to create that specialty store within the store."

At the same time the variety of venues available to producers has widened, with opportunities increasingly appearing in traditionally ethnic grocers, convenience stores and drug stores. Ultimately, says Barlow "manufacturers have to make a decision about where they're going to sit. You have to decide what your point of differentiation is going to be. So the opportunities are out there — producers just have to figure out how to take advantage of them."

Carolyn

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Cheers to Sir John

In January, consumers in Ontario could raise a toast to Canada's first prime minister on what would have been his 200th birthday, with a beer bearing his likeness. Old Tomorrow brewery launched Old Tomorrow Canadian Pale Ale (CPA) in early January in LCBO outlets across Ontario, plus numerous restaurants and bars in Toronto, Ottawa and Kingston. The company says the beer was inspired by the grit and determination of Sir John A. Macdonald, who had an uncanny sense of political timing and ability to achieve greatness against long odds.

News>file

Iconic Pic-a-Pop brand reintroduced

Despite a five-year absence, Manitobans still have a zest for Pic-a-Pop.

Peter De Jong reports that his re-introduction of the iconic Winnipeg brand at the end of October was a smashing success. "We sold out our initial run in less than a week and every week since," he says. "We started production with 10,000 bottles and have been doubling our production every week."

The popular soda brand was founded in Winnipeg in 1971. It went out of business the first time in 1996. A local businessman revived the brand in 2005 but had to close in 2009 after the Winnipeg bottler, Angostura Canada, shut down its plant.

Two years ago, in an effort to diversify his dairy farm, De Jong bought an out-of-business water bottling plant in Marchand, a small community southeast of Winnipeg. The plant was originally opened as Hanover Springs, producing Prairie Crystal water. Canadian Gold Beverages Inc. purchased the brand nine years ago but closed in 2011.

"We invested in all new machinery," says De Jong. "We are a more efficient operation. We have just four or five staff compared to 16 before." The plant has a permit to use up to 265 million gallons of water a year.

According to De Jong, five of Pic-a-Pop's original flavours — root beer, lime, cream soda, blue razzberry and grape — are currently in production, and he is planning to add orange and black cherry in March along with two flavours chosen by Pic-a-Pop patrons.

One advantage of the new Pic-a-Pop, De Jong says, is that it is being sold in glass bottles. "People want alternatives to plastic bottles," he notes. "Also our product is caffeine-free and organic. We use only natural flavours."

The product is currently available in Giant Tiger and Food Fare stores in Winnipeg, and, says De Jong, this year he will be following up on marketing opportunities in Alberta and B.C.

Canadian Gold continues to make its own branded sparkling, still and lemon water and it also does a brisk private-label business. It ships across Canada, the U.S. and overseas. "We have the best tasting water in the world here," says De Jong.

— Myron Love

Cider rules amongst consumers

Across the country, cider sales have skyrocketed. According to Statistics Canada, hard cider sales were 28.4 million L in 2013, a 34-per-cent by volume increase over the last five years. And there is no sign of the trend abating. In fact, Euromonitor International predicts the total value of sales in the cider category by 2017 at $240.3 million, up from $182.4 million in 2012.

"In Canada, cider is booming in popularity, with more and more styles of cider becoming available for Canadian drinkers. In fact, sales have been growing

FROM OUR LIBRARY

Einkorn might not sound familiar just yet, but the writers behind a new cookbook think this ancient grain is quickly becoming one of the most popular grains on the market. According to *The Einkorn Cookbook*, einkorn is an ancient grain with origins that reach as far back as 7600 BCE. It's easy to digest, less likely to cause gut inflammation, and it's tolerable for those with gluten sensitivity. If the grain is new to you, the authors Shanna and Tim Mallon offer plenty of information such as its history, uses, and how to buy and store the grain. And to make it easy to navigate, recipes are divided into sections such as breakfast, breads, appetizers, salads, main dishes and even desserts.

and have even reached about one per cent of total alcohol beverage sales in Canada," says David Sipes, cider maker for Angry Orchard, citing data from Beam Suntory Canada/ Association of Canadian Distillers for the period ending April 30, 2014.

Cider is a fermented drink made from apples, and is consistently described as "refreshing." Ranging from dry to sweet, cider has universal appeal. "In our experience, we've seen that cider appeals to both men and women in a far more balanced way than beer or wine," says Sipes.

Not only are homespun Canadian-made brands like Growers Cider seeing increases, but there is also a plethora of imported ciders coming from South Africa, the U.K., Germany and Denmark. Perhaps the greatest indicator of cider's burgeoning appeal is that large alcohol brands have introduced new products: Molson Canadian Cider, Labatt's Alexander Keith's Original Cider and Brick Brewing's Seagram Cider.

Why is cider suddenly so popular? "…Canadian consumers want… more choice when it comes to the everyday 'beer' drink occasion…there are many flavours and style variances within the category as well. Even beer brands are jumping on the trend as well with cider line extensions," says Nicole Oliva, national brand manager — Distell Spirits, PMA Canada, which represents Savanna Dry Premium Cider.

Consumers perceive cider as a healthy, wheat-, GMO- and gluten-free choice. "Our drinkers have a sophisticated palate and look to cider as a refreshing alternative to beer and wine, and they're drinking it year round," says Sipes. "We're also seeing drinkers start to experiment with hard cider much like they did with craft beer years ago…through cooking, pairing cider with foods, and even in cocktail recipes."

— Kailash and Shivana Maharaj

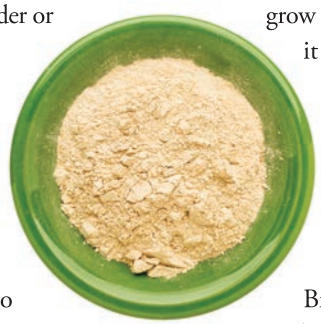
Maca root joins superfood category

Maca root is one more superfood that Peru can display in its national culinary trophy case. It joins the potato and other recent additions such as quinoa and chia seeds.

Maca is a turnip-like root that ranges in colour from creamy white to black, and which has been part of the Peruvian diet for centuries. It is now front-page news thanks to skyrocketing demand for the darker version from Chinese consumers who see it as an alternative to ginseng as an energy pick-me-up and as a treatment for male sexual dysfunction. More important, that stampede has recently driven up prices of the light coloured variety tenfold to US$13/lb and the darker version to US$45/lb according to a recent *Wall Street Journal* article.

In her book, *The Power of Maca*, Ontario registered holistic nutritionist Lorrie Ingram writes, "The people of Peru use maca in soups, stews, boiled and roasted. … It is also found in flour mixtures, breads, cakes and cookies. When prepared, maca has a sweet taste, almost a butterscotch-like flavour."

Maca is widely available in many health food stores. Says a spokesman for Toronto-based health food chain Noah's Natural Foods, "For about 10 years, we have been offering it as a powder or flour which people can add to smoothies or baked goods. We also sell it as a supplement in capsule form and as a liquid."



As with many natural health supplements, the scientific research claims of maca's medical benefits are not entirely conclusive. And yet, it is starting to show up in everyday grocery items on supermarket shelves. For example, Whole Foods now offers organic cacao powder with maca.

While its recent surge in demand has enriched farmers who grow it above 13,500 ft. in the Andes Mountains, it has created other problems. Says José Luis Peroni, Trade Commissioner of Peru in Toronto, "Only maca flour and powder can be legally exported, not the roots or seeds. This will prevent other countries from growing their own and destroying our market. That's what happened when the British took rubber tree seeds from Brazil and planted them in Malaysia."

Nevertheless, Peroni and his colleagues are ready to introduce Canadian food buyers and importers to Peruvian growers and food exporters. Last year's annual Peruvian national food show, Expo Alimentaria, welcomed a contingent of several dozen Canadian companies. Attending the show offers visitors more chances to discover for themselves other superfoods that flourish in Peru's more than 80 specialized climate regions.

— *Ken Mark*

Gold medal protein

Maple Leaf Foods, the makers of Maple Leaf Natural Selections PROTINIS (pro-teen-eez), announced last fall that it now has a two-year partnership with four-time Olympic Gold Medalist and Canadian flag bearer Hayley Wickenheiser to fuel the next generation of gold medal athletes and busy Canadian families.

Wickenheiser

Safe Food Canada 2015

The Safe Food Canada Symposium & Award Recognition Event takes place in Toronto on Feb. 26. This year's program offers must-hear information to help food safety professionals and food manufacturers navigate the Canadian regulatory landscape.

Attendees can hear sessions on food fraud, business ethics in food safety, and a panel of experts will share the "then" and "now" best practices in food chain management and how these examples contribute to the bottom line success of their businesses. There will also be a session on the changing regulatory landscape for food imports and exports.

During the symposium the winners of the NSF-GFTC Food Safety Recognition Awards will be announced. The awards recognize companies that demonstrate food safety excellence in three categories: Food Safety Excellence, Food Safety Leadership, and Allied Trades Food Safety. For more information, visit: www.gftc.ca.

INBRIEF

> Zpirit Foods of Toronto received $67,000 in funding in December to help the company broaden its market reach. The company manufactures health beverages containing real fruit, water, herbs and spices.

> The **Humane Farm Animal Care** organization announced last fall that Toronto-based **Open Farm Inc.** will be the first producer of Certified Humane Raised and Handled pet foods in Canada.

> The Gluten-Free Certification Program (GFCP), in partnership with the **Canadian Celiac Association** and the **National Foundation for Celiac Awareness**, have certified Sechelt, B.C.-based **Holy Crap**'s gluten-free, non-GMO organic breakfast cereals. The cereals are available in grocery stores, drug stores and health food stores across Canada and in select U.S. locations. The GFCP and the Canadian Celiac Association have also announced that **La Rocca Creative Cakes** has added two GFCP-certified cakes to its line of premium desserts. La Rocca is based in Richmond Hill, Ont. and is also BRC certified for food safety.

> Vancouver-based **Daiya Foods** is supplying dairy-free vegan cheese to Pizza Nova. Daiya's award-winning dairy-free, gluten-free and soy-free substitute is available at participating Pizza Nova locations.

> Troll Bridge Creek Inc., the maker of KiKi Maple Sweet Water, has been recognized by the Province of Ontario's Premier's Award for Agri-Food Innovation Excellence program.

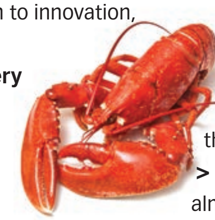
> Rock Ridge Dairy of Ponka, Alta. has launched a program called Drink Milk So Kids Can Too! Rock Ridge is donating 2.5 cents of every litre sold of its Rock Ridge Organic Milk to the Calgary Food Bank to purchase locally produced fresh conventional milk for its Children's Milk Program. Consumers and corporations can also contribute through rockridgedairy.com, a page created in co-operation with the Calgary Food Bank.

> LaHave Forests and its Haskap berry products are now available in 20 Sobeys stores across Nova Scotia. That figure will increase to 50 stores in Atlantic Canada by this spring. In December, in time for the holidays, the company offered its Haskap berry products in hand-made gift crates supplied by Bonny Lea Farm in Chester, N.S.

> Canadian seafood provider **Toppits Food Ltd.** opened a stand-alone retail store in Vaughan, Ont. late last year. For 100 years, the seafood provider has offered high-quality and sustainable products to its retail customers across Canada.

> Bedford, N.S.-based **Clearwater Seafoods** received the **Rabobank Innovation Award** in December. The Innovation Awards are presented to leading food and agriculture companies for their dedication to innovation, sustainability and leadership.

> The P.E.I. lobster trap fishery has been certified sustainable and well-managed by the Marine Stewardship Council.



The lobster fishery provides more than 5,000 jobs each year and contributes $362 million to the province's economy.

> Vancouver-based **Gardein** received the Sustainability Award at the 2014 B.C. Export Awards late last year.

> The federal government has invested almost $2 million in the Winnipeg-based **Canadian Malting Barley Technical Centre** to support its market development efforts.

> The Pacific Agri-Food Research Centre in Summerland, B.C. celebrated 100 years of conducting important research for B.C.'s agriculture industry.

> The federal government invested $345,000 in an innovative robotic milking system for **Pure Holsteins Ltd.** The technology is a first for Newfoundland and Labrador.

> The Star Group through **Consolidated Fruit Packers** is expanding with its own state-of-the-art packing facility in the Southern Okanagan in B.C. The facility has a cherry packing machine and an apple packing line.

> The **University of Guelph's Department of Food Science** has launched an expanded online interactive food-safety training program for industry. The program was originally exclusive to Loblaw Companies Ltd. suppliers, but is now open to the food processing industry. For more information, visit uoguelph.ca.

> Consumers in Ontario can now enjoy **Brew Dog** brews from Scotland. Some of the draft beers coming to Ontario include: Punk IPA, Five AM Red Ale, Libertine Black IPA, Dogma, Cocoa Psycho, and Hardcore IPA.

WE ASKED YOU…

In our latest online poll, we asked readers if their food businesses will benefit from the Comprehensive Economic and Trade Agreement with the E.U. Here's what you said:

YES 46%

NO 54%

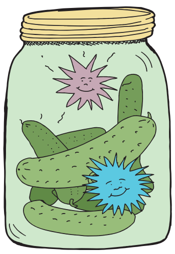
To take our next poll, visit foodincanada.com

SUPPLIER NEWS

> **Fiberstar** has appointed Vaudreuil, Que.-based **Quadra Ingredients** as its Canadian distributor. Quadra — which has offices in Ontario, Alberta and B.C. — will distribute Fiberstar's line of functional ingredients from Citrus Fibre. Quadra Ingredients has also been appointed as **Lonza**'s Canadian distributor for both the Nutrition and Food Emulsifiers portfolio of products.

> **Grain Processing Corporation** has announced that its Daviess County Washington, Indiana-based plant will be the site for the new Maltrin maltodextrins capacity expansion.

> For the third year in a row, **ROHA USA** has received Level 3 Certification from the Safe Quality Food Institute at its colour manufacturing location in St. Louis, Mo.



> The AOAC Performance Tested Methods[SM] program has approved **3M**'s 3M Molecular Detection Assay *Listeria monocytogenes*. The approval certifies that the test kit, which helps to quickly and accurately detect *Listeria monocytogenes*, is now considered equivalent or better than standard reference methods for select food matrices by the international organization.

> Toronto-based **CCL Industries Inc.**, a provider of specialty label and packaging solutions, has acquired **Druckerei Nilles GmbH**, a private company in Germany's wine producing region. In addition to its wine label business, Nilles enables European customers in many other end-use markets to purchase custom designed labels online using proprietary e-commerce software.

> Toronto-based private equity firm **Onex Corp.** has acquired Swiss food packaging company **SIG Combibloc Group AG** for $4.66 billion. The deal is expected to close early this year.

> The **Excellence in Manufacturing Consortium** has partnered with **BMO Bank of Montreal** to create the EMC-BMO Manufacturing Banking Program. The program will help manufacturers with banking resources and offer direct access to manufacturing banking experts.

> **Laurette Rondenet-Smith**, president and CEO of Illinois-based **Edlong Dairy Technologies**, was inducted into the University of Illinois at Chicago's 2014 Chicago Area Entrepreneurship Hall of Fame. Rondenet-Smith was one of 10 business leaders to be inducted.

> **NSF International**, a food safety service provider, was awarded SQF Certification Body of the Year by The Safe Quality Food Institute at the Quality Achievement Awards Ceremony during the SQF Conference in October.

> **IOI Loders Croklaan** has strengthened its Sustainable Palm Oil Policy. The new policy sets out requirements more clearly than the previous one. ↗

> **The Canadian Natural Health Products Directorate** (NHPD) has granted Israel-based **Frutarom** a product license for its Benolea cardiovascular health support ingredient. Benolea can help support cardiovascular health by maintaining healthy blood pressure levels.

> **Kalsec Inc.** of Kalamazoo, Mich. has been awarded the Safe Quality Food (SQF) Level 2 certification under the Global Food Safety Initiative Edition 7.2. The certification is for food ingredient manufacturing, which includes spice extracts, colour, flavours, antioxidants and hops.

> **Mondi North America**'s retort and hot fill spouted pouches have successfully completed hermetic seal integrity tests conducted by The National Food Laboratory LLC, an independent testing organization. The testing offers added assurance to food companies and co-packers that Mondi retort and hot fill pouches meet the highest standards for leak-proof, hermetically sealed performance.

> **Takasago Americas** of Rockleigh, N.J. has officially opened its Encapsulation Technology Center, a dual-purpose fragrance and flavour facility.

> Alsip, Ill.-based **Griffith Laboratories**, a developer of food ingredient systems, produced and distributed 143,000 lbs of food to food banks and non-governmental organizations (NGOs) last fall. Nineteen Griffith facilities in 13 countries partnered with more than 50 suppliers worldwide during the "Produce for Hunger" initiative to support local communities where Griffith operates and conducts business. The distributed product donations are providing almost 1.3 million meals to the hungry.

> Sweden-based **Ecolean** has opened a new office in Dallas, Texas. Ecolean offers innovative cold-fill aseptic packaging solutions.

> France-based **Naturex** is opening a sales office in Santiago, Chile. Naturex had acquired Chile Botanics and its factory in Linares early in 2014.

PEOPLE ON THE MOVE

> **Michael Kennedy** has joined CK Ingredients as director of Sales, responsible for leading the sales efforts of the company's Canadian natural health products industry, and managing a portion of the company's food business.

> Brampton, Ont.-based L.V. Lomas has promoted **Jessica Ng** to its new Inside Sales Representative – Food Business Unit. The company has also promoted **Mitch Lassaline** to Technical Sales Representative within the Food Business Unit.

> Dairy Farmers of Canada (DFC) has appointed **Caroline Emond** as its new executive director.

> **Steve Churchill**, managing director at Nielsen Canada, retired in January. Replacing him is **Jeanne Danubio**, currently managing director of Consumer Insights, North America, who will become leader of Nielsen Canada's Consumer (Buy) Business. Nielsen Canada is a consumer research firm.

> Vaughan, Ont.-based VersaCold Logistics Services has appointed **Larry Bines** to vice-president of Sales and Marketing, **Joe Sammon** to vice-president of Engineering, and **Michael Spence** to CFO.

> The University of Waterloo's **Bruce Muirhead** will lead national research on Canada's egg industry policy and the value of supply management.

> **Linda Oliver** has joined the sales team at Continental Ingredients Canada as Regional account manager covering Western Canada.

> Laval, Que.-based Neptune Technologies & Bioresources Inc. has appointed **Jim Hamilton** as its new president and CEO.

> Grimsby, Ont.-based Andrew Peller Limited has appointed **Brian Athaide** as its CFO and executive vice-president of Human Resources and Information Technologies. Athaide replaces **Peter Patchet**, who retired in January.

> **Rick Bergmann** will be the new chair of the Canadian Pork Council (CPC). Bergmann is currently vice-chair of the CPC and the Manitoba Pork Council.

> McCormick & Co. Inc. has named **Lawrence Kurzius** to fill the newly created role of president and COO.

> Tipper Tie recently appointed **David Zonca** as its new vice-president of Global Sales, Marketing and Product Management.

> **Richard Calk Jr.** is Neogen Corporation's new president and COO.

> **Frutarom Switzerland Ltd.**'s Health Business Unit has appointed Matthias Kreuter, Ph.D as its new Global Chief Scientific officer.

Larry Martin

COMMENTARY — Have the meat markets topped out?

Live cattle and lean hog futures for June dropped from $165 and $100 to $146 and $86 currently. After all the publicity last year, have they topped? The answer is a resounding maybe! If the market is North America, then we would expect them to have reached or at least nearly reached a peak. The swine breeding herd is up four per cent, pigs per litter are trending upward, and with favourable hog and feed prices there are more pounds on each carcass. The cattle breeding herd is also finally up a couple of per cents and so are carcass weights. So, if the domestic market is the major demand area, it may be supplied better.

There are, however, a couple of things to watch. Most important is import demand, especially from China, Korea and maybe Japan. China is a whimsical buyer. Korea has negotiated trade agreements with both Canada and the U.S., and Japan is moving toward an agreement with at least the U.S. as part of the Trans Pacific Partnership. If any or all of them start to draw on North American supplies, we could see another spurt up in price. Beef is the most vulnerable because it takes a long time to increase beef supply, as heifers have to be moved out of feedlots and into breeding herds. That also reduces the short-term supply of beef. The protein markets will likely become as sensitive to Asian imports as the grain market has.

Market Trends is prepared by Dr. Larry Martin, who offers a course on managing risk with futures and options, Canadian Food and Agri-business Management Excellence (CFAME), a management training course for food industry personnel. Contact him at larry@agrifoodtraining.com or at (519) 841-1698.

MARKET HIGHLIGHTS

> Grains and soybean oil – After three months of rallying to recover half the summer's price loss, the grain complex is dropping again. USDA's January report signalled a small drop in expected corn carry over, but an increase for wheat and soybeans. Lurking behind the domestic situation is Brazil with another big crop in the field, and China's imports of soybeans and corn that continue higher than expected.

> Corn – USDA reduced forecast carryover for the end of 2014/15 by about a million bu from the December report. The immediate rally was quickly reversed in sympathy with other grains. It still represents a stocks/use ratio of 13.8 per cent. Since Christmas, March futures dropped from $4.17 to test support at $3.75. If it breaks through, the next level of support is the contract low of $3.30. Buyers can price some now, or buy hand to mouth if it breaks through. We would protect against prices above $4.10.

> Soy oil – March futures moved sideways between $0.354 and $0.314 since August, most of it near the bottom. Unlike most everything else on the board, soy oil rallied the past few days to the $0.33 area, as concerns continued about Malaysia's palm oil crop. Buyers should price near support. There is more support at $0.295.

> Wheat – After rallying more than the rest of the grain complex, wheat futures have now declined the most. As expected, concerns about winter weather on the winter wheat crop were unfounded. Most fundamentally, U.S. prices are too high relative to competitors and export demand remains weak. USDA raised the forecast stocks/use ratio in the January report. March is trading at $5.32. We still think prices could test contract lows just under $5.

> Sugar – Since our last column, sugar took a major hit from increasing world supplies, with March dropping to $0.1407, but it rallied back to the current $0.1533. The rally is sparked by an increase in Brazil's ethanol mandate, which has increased the demand for sugar. $0.1543 is major resistance. Protect above it if you are a buyer.

> Natural gas – Natural gas prices broke below our expected level of 3.7 cents, and dropped almost another penny, on generally mild winter weather. Demand has been moderate and supplies are abundant. Buyers can't go wrong pricing in this range, but should be protected above 3.5 cents.

> Crude Oil – As everyone knows, Brent crude's precipitous slide broke through $50, as the Saudis continue to make economic war on the U.S. fracking industry. The current level has seen a few days of consolidation, but this happened at least five other times in the slide, so it gives no technical assurance. Similarly, both technical measures we use for short- and long-term momentum (RSI and MACD) continue to be weak. Energy buyers should continue to buy hand to mouth.

> Canadian dollar – The loonie is currently the literal embodiment of a petro currency. Crude and loonie charts are almost interchangeable! The March contract went from a high in the summer of $0.935 to the current $0.834. The momentum measures suggest the downtrend will continue. Continuation charts show no serious support until $0.77. Currency futures, like commodities controlled by cartels, often don't follow patterns suggested by technical analysis. In fact, when they do for a while, it often sets the stage for getting off track. In the case of crude, it may simply be an objective of the cartel that the rest of us don't understand. For a currency it could be a political factor, or a central bank decision. As we have mentioned several times, the loonie's value is also a function of relative short-term interest rates. We don't expect the Bank of Canada to do anything soon, but with the drop in the loonie the Bank has a lot more room to manoeuvre. So, we will watch carefully over the coming months.

We have urged those who risk a lower Canadian dollar to buy Puts. If you did, stay covered until we see a bottom.

Ron Wasik

Plant micro results are good, but bad in the field

I don't think that I am the only food scientist who has had the problem of trying to reconcile good micro results in the plant with bad micro problems in the field. An infinite number of things can lead to this. In some cases, the problem can be of our own making.

Setting the Stage

The objective of all activities in a food processing plant is to achieve a desirable outcome for the lowest cost. But in doing so, decisions made to cut time and cost can limit the effectiveness of microbiological programs and lead to problems.

Sampling

Adequate sampling is critical to the success of any microbial program. Things to consider in any sampling plan are the frequency of sample collection, sample size (number and quantity) and the conditions under which the samples are stored prior to analysis. More is always better, but deciding on the right number and quantity is difficult. One needs to consider the microbiological risk factors of the product, quantity produced, package size, the nature of the production process (batch or continuous) and the microbial quality history of the product (recent and past). Be careful about getting overly confident about your great results if you are just taking one sample from the beginning, middle and end of a production. The odds are likely 50/50 that your data accurately reflects the entire production. Your luck may have just run out.

Store and transport your samples in their original condition prior to testing. Freezing and re-freezing can significantly reduce microbial counts. Minimize the time between sample collection and testing as the numbers of some bacteria can double every two hours.

Analysis

Many people neglect to consider the limitations of the equipment and procedures used to test the collected samples. No analytical equipment and procedure, from the oldest to the newest, is without its limitations. None are 100 per cent reliable and all have their limits of detection. The capability of the equipment and the procedures employed do have an impact upon the results you see. You or someone in your company should know what these limitations are.

> "There is always a risk that pathogens will escape detection."

Unless required to test for a specific species, companies will frequently test for a surrogate species and/or for the total number of undifferentiated species for reasons of expediency and cost control. A surrogate is either a species that is related to the pathogen of concern or a totally different species known to be present when the pathogen of concern is present. The total aerobic plate count is a widely accepted procedure for monitoring overall microbial quality of both equipment and products. In each case, be sure to have your own in-plant data to justify the practices you are using. There is always a risk that pathogens will escape detection.

Competency

The competency of the numerous individuals carrying out the program also needs consideration. This includes those who prepare the sampling kits, take the samples, prepare the collected samples for analysis, carry out the testing, interpret and report the results and who, when necessary, ensure corrective measures are taken on a timely basis then follow up to ensure compliance. Even a small oversight can compromise the microbial results for a sample and possibly everything you have ever produced. Have a qualified outside lab come in and validate your entire program at least once a year.

Other considerations

In addition to considering the things mentioned above, it is a good practice to retain samples of finished products for a period not less than the shelf life of the product, and longer if possible. Retention samples of perishable products should be frozen, even though doing so reduces the original microbial level. If results start trending high or problems escalate in the field, double the number of samples taken and double the frequency of sampling. If the business risk is high, hold product until the micro results verify compliance. You can't test quality of a product, but you can prevent bad product from leaving the plant.

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Ronald Doering

Regulatory Myths — *Part I*

While most media and academic attention is devoted to what happens in legislatures and to the statutes they produce, most governing is done through the enactment and enforcement of regulations. Because this workhorse of government is under the radar for most citizens, it is not surprising that this system is not well known or understood by the general public. More surprising is how many academics continue to fundamentally misunderstand the regulatory system.

In this and the next few columns we'll look at some pervasive regulatory myths.

Myth number 1: the fewer regulations the better.

The most common myth is the notion that the major problem for innovation and competitiveness is the volume of regulations. None of the various federally regulated industry sectors with which I have been involved over the last four decades say that they suffer from too many regulations. Indeed, to facilitate exports or to maintain a level playing field they often want more. Their problems arise from bad regulations or bad enforcement. The main cause of "regulatory burden" or "red tape" is the failure of the regulatory system to respond in a timely way to new science or to changes in the business environment.

Lack of responsiveness can arise from a sclerotic regulatory change system. Canada's was described once as the slowest in the Western world. Or delays can arise from the fact that a proposed change would create winners and losers, and the losers lobby hard to stall the change. When there is a lack of consensus within an industry or between industry and the protection of the public, our political leaders have to make difficult choices (what governing is all about) and this causes delays.

So the problem is responsiveness, not volume. And yet professor Cass Sunstein, a leading academic who also led the U.S. Office of Information and Regulatory Affairs (OIRA), constantly brags that thanks to OIRA the Obama Administration "issued fewer regulations in its first four years" than any president back to and including Reagan. That Sunstein still labours under this delusion shows how deeply engrained is the flawed assumption that fewer is always better. Many governments, thinking they are helping industry by reducing the volume of new regulations, put in place barriers to their speedy enactment, seemingly unaware that most regulations are to amend existing out-of-date regulations, and so the barriers are actually counterproductive. Moreover, to get around these self-imposed delays in the regulatory process, bureaucrats resort to using guidelines, often resulting in regulatory uncertainty, an even bigger problem for industry.

A cursory review of the recent regulations enacted by the Canadian Food Inspection Agency (CFIA) illustrates that most regulations are to modernize existing regulations, not to impose new regulatory burdens. With responsibility for 26 sets of regulations, the CFIA regulatory regime has a huge impact on the competitiveness of several major industry sectors including the food industry, Canada's largest manufacturing sector. In the past 18 months the CFIA brought forward 27 regulatory initiatives, all amendments to update existing regulations, none imposing new regulatory burdens. A good illustrative example is the recently published amendments to the *Food and Drug Regulations* to clarify the definition of beer and what ingredients can be added to beer because "existing standards no longer reflect marketplace realities." These regulations to allow the industry to be more innovative and competitive are far more indicative of the role of regulatory enactments than the myth of the increasing burden of unnecessary regulatory volume.

According to Canada's regulatory guru, Doug Blair of RIAS Inc., "the Government of Canada has recognized that the number of regulations is not a meaningful measure of regulatory burden, which is why over the past two years there has been an increased focus on measuring the burden imposed by the regulation." This, of course, is easier said than done. Next month we'll look at the much-vaunted value of risk-benefit analysis. The following month we'll look at Sunstein's overdone theory of "nudging" and his naive notion that politics can and should be kept out of science-based regulation making.

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Gary Gnirss

To gluten and beyond!

Gluten-free foods in Canada have been regulated as foods for special dietary use in Division 24 in the *Food and Drug Regulations* (FDR) for the past two decades. Originally such a claim was prohibited when the food contained wheat (including spelt and kamut), barley, rye, triticale and oat ingredients or parts thereof. In 2011 this was aligned with the definition of gluten that came as part of Canada's food allergen, gluten and sulphites labelling regulations.

The current FDR prohibits food being represented in a manner that suggests it is gluten-free when it contains added gluten protein, protein fraction or modified protein from wheat, barley, rye, triticale and oats. As a food for special dietary use it must be specifically formulated or processed to meet the needs of a person that as the result of disease, disorder or injury needs to manage a physical or physiological condition. It also includes food in which a controlled intake is needed to have a particular effect.

In November 2014 Health Canada published a notice of intent to issue a marketing authorization (MA) that would permit gluten-free claims for foods containing specifically produced gluten-free oats. This would better align Canadian considerations with those in the U.S. There are, however, still some unique Canadian peculiarities. The MA, if finalized, would not amend current gluten-free regulations. What this would accomplish is an exemption to the current prohibition on oats, when gluten-free representations are made. All other FDR requirements would be maintained.

It should be noted that gluten-free claims would still be prohibited when oats are used that are not specifically produced as gluten-free oats.

A few highlights from Health Canada's intent to create an MA include a requirement that the food contain no other oat ingredient except for specifically produced gluten-free oats, which in turn are not permitted to contain more than 20 ppm of gluten from wheat, rye, barley and triticale. In addition, a gluten-free food to which specifically produced gluten-free oats are added may not contain more than 20 ppm of gluten, nor any intentionally added gluten from wheat, rye, barley and triticale gluten.

Why prioritize this MA amidst all the regulatory modernization now underway? During the 2011 amendments, Health Canada was aware of the mounting scientific evidence supporting the safety of specifically produced oats when consumed by most individuals with celiac disease. There was not enough time to make changes, without causing further delay in introducing food allergen, gluten and sulphites labelling. This brings us to the second part of this story, MAs, which as a regulatory instrument have interests beyond gluten.

The history of making regulatory changes in Canada can be painfully slow. In the case of this gluten amendment, Health Canada is exercising its newfound regulatory instrument, MAs. The authority to create regulations is provided by parliament, expressed in the *Food and Drugs Act* (FDA). In 2012 the FDA was amended to grant authority to the minister of Health to issue MAs. These are ministerial regulations, which escape the much slower classical governor in council (GIC) regulatory process. A number of food-related MAs have already been created, including the 15 that now govern food additives in tandem with the FDR. Another feature of MAs is that they can, if need be, incorporate documents by reference (IbR) like regulations in the FDR.

While MAs are published in *Canada Gazette II*, there is no obligation to pre-publish them in *Canada Gazette I*. To achieve the same level of transparency, the ministry uses different means to deliver and manage information, such as the notice of intent related to gluten-free oats. This opens up various flanks of information industry must maintain awareness on. In addition, where any document is IbR, industry must be actively aware of changes. As a trade-off for speed and efficiency in regulatory reform, industry must develop and maintain greater information competencies.

Regulatory in the future will no longer be a sit down dinner with a main course, but more like a smorgasbord. Bon appétit!

Gary Gnirss is a partner and president of Legal Suites Inc., specializing in regulatory software and services. Contact him at president@legalsuites.com

A Meal in Itself

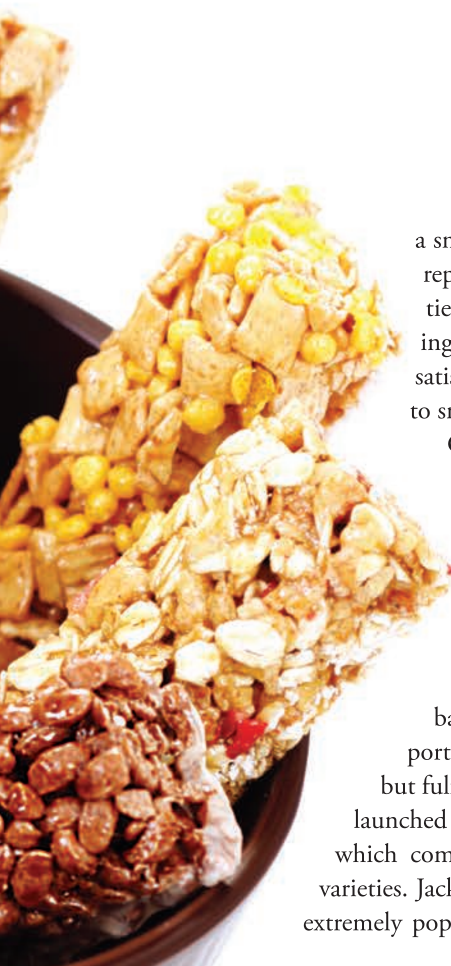
BY CAROL NESHEVICH

The idea of three square meals a day now seems to be a thing of the past. Today's typical busy Canadian might find themselves rushing from an early morning workout at the gym, to a workday jam-packed with meetings and appointments, to multiple after-school activities with the kids — and those "three squares" are simply becoming harder and harder to schedule. "It's just the way people are living today," says Catherine Jackson, director of Corporate Communications for Mississauga, Ont.-based General Mills Canada. "The day is just churning in front of you. To keep up the pace, people have made changes to accommodate that, and one of the things they've really changed is their eating habits."

So even within the same family, people may be eating at all different times, and they're often eating on the go. For manufacturers and producers of baked snack foods — such as crackers, cookies, chips and breakfast bars — this trend presents new challenges as well as opportunities. "People are looking for a snack that's going to serve their purpose, that's going to be portable and good for you, that's going to keep you satisfied, that's going to be something you're going to enjoy eating — there are all kinds of needs to meet in order to be successful," says Jackson.

In the 2014 Nielsen Global Snacking Report, released in September 2014, one of the takeaway messages is that snack foods as meal replacements could represent "a growing opportunity" for food manufacturers. The overall report is based on information gathered from 30,000 online respondents in 60 different countries, but the results for Canada in particular show that 42 per cent of Canadians polled often or sometimes replace breakfast with a snack; 43 per cent often or sometimes replace lunch with

As more Canadians find themselves snacking throughout the day in lieu of eating three solid meals, there could be increased opportunities in the baked snack sector



a snack; and 34 per cent often or sometimes replace dinner with snacks. The opportunities, according to Nielsen, could be in offering more nutritious, fulfilling snack foods to satisfy the needs of the consumer who tends to snack in lieu of sitting down to full meals.

General Mills has responded to today's snacking pattern trends with new products launched in the summer of 2014. The company's new Nature Valley Oatmeal Breakfast Squares, available in Blueberry or Cinnamon Brown Sugar flavours, feature 15 g and 16 g of whole grains respectively. These bars offer nutrition, great taste and the portability people are looking for in a quick but fulfilling snack on the go. General Mills also launched the new Fibre 1 Delights soft baked bars, which come in either Lemon or Chocolate Chip varieties. Jackson says these have already proven to be extremely popular. "The immediate response has been

great, particularly for the lemon-flavoured Fibre 1 bar," says Jackson, who notes that while both Fibre 1 Delights products have been selling very well, the lemon variety can barely stay on the shelves. The portability factor makes them ideal for busy consumers, she says, while "the really nice lemony taste" and the health benefits keep customers coming back for more. "When you're looking at only 90 calories per bar, 20 per cent of your daily fibre [requirement] and it tastes great, there is only upside for the on-the-go consumer," says Jackson.

Fibre is currently a particularly attractive attribute for many Canadians. The Nielsen study showed that the single most important health attribute Canadians look for in their food and snacks is high fibre (65 per cent), with baby boomers being the primary demographic that seems to be driving this demand. (The second most important health attribute for Canadians is low sodium at 64 per cent, and third is lack of artificial colours or flavours at 60 per cent.)

> "The single most important health attribute Canadians look for in their food and snacks is high fibre."

When it comes to baked snacks, the increase in gluten-free eating is another factor that can't be ignored. Globally, gluten-free snack options were ranked as very important for 19 per cent of respondents worldwide in the Nielsen survey. "One of the things we're seeing in our industry, the gluten-free industry, is that the quickest-growing segment is the snack section," says Jerry Bigam, CEO of Edmonton's Kinnikinnick Foods. "In our [baked] snack lines, our cookies are doing extremely well. That growth is double digit, and in the food industry, that's really good growth."

The increase in peanut and tree nut allergies among children is another factor to consider in the realm of baked snacks. With kids naturally following the same eating patterns as their parents — often eating snacks instead of full meals, whether packed in their lunch boxes for school or gobbled up on the way to

42 PER CENT OF **CANADIANS** POLLED OFTEN OR SOMETIMES REPLACE BREAKFAST WITH A SNACK

soccer practice — there's definitely a market for healthy yet tasty portable snacks for kids. And these days, the bans on nuts at kids' schools and extracurricular activities can't be ignored if children are your target market.

Aurora, Ont.-based Treasure Mills Inc. has specifically chosen to focus on making snack products aimed at on-the-go families with children, manufacturing its School Safe line of baked snacks with exactly these types of allergy-based restrictions in mind. "We don't target people with allergies, we target the everyday consumer looking for a better-for-you product that meets the requirements of schools and institutions," explains Robert Johnson, president and CEO of Treasure Mills. "We wrap them individually so they're portable." In addition to the portability factor, Johnson says the individual packaging is important because if the snacks aren't wrapped individually, it could potentially become contaminated if kids touch peanut butter somewhere between home and school. Treasure Mills's School Safe products — baked in a nut-free baking facility — include Banana Chocolate Chip Mini Loaves, Chocolate Chip Cookie Bars and Raspberry Banana Snack Cakes. "We try to make products that are going to satisfy that sweet tooth, while still delivering a reasonable balance of nutritional elements," explains Johnson.

No matter who your market is, it seems that snack food manufacturing on the whole is doing very well, with Nielsen retail sales data showing global snack sales of $374 billion annually (ending March 2014), a two-per-cent increase year over year. And $124 billion of those sales were in North America alone. "It's a good place to be, the snack industry," agrees Kinnikinnick's Bigam.

Daniel Scholes

Raising the bar for **granola bars**

Granola bars first entered the world of packaged foods in the 1970s and, at first, were mainly a niche product marketed to a healthy, nature-loving consumer segment. Our appetite for the handy, individually wrapped bars has been rising for years, and the granola bar section has proliferated into row upon row of unique varieties dedicated to mainstream consumers looking for quick, healthy options to fill their lunch boxes or afternoon snack cravings. We recently took a closer look to find out whether any bars are "raising the bar" in this competitive category.

Bar Necessities

We asked 50 females from the Greater Toronto Area who regularly consume granola bars to taste test four packaged granola bars of a fruit and nut variety. Each received one unwrapped bar of each product served on a plastic plate and labelled with a three-digit code, served in varied order.

Prior to tasting, we asked our testers about their main reasons for purchasing granola bars and the top reason was because they are a nutritious/healthy choice. To reflect the importance of this, following the tasting, respondents were shown the nutritional information of the four brands and asked to rate the impact of this information on their purchase interest.

Setting the Bar

Two of the four products achieved our category action standards with a mean score of over seven on overall liking, and greater than 25 per cent top box purchase intent.

The bar with the best overall flavour was also significantly sweeter and stronger in flavour than all the other samples, driven by the fact that it had significantly more fruit pieces. In fact, the fruit pieces were a much more important flavour contributor than the granola itself, which was not differentiated at all among the four products.

It is important to note, however, that when respondents were shown the actual nutritional information for each brand, the product that was so highly appealing in taste was also heavily penalized for its nutritional inferiority. In fact, 40 per cent of testers admitted they would be less likely to purchase it, compared to only 12 per cent for the second-best tasting product.

Raising the Bar

We tested four similar varieties of granola bars comprised of three main ingredients: granola, fruit and nuts. The findings revealed key differences in product profiles and appeal that were primarily driven by the amount of fruit, suggesting that in the proliferated world of granola bars it's not the granola, but the "extras" that count.

However, in a category where consumers are motivated by perceived nutrition and health benefits, it may not be a prudent choice to simply increase the extras at the expense of added sugar and calories. Like many other categories, the challenge for product developers lies in raising the bar on taste without lowering the bar on nutritional benefits. Just something to chew on.

For questions about this research, or how you can leverage consumer taste buds in your business, contact Dan Scholes at info@contracttesting.com or (905) 456-0783. Contract Testing Inc. is an industry leader in sensory evaluation and consumer product testing, and is the only sensory evaluation and consumer product research company with corporately managed test sites in both Canada and the U.S. With over 25 years of experience, we are innovators in testing with consumers across all major food, beverage and household and personal care categories.

Deanna Rosolen

Super caliente

Heat and spice isn't for everyone, but there are enough fans — and growing — to keep the market smokin' hot

The hottest pepper in the world, according to Guinness World Records, is the Carolina Reaper, which took its creator Ed Currie almost 14 years to get to market. Currie is the founder and president of Pucker Butt Pepper Company in Fort Mill, S.C.

While Currie is not a scientist, he has a passion for peppers and heat. He believes the capsaicinoids (found in capsaicin, the chemical responsible for the heat) have huge health benefits. In fact, when he started work on the Carolina Reaper, he wasn't intending to make it the hottest; his plan was to make a more healthful pepper.

According to Currie, consumers are drawn to heat because of foods they've tried while travelling, or through exposure to ethnic foods with heat at restaurants. What brings consumers back to the heat is the endorphins. As Currie explains, "your body releases endorphins to overcome the chemical reaction that's happening on the tongue that causes pain. The endorphins give you a rush. It's a pleasurable experience."

Benefits

Danise Coon, a research technician for the Chile Pepper Institute (CPI) at New Mexico State University, says one green pepper (whether it's hot or not) has as much vitamin C as six oranges. One teaspoon of red chili powder has the recommended daily requirement of vitamin A. And capsaicin can help speed up metabolism. In general peppers have a good amount of fibre. Some reports even say chili peppers can both whet and curb your appetite.

Measuring heat: The Scoville scale

In 1912 Wilbur Scoville, an American pharmacist, created the Scoville Organoleptic test, which is now called the Scoville Heat Scale, says Coon. It's the most accurate way to test the heat of chili peppers. Today scientists use HPLC (high performance liquid chromatography) to count the capsaicinoids and then convert that to Scoville Heat Units (SHUs). On the scale, the jalapeño comes in at between 1,000 and 4,000 SHUs, while the Carolina Reaper has averaged up to 2.2 million SHUs. Pepper spray can come in at between two to 5.3 million SHUs.

Formulating with hot peppers

Anil Crasto, a sales manager for Core Compounds in Oakville, Ont., says formulating with hot peppers is — like anything else — difficult "if you don't know how." It also depends on whether food manufacturers want to use extracts or fresh peppers.

Green pepper (whether it's hot or not) has as much **vitamin C** as **six** oranges.

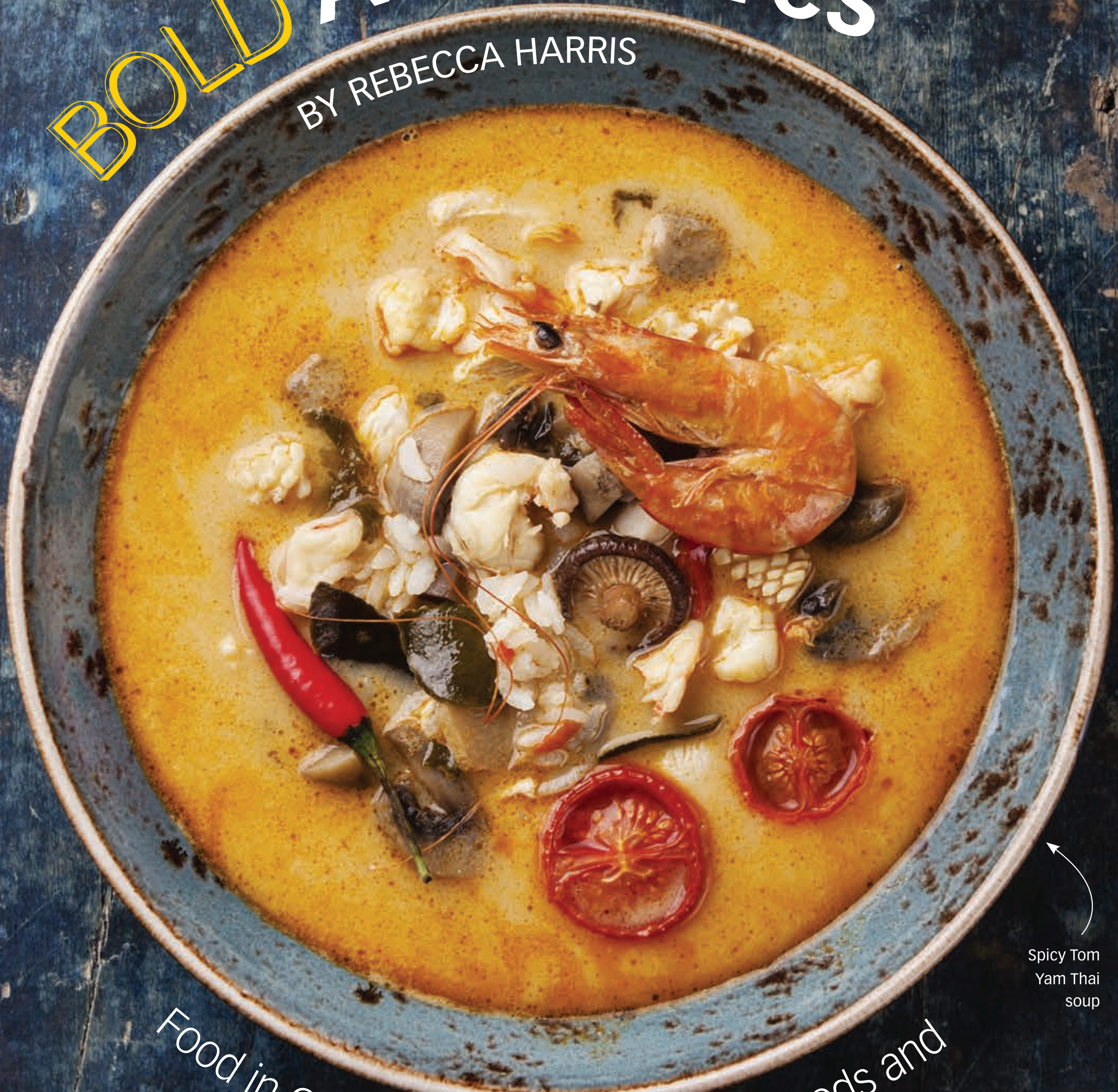
If food manufacturers want to add heat and ensure that it's consistent in each batch, they can use oleoresin capsicums (extracts from red hot chilis). These extracts can come in different SHUs, from half a million to one to two million or higher. The lower grades are used in product formulation. "The biggest advantage [of the oleoresin capsicums]," says Crasto, "is that the product is standardized."

Oleoresin capsicums are oil soluble, meaning that to use them in certain products they must be made water dispersible, says Crasto. Typically, manufacturers would have to emulsify the oleoresin capsicum in some type of emulsifier to make it easier to use in a water system.

Using fresh ground peppers is a little trickier. The issue, says Crasto, "is they're a raw agricultural product. Depending on where they're grown and the year in which they were grown it's likely the heat level will vary from batch to batch." Manufacturers can grind the peppers to add them to food products, but they must assess the heat and how it stabilizes. One advantage to using fresh ground peppers is that they do add a more unique, rounder flavour profile. This can be especially key for strong barbecue sauces or curry sauces. Crasto notes that food manufacturers can also combine fresh peppers and the oleoresin capsicums.

BOLD Adventures

BY REBECCA HARRIS



Spicy Tom Yam Thai soup

Food in Canada looks at the global foods and flavours that will take centre stage in 2015

Shichimi togarashi pepper

Japanese okonomiyaki pancakes

“Honey, can you pass the shichimi togarashi?”

As unfamiliar as it sounds, this request may soon be heard around dinner tables, as food manufacturers look to bring the next generation of global food products to market. In 2015, trend hunters are predicting a move towards bolder, more intense flavours as consumers become more adventurous eaters.

“People are searching for new taste profiles and exciting new ethnic flavours,” says Michael Cloutier, executive corporate chef for McCormick Canada. “Consumers are much savvier, they’re travelling more, reading more and they have exposure to more ethnic products.”

Asian 2.0

Shichimi togarashi is just one of the international flavours expected to hit the sweet (and spicy) spot with consumers this year. The Japanese seasoning, a fiery and fragrant blend of seven flavours, made its way to the top of McCormick’s 2015 global Flavour Forecast. Also known as Japanese seven spice, a typical blend may contain chili pepper, orange peel, sesame seeds, ginger, poppy seeds, white pepper and nori.

“It’s a wonderful spice that you can use to season food [such as soups and noodle dishes] or marinade foods differently,” says Cloutier. For example, beef can be marinated with mirin, soy sauce, sake, sugar and shichimi togarashi to create a version of “yakitori,” or grilled meat skewers, a popular street food and bar food in Japan.

The Japanese spice blend is part of a bigger movement toward “Asian 2.0,” a new wave of flavours and foods taking hold. While items like sushi and pad Thai are now familiar to most consumers, more complex and “true-to-region” Asian foods will gain ground in 2015, according to Sterling-Rice Group, a Boulder, Colo.-based marketing firm that works with top food and beverage brands. “We’re going to see deeper flavours coming from Asia… flavours that are spicier, savvier and funkier,” says Kara Nielsen, culinary director at Sterling-Rice Group.

Calling the trend “Advanced Asian,” Sterling-Rice Group says restaurant-goers are increasingly discovering Northern (Issan) Thai cuisine; Japanese okonomiyaki pancakes, which are made with cabbage; and the tangy flavours of Filipino foods.

“Asian food tends to go sweet to accommodate the North American palate, so it might have some sweet and some heat. We’ll start to see those flavours dimensionalize,” says Nielsen. “In a number of Asian restaurants, chefs are returning to the food they grew up with. They want to explore different regions and bring in or recreate authentic ingredients.”

Some of the flavours on the funkier side include fermented condiments, which are popular in Southeast Asian, Japanese and Korean cuisines, says Nielsen. For example, gochujang (hot pepper paste) is a fermented Korean condiment containing red chili and fermented soybeans. “It’s a tasty condiment, a little on the sweet side but there is a fermented flavour,” says Nielsen. “For millennials especially, fermented flavours are becoming more familiar.”

Specialty food companies and private label brands already market a variety of ethnic condiments and spices to meet the needs of

Manakish topped with za'atar

Photo: McCormick Canada

Middle Eastern labneh dip

niche markets. But for mainstream food manufacturers, the key is to incorporate flavour trends in a way that will appeal to the masses. Campbell Company, for example, captured the trend toward Korean and Thai food with three flavours under its new Everyday Gourmet brand: Korean Beef with Noodles, Thai Tomato Coconut, and Creamy Thai Chicken and Rice — a tamer version of its top-selling foodservice division soup, Wicked Thai with chicken.

"It's finding a balance of bringing those ingredients and flavour profiles in a way that's approachable," says Moya Brown, vice-president of Marketing at Campbell Canada. "For Campbell, these are unexpected [flavours]… and Everyday Gourmet is really the brand for us where we bring more leading-edge trends to the soup aisle."

Middle Eastern Adventure

Another trend that Campbell Company has noticed is the rising popularity of Middle Eastern food, which experts say will continue this year and beyond. In 2014, Campbell launched its Everyday Gourmet Moroccan Spiced Eight Vegetable and Chick Pea soup. "The Moroccan spices appeal to those consumers seeking more of a flavour adventure and something really different in the soup aisle," says Brown.

At upscale Toronto restaurant Byblos — which incorporates Moroccan, Israeli, Lebanese, Greek and Turkish cuisines — diners are drawn to the simple but flavourful spices of the Middle East and Mediterranean, says executive chef Stuart Cameron. These spices include dukkah, an Egyptian nut and spice blend, and za'atar, a mixture of sumac, sesame seeds and herbs. "People want to be excited when they have new flavours and spices that they've never been introduced to before," says Cameron.

McCormick also sees a move toward Middle Eastern cuisine and has identified Middle Eastern mezze as a top trend on its 2015 Flavour Forecast. Citing garlic pepper labneh (yogurt), garlic hummus, and tomato and roasted red pepper spread as examples, McCormick's report states that these "distinctive dips and spreads, packed with zesty herbs and seasonings, offer an approachable and delicious introduction to a vibrant global cuisine."

"We have seen mezze around for a while, but people are getting more accustomed to those flavours and they're popping up everywhere," says Cloutier.

In the press, harissa — a hot chili pepper paste used in Middle Eastern and North African cooking — has been dubbed "the next sriracha," the Asian condiment that became a global sensation. At Byblos, harissa paste is incorporated into a variety of dishes, such as whole lobster with harissa butter herb and preserved lemon salad. While Cameron doesn't think harissa paste will take off quite like sriracha, he says, "it's one of those staples in Moroccan cuisine that everyone knows really well. It's been around for a long time and it's the go-to spicy taste."

Certainly, not every flavour will hit the mainstream and it can take years for cutting-edge trends to trickle down into the packaged food world. McCormick's 2015 trends "are about two or three years out, so they're still very much in a white tablecloth atmosphere," says Cloutier. How a flavour truly catches on, he adds, comes down to the flavour showing up in different foods, and people becoming more accustomed to it and "falling in love with that flavour profile," says Cloutier. "The demand starts to be driven through the love of that flavour or trend. Then it starts to get momentum and build, and eventually goes mainstream."

Harissa spice powder

ALBERTA REGIONAL ROUNDTABLE

THE PARTICIPANTS: (*Back row, left to right*) Brian Beck, Cococo Chocolatiers; Marilynn Boehm, president, Alberta Food Processors Association; Michael Zaklan, All Seasons Mushrooms; Glenn Fraser, MNP LLP; Angela Santiago, The Little Potato Company; Dwaine Grynke, MNP LLP; Mary Christie, Boccalino Grotto Dressings; Jerry Bigam, Kinnikinnick Foods Inc. (*Front row, left to right*) Don Bayrack, Foothills Creamery; Lori Schmaltz, MNP LLP; Ray Price, Sunterra Meats; and Joe Makowecki, Heritage Frozen Foods. *Photography by Christina Ryan*

Adapting and differentiating in an ever-changing marketplace

MNP LLP
ACCOUNTING > CONSULTING > TAX

MNP is proud and honoured to work with the Alberta Food Processors Association and *Food in Canada* to provide Alberta food and beverage companies with a forum to share their knowledge and outlook with others in the industry.

The food and beverage processing industry is thriving in Alberta and this year's roundtable confirmed this. However, while industry participants have a positive outlook for business in Canada, many feel there are still significant challenges and hurdles to overcome in an industry catering to an ever-changing marketplace.

The Canadian brand has value to food and beverage processors, and with the recently signed Canada-EU trade agreement the opportunity to sell products in Europe is significant for the Alberta industry. For processors to achieve operational economies of scale in processing plants, they recognize that a key strategy is to sell outside of the province. However, opening new markets also brings challenges, as additional competition is introduced into domestic markets and companies have to gear products to different demographics and consumer preferences. In addition, there are concerns about Canadian processors being on equal footing with imported products, from a regulatory and labelling perspective.

Attracting and retaining a qualified workforce was another key theme for this year's roundtable. Getting access to affordable and qualified labour in Alberta is a challenge at the best of times, and with the recent announcements reforming the temporary foreign worker program the competition for a stable and competent workforce will intensify. Given the seasonality of their businesses, many food and beverage processors rely on temporary workers so these changes have and will continue to present significant challenges for this industry.

One point that continues to ring true is the cost associated with meeting the demands of differentiating and adapting to the changing market environment. Strategic management is needed to handle logistics, ensure efficient manufacturing, improve market agility, and adapt to the different needs of retailers.

As companies in the sector align their efforts and combine their knowledge to access new market opportunities, they are finding themselves in a stronger business and competitive position. MNP is pleased to contribute a voice and platform for discussion alongside the companies who proudly represent Alberta nationally and globally. We will continue to support these companies through business and strategic initiatives as they develop and grow their market identities and presence. We look forward to great success in the year to come.

Glenn Fraser
Partner and National Leader, Food & Ag Processing practice, MNP LLP

The Alberta Food Processors Association (AFPA) is pleased to have the opportunity to partner with MNP and *Food in Canada* in this food processing industry roundtable.

Over its 40-year history AFPA has provided a wide array of programs and services to its members, both food processors and our valued associate members. AFPA continues to provide value to members, support industry growth and be an effective, engaged partner.

The Alberta food processing industry is the second largest manufacturing sector in Alberta, bringing in $12.5 billion in sales per year. The industry is a priority for Alberta as we supply Albertans, Canadians and the world with a supply of high-quality, safe food products. As well, the food processing industry helps provide economic diversification, which is important in a province best known for its energy resources.

Alberta's food processing industry was largely established by entrepreneurs who were committed to developing their businesses. Today that entrepreneurial spirit and drive is what keeps the industry relevant and competitive. At the same time, food processors in Alberta, as in other jurisdictions, face many challenges that make it difficult for the food industry to remain competitive. Finding qualified workers to fill necessary jobs is a huge task for the industry, and it will determine whether the industry can take advantage of the many opportunities that it can capitalize on. The sector continues to automate its facilities as much as possible, but the cost can be prohibitive to a low-margin business. As such, the continuation of government programs to encourage automation and the purchase of equipment will be vital to the growth and competitiveness of the food industry.

Marilynn Boehm
President, AFPA

LORI SCHMALTZ: *I'd like to kick things off by everyone telling a bit about yourself and your company.*

BRIAN BECK: Our company is Cococo Chocolatiers. We're located in Calgary. We employ about 150 people in the province. We're a confectionery manufacturing company and mainly known for distributing of fine-quality chocolates in a Belgian tradition through a network of 33 retail stores which are branded mainly as "Chocolaterie Bernard Callebaut" stores. Ten of those are corporate stores and the balance is owned by dealers. We're active mainly through those stores but we are looking to expand the business into international markets and into private label.

ANGELA SANTIAGO: I'm CEO and co-founder of The Little Potato Company. It's a 17-year-old company that my dad and I started together. We specialize in growing, packing and marketing creamer potatoes, which are very small potatoes. We retail them throughout Canada and into the U.S. We have about 130 employees in Edmonton and about 40 in P.E.I. where we have another packing facility in Charlottetown.

RAY PRICE: I'm with Sunterra Meats. We have pig production operations in Alberta, Ontario, Iowa and South Dakota. We have a meat processing plant in Trochu, Alta. that supplies pork predominantly to the Asian market. Seventy to 80 per cent of our product goes to Asia. And then we have nine retail food stores in Alberta — seven in Calgary, two in Edmonton — and we farm about 3,500 acres of crop land.

JOE MAKOWECKI: I'm president and CEO of Cheemo Perogies (Heritage

> “ We all know almost everyone in the food industry has to use temporary foreign workers. ”
>
> **— *Bigam***

Frozen Foods). Cheemo makes between two and three million perogies a day; we sell almost half a billion perogies in Canada a year. Next year we'll sell nearly 700 million. We started this business 42 years ago and it's still family-owned, privately held.

MICHAEL ZAKLAN: I'm with All Seasons Mushrooms. Our company started in 1998. We're headquartered in Langley, B.C., although we have acquired a substantial operation here in Alberta just north of Airdrie and Crossfield. It employs 105 employees. We are one of the largest producers of mushrooms in Western Canada. In fact our vision is to eventually become the premier marketer and grower of mushrooms in the country, which is a fairly lofty ambition but we like to think it's attainable. And so we're gradually moving east. We service all of Western Canada and the Western U.S., the Pacific coast to be specific.

JERRY BIGAM: I'm president and CEO of Kinnikinnick Foods, which is a gluten-free manufacturer. I used to be able to say that we had the largest dedicated gluten-free plant in the world, but now we're the second largest. We supply gluten-free products to all over North America. We have two plants in Edmonton that employ 190 people. Our biggest market is the U.S. The export market is critical to us. We started in 1991 at farmers' markets and have grown to 150,000 sq. ft. of production space in the last three years.

DON BAYRACK: I'm from Foothills Creamery. We started the company in 1969, and I'm still having fun with what I'm doing. We can't export because of the milk marketing board, but it appears that things are changing slowly. We make butter and ice cream, 84 flavours of ice cream, and we have distribution in Kelowna, B.C. and Edmonton plus Calgary. We run our trucks from Winnipeg to Vancouver Island and do a little bit of trucking and warehousing on the side.

MARY CHRISTIE: Our company is Boccalino. We manufacture refrigerated European-style salad dressings. We're located in Canmore, Alta., and we're also a family company.

SCHMALTZ: *The Comprehensive Economic and Trade Agreement (CETA) and the economic rebound in the U.S. have presented many new export opportunities. What are your views on these potential opportunities and the strategic importance of exports for the industry?*

MAKOWECKI: There's a whole portion of the food industry that can't participate in free trade agreements because of supply management. In addition to that, it does create some problems for people who do want to export processed foods as well, because there's a limit to supply in the country. So on a more global basis Canada really has to have a national food strategy in order to take advantage of these export opportunities. Because without that we're just a bunch of molecules bumping into each other hoping that a free trade agreement will enhance food processing and food processing jobs. But the reality is that in a lot of cases we've just invited more competition into our markets. So you're really required to look at the food industry as a whole in order to capitalize on export markets. The upside of it is that Canada has lots of potential to take advantage of this from resources, clean water, clean land, and a good reputation in international markets.

BIGAM: I think that Joe raises a really interesting point. We've got all these new free trade agreements in the process, and I think we should learn something from the U.S. program. When it was first started it was a wonderful program. It provided all kinds of opportunities and it was really quite free until 9/11. And then in the last few years we've seen the border thicken. And when you're talking about Europe keep in mind that they've got these enormous GMO regulations. So it's wonderful to talk about the opportunities but I suspect we're going to be highly disappointed in the fact that when it gets down to the nitty-gritty of the details, there's going to be a lot more difficulties than our negotiators have even thought of, and I find that unfortunate.

> “ Certainly for our industry, local is really key. ”
>
> **— *Zaklan***

PRICE: We've been in Asia now for 21 years, and Japan's a better market than any market we have in Canada, other than our own stores. And they want Western-style product. They don't want to consume pork from China; they want to consume pork from somewhere else because it's safer food. So we have to capitalize on those efforts and we have to be able to get into those markets. And we have to look at the U.S. as being the great market it has always been, but not *the* market anymore. And Europe has tremendous opportunities, with its high cost of food. But we have to be conscious of what the negotiating positions are and what they're trying to protect and how to get around some of those protections.

And fundamentally, you've got two internal barriers that are totally Canadian in orientation that we need to get by: one is financing. Financing in the food sector is poor. And the other is labour supply. We have a real issue with being able to have enough capacity in our plants to actually capitalize on these opportunities.

BIGAM: Western Canada in particular in terms of the labour supply. I mean, we all know almost everyone in the food industry has to use temporary foreign workers. And without them there could be plant closures. It isn't going to be just McDonald's locations that close down; it's going to be the core plants that we're going to lose. Or we're going to lose some capacity or shifts.

PRICE: For sure in that context we think of it as an immigration program versus a temporary foreign worker program. I just have a hard time understanding what's bad, from a Canadian perspective, about employing somebody from outside, paying more taxes, buying cars and building houses. I think more people working is actually a good thing versus bad. It's a Western Canadian problem, it's a Canadian solution. Alberta doesn't have an immigration policy yet and we need to be able to work with that.

SCHMALTZ: *So given the labour challenges in Alberta, what's our answer as an industry? How are you dealing with the labour challenges?*

"We can't export because of the milk marketing board, but it appears that things are changing slowly."

— *Bayrack*

SANTIAGO: It's two-pronged for us. Obviously, automation, lean manufacturing, and making sure we can do more with what we have. But one of the most impactful things we've done as a company is to have developed a healthy and happy culture. That has, by far, had the biggest impact on retention and recruitment in our company.

MAKOWECKI: I think that there's a couple of things that are positive actually that the government has done in terms of automation. We went from a plant of over 200 workers to 80 workers and we're doing four times as much production just through automation, and very serious capital investments ongoing over a decade. Because this immigration issue is nothing new. I feel frustrated because we're a nation of immigrants, so what's the hesitation? The other part of the problem is that Canada has to get serious about labour market reform.

SCHMALTZ: *The FDA and the Canadian Food Inspection Agency are both making substantial changes in regards to food safety. How are you preparing for the changes?*

"Canada really has to have a national food strategy in order to take advantage of these export opportunities."

— *Makowecki*

SANTIAGO: We are in an industry where we have the luxury, if you want to call it that, of being the lagging one. We've not had to do a lot of that. But the consequence to having to catch up is very fractured and disorganized. Every retailer has a different standard, a different way of auditing, so what could be consolidated as one audit ends up being five to six a year because every retailer has a different way of evaluating. So it's been very frustrating. I think the other thing that we struggle with is that we have been an industry where we are straight from the land, and growers have not had to deal with that. So we have built a food safety quality control team, which is not something we've really had to deal with before. We recruited more senior, experienced people to help manage it for us.

PRICE: The ongoing challenge too is the differentiation between small and medium enterprises, depending on how you define that. But smaller enterprises are the ones that aren't [certified]. So you've got small enterprises that want to continue to be small and we've got this food safety criteria that's really a big business food safety criteria, and I don't know how you mix those two together. It's a fundamental problem with the system. But I've not seen a food safety system that's better than Canada's, on the meat side in particular.

BECK: The labelling issue is also huge. As manufacturers all the emphasis that we experience is on the label. And there's this assumption that the retailers who purchase from us are going to read it and care, and that people who go into the stores to shop are going to look and understand. And both of those assumptions seem to play out falsely all the time. Retailers buy a product imported from offshore, it gets on their shelves, even if it's obviously labelled wrongly. And, as we all know around this table, the rules for labelling are incredibly complicated and technical. But the consumer would have no idea. And yet the federal government, especially in the last budget go around, pushes on so that it's going to become even more voluntary or consumer-driven, which can mean less proactive inspection of labelling going on and more of an online self-policing system for labels. That's an issue for us, as a retailer, as we're very packaging-focused. And packaging compliance is often the single biggest impediment we have in terms of being able to adapt and innovate quickly.

BAYRACK: And the government can change its mind tomorrow and then you have to comply two months from now. Like when you had to add the word milk to the butter labels and ice cream. You had to have the word milk as an ingredient because of allergies. So that means everything gets changed.

ZAKLAN: Our company might be a little different from most here in that we're dealing with perishable products that have a very short shelf life. And hence we're less influenced by foreign markets moving in. Our focus is on quality and, in fact, all of our B.C. produce is certified organic. And it seems to me that that is the way forward for our product, that's what people want. Now the question is, is it because you can see after two or three days the difference between the quality product and the non-quality product? And I think there is something to the organic market, it's certainly growing in our industry. Where there's demand for it, people are willing to pay a premium for it. Certainly that gives us the leverage to go into the U.S. market and sell there. We've always been SQF certified and now we're working on a traceability system, which is fairly extensive for mushrooms because we're going through product all the way back through their respective substrate components, which covers a wide geographical area.

"One of the most impactful things we've done as a company is to have developed a healthy and happy culture."

— *Santiago*

SCHMALTZ: *Consumers are increasingly becoming aware of the contents of foods they consume. How is your business adapting to these new product strategies and addressing these trends?*

SANTIAGO: We just went through a whole rebranding process, and part of that was evaluating what were the key messages we need to have on the packaging. And the funny thing is that we get a lot of consumer questions like "Are your potatoes gluten-free?" These are buzzwords, but I think it's all part of an evolution in making your brand relevant to people. And that will change. So right now it's the health benefits of gluten-free, so that's what we now put front and centre on our package. Consumers aren't aware that there isn't gluten in potatoes.

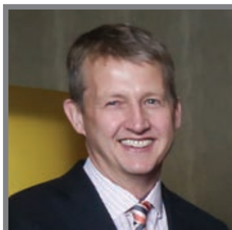
CHRISTIE: Absolutely. In fact our products were inherently gluten-free and we didn't even put it on there until we did our new labelling, and certainly we jumped onto that one as quickly as possible. We also changed some of our ingredients to reflect any allergens and anything else. Consumers don't know how to read the nutritional labels, but they are looking for those catch phrases, the call outs.

BIGAM: And there is a problem that emerges from all these things when you start focusing on some of these supply chain ingredients. We're finding right now that interest in the gluten-free business has caused huge shortages in the industry. One of our ingredients is up 400 per cent in nine months because everybody has jumped on the bandwagon, and some products are getting extremely difficult to get. So you need to be aware that even when you go through all the R&D to develop new products, whether it's gluten-free or sesame-free or something like that, you may run into those supply chain problems, and you're really vulnerable.

SCHMALTZ: *Brian, you have a niche, high-end product. Do you look at these trends?*

BECK: Our customers are often spending what they would consider to be affordable luxury dollars or gift dollars, and so they probably are a little more trend-sensitive to some of these issues. But at the end of the day it comes back to the same point, which is whether somebody's going to pay more for a product that has captured a trend and been brought to the shelf. Gluten-free would be an example of something we can do. We have customers wanting that, and so you focus a little band of products on that. But certain other things, for instance organics, would be a big thing for us to deliver broadly. We don't typically see people willing to pay more for fine organic chocolates versus fine chocolates which contain organic ingredients. At that point, they're probably more sensitive to the brand and the packaging overall. So then the question becomes are you going to shift a whole production line and have a facility certified organic so that you can deliver something that's going to get you the same price?

SCHMALTZ: *And then, Michael, on the other hand, your organic product is strong.*



"The whole cocoa industry and its challenges with sustainability is a 150-year-old problem."

— *Beck*

ZAKLAN: That's right. Mushrooms are certainly low calorie, and Mushrooms Canada, with pretty much all the mushroom growers in Canada in concert, is working in the marketing area to highlight things like blends mixing mushrooms and meats, and trying to promote it as a healthy lower-calorie, lower-cholesterol concept that some studies have found provides a similar satiation level as pure meat.

CHRISTIE: Again, it depends on your market. I'm thinking about some of the smaller producers in Alberta that are in the specialty market. Granted it's a different customer altogether, but the trends are critical there. And one of the big things is going to be GMO. That's going to be huge, I think, for the domestic market. Granted a lot of the consumers don't know about it yet, but there are a lot of them that do.

BOEHM: *How is sustainability part of your company's marketing and branding strategy?*

BECK: It's a huge part of our business. It goes back to the "know your market" point. Because, since we offer an affordable luxury-type of product, people can make choices relating to issues like the perception of sustainability. It's particularly important in our industry. The whole cocoa industry and its challenges with sustainability is a 150-year-old problem. And to try to get ahead of a supply chain story like that is a very significant issue at the processor level. You know, the figures are a couple of years out of date, but within the past couple of years only five per cent

"I've not seen a food safety system that's better than Canada's, on the meat side in particular."

— *Price*

of cocoa products in the world were manufactured on a true organically certified basis. And yet, in our particular market, we are competing in that five per cent segment. And if the winds blow the wrong way, it could become a backlash topic. So it's a big issue.

SANTIAGO: It is for us as well, probably more so because we use land, obviously, to grow potatoes. So there's a lot of, let's say pressure, in terms of what you're doing to it, how you're leaving it after it's done, and in terms of the whole supply chain. But if we changed everything our price would be double, would people still walk the walk? And that ends up being the reality. And so, yes, we work on a sustainable way of growing our potatoes, a sustainable way of packaging, but we certainly don't go to the nth degree because we'd be out of business.

ZAKLAN: The word sustainability drives me nuts because it's such an over-simplification of so many issues. But you don't have time on the front of your

"Consumers don't know how to read the nutritional labels, but they are looking for those catch phrases, the call outs."

— *Christie*

package to have that conversation with the consumer.

MAKOWECKI: For us, what's more important is we want to connect people back to our brand. We're a local company but because we have become a national company, people think that maybe we're an American multinational. So we've had to rebrand again in order to tell the story about being a family-owned business, private, Canadian and local. So we tell the story of our commitment to buying from potato farmers in the local area. And that's more about the local food trend, trying to connect with the consumer and make them feel that, yes, the food is simple and safe. And all the other issues you can deal with on an ad hoc basis. But what's more important is, how are you differentiating yourself from the major multinationals that are out there?

BOEHM: *So how important is local to your business's growth, competitiveness and profitability? Do you take advantage of that?*

CHRISTIE: Interestingly, when I was talking to a buyer a few years ago I said "Don't put me in your local section." Because everything was over-priced. You know, we were in there and we're playing with the big brands, and pricing is so critical. But we're offering a better product. And so, of course we have to be connecting with the customer. But the chains have really been stepping up to the plate in the last couple of years, in terms of highlighting local products.

ZAKLAN: Certainly for our industry, local is really key. Dealing with a short lived product means we need to get it out to market fairly quickly. So our plant here in Crossfield gives us a lot of leverage to work with Calgary and Edmonton and the corridor in between. And in fact, it's a big part of our strategy because now it gives us a chance to go direct to store. It also gives us a chance to get to know the customers on a more personal level.

BECK: Local is a word that I find more challenging even than sustainable. If you want to ask if we're local, sure we're local. We've got 150 people working here, we contribute back to our community, we're taxpayers. But is any chocolate company in the world local? Well, cocoa grows 20 kilometres off the equator and nowhere else. So, you're not local unless you're standing there in the rainforest.

SANTIAGO: I completely agree. The reality for us is that we won't be local. The capital investment to set up plants everywhere would not ever make sense. So I agree that the underlying thought behind local is that people just want an emotional connection to the food. And there's other ways of doing that. There's other ways in which companies can connect emotionally, and that's by being transparent, by traceability, by sharing the story of how the company started, sharing the story of our growers and our employees. Those are all different ways consumers can actually connect with us. And that's, I think, what people really want.

A world of packaging

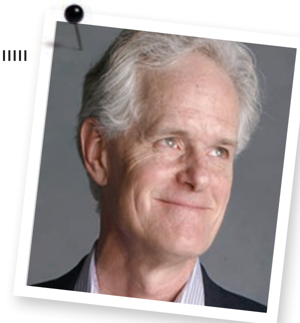
It was all about food and beverages at the Pentawards, with numerous wins for inspired, one-of-a-kind packaging. The 2014 edition of the annual awards celebrating creative consumer packaging drew entries from around the world, with the final awards ceremony taking place last fall in Tokyo.

The Diamond Pentaward for Best of the Show in 2014 went to Evian brand's Pure Drop bottle from Group Danone, designed by France's Grand Angle Design. Platinum awards went to Absolut Vodka in the Beverage category for its Absolut Originality, designed by Sweden's Happytear; and Qian's Gift rice from China's Pesign Design in the Food category. Also recognized with a platinum award was Spain's Lavernia & Cienfuegos Design for its packaging in the Luxury category for the Agriculturas Diversas SLU — ExtremIberian Acorn-fed Ham with Denomination of Origin Dehesa de Extremadura.

Canada had several winners in the 8th edition of the competition. Awards went to:

- **Blue Goose** fish, meat and poultry; Sid Lee design, Gold Award/Food.
- **Kraft Mac & Cheese**; Davis design, Silver Award/Concept.
- **Granville Island Pet Treatery**; Arithmetic Creative Inc., Silver Award/Other Markets.
- **Pistol & Burnes coffee and tea**; Subplot Inc., Bronze Award/Beverages.
- **Spruce Tip Stout;** Saint Bernadine Mission Communications Inc., Bronze Award/Beverages.
- **Wonder Bread**; Davis design, Bronze Award/Food.
- **Temptee whipped cream cheese;** Davis design/Bronze Award/Food.
- **Kraft Singles American Cheese**; Davis design, Bronze Award/Food.

Peter Henderson



Cluster collaboration can be profitable for agri-food businesses

Canada's Waterloo region is investing in a key component of successful innovation and business management: cluster-enabled collaboration. In the area sometimes referred to as Silicon Valley North, smart businesses, public-private partnerships, academia and technology accelerators, are collaborating to innovate for sustainable and globally-competitive profitable growth.

Area food and beverage processors, agri-businesses, distributors and suppliers to the industry are benefiting from this collaborative culture by engaging with one another and other cluster participants to generate solutions to industry challenges and opportunities. Manufacturers are co-developing new technologies, organizations are assisting and advocating for new investment, and businesses across the region are benefiting. Academia is also exploring new program opportunities to help solve agri-food industry problems as well as train food and beverage processor workforces.

Barbara Fennessy, executive dean of Entrepreneurship and Applied Research at the Conestoga College Institute of Technology and Advanced Learning, is responsible for the newly formed Southwestern Ontario Food Innovation and Technology Collaborative, an organization leveraging partnerships to eliminate barriers to business growth and success. Fennessy explains the cyclical nature of collaboration in the region: "[Companies] identify concerns, opportunities to innovate, and we see how we can pull together to help them by bringing institutions and great teams to the table."

Together with businesses, it is the University of Guelph, University of Waterloo, Wilfred Laurier University, and Conestoga College, along with local accelerator centres and other key ecosystem players that bring together that

strong knowledge base and the right team. They are creating a new intelligence base through collaboration.

The aforementioned institutions, along with the Southwestern Ontario Food Innovation and Technology Collaborative, also work closely with Canada's Technology Triangle Inc. (CTT). CTT is a not-for-profit organization that leverages key partnerships to advance and promote business in the region through new investments and international connectivity to foster global business collaboration and innovation sharing efforts.

The CTT has a close partnership with Communitech, Waterloo's innovation commercialization hub, with whom they facilitate what are called Collision Days. These are business-to-business networking events during which companies and investors connect in Waterloo to explore collaboration opportunities. "We are trying to bring the community closer together by seeing what happens organically when you put these people in the same room,"says Jason Kipfer, a senior business development officer with the CTT.

Like the Southwestern Ontario Food Innovation and Technology Collaborative, the CTT seeks to identify issues within local industries and source solutions to problems. Through a community effort, the CTT has connected local businesses and universities with international cluster development agencies, enabling the exchange of best practices, innovation sharing and new research. CTT with its partners have developed such a relationship with Food Valley and Brainport Development, both from the Netherlands.

As Fennessy explains, the connections facilitated between cluster organizations produce collaboration beneficial at both an individual business and collective level. "At an individual level, it allows businesses to address issues they are having, or opportunities to do something new, like enhance productivity, reduce waste, or expand into new markets," she says. "At a collective level, it represents the opportunity to create a strong cluster with better resources to serve that cluster."

Regional initiatives to improve business efficiency, productivity, management, innovation, growth and competitiveness are derived as a result of open conversations and new projects stimulated when these groups get together. By collaborating, players in the innovation ecosystem dismantle silos that present barriers to business success.

Peter Henderson is a director on the board of the Agri-food Management Institute (AMI). He is also the founder and managing director of Ideovation, a Toronto-based growth strategy services company. Contact him at phenderson@ideovation.com

Cashing out?

Start tax planning now to get the most value

BY MAURO FRATARCANGELI & JASON SAFAR

Consolidation is an undeniable trend across a number of industries, and the Canadian food and beverage industry is no exception, with 64 merger or acquisition transactions between March 2013 and March 2014. This is up from 44 transactions the year prior — a dramatic 45-per-cent increase. Fuelled by long-term global and domestic trends, the sector is poised to see continued healthy deal activity as we move into the new year.

There are a number of key factors driving this deal activity in Canada's food and beverage industry: heightened global competition and consolidation; the quest for brand diversification; succession planning pressures; and investors' thirst for stable investments.

And while transaction multiples are better today than they've been over the last three years, this is a good time to be a seller. With the universe of buyers expanding because of global players' entry into the North American market, and with the recognition by financial investors that food and beverage companies are a stable investment with growth potential, Canadian companies with strong brands, profitable niches and strong track records may have an interesting menu of potential buyers to choose from in 2015.

A demographic shift and preparation to sell

The first wave of Canada's baby boom generation turned 60 in 2006. Because of the boomers' huge numbers and economic clout, much has been written about how their move into retirement will affect demand for everything from healthcare to leisure and financial services. But this demographic shift is also affecting the market and increased interest and pressure to sell. A recent survey by the Canadian Federation of Independent Business shows that one-third of owners of small and medium-size businesses plan to exit their business in the next five years, and that two-thirds plan to do so within the next 10 years, with retirement being cited as the main reason. As these boomers consider cashing out, a number of considerations are critical to the sale of their businesses.

The survey also showed that most business owners are not adequately prepared to transfer control of their businesses. With the industry leaning in the direction of an overall consolidation trend, one important and cost saving question must be asked: how do I get my business ready from a tax perspective? There's a common agreement that planning to sell should be started as early as possible, and the more time dedicated to planning, the more satisfying the results will be. When the transaction size is large, understanding the tax implications and being able to save a per cent here and there makes a meaningful difference.

Preparing for sale can make a big difference

With all signs pointing to an active consolidation market, business owners need to consider a number of important factors, including taxation — a primary concern and area for added value. And advice from the experts will be your best ally throughout this complicated process.

Getting good tax advice early on will facilitate a smooth transaction for both sellers and purchasers, and the savings obtained will far outweigh the costs incurred. Tax experts are critical in establishing the complex structure and plan required to reduce the costs of a deal, improve returns and manage risks. Incorporating philanthropic goals, such as maximizing funds to a not-for-profit to reduce tax burden, or removing non-core assets prior to the sale process, are just a few examples, and benefits, of quality tax planning.

A comprehensive approach to tax minimization may also be advantageous for buyers, as it can often bridge the gap between the seller's expectations and needs and the purchaser's tax-effective divestment.

The food and beverage industry in Canada is changing. A demographic shift demands different products and shopping experiences, increased competition and new players are shaking up the market, while regulatory changes such as the new Canada-European Comprehensive and Economic Trade Agreement could change the game all together. As the industry prepares for an interesting future, early planning and an objective look at your company will be crucial if a sale is on the horizon. And with appropriate planning, business owners may be able to reduce the effective tax rate on the sale of their business to the single digits.

This type of major business transaction can feel like the handing off of a lifetime's work. For this reason, sellers should think through all possible opportunities and benefits that may result from a sale.

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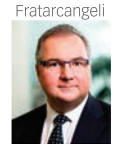


News>file

New year, new flavours

What flavours and culinary styles are on their way up? Here's just a sample of some of our favourite food forecasts for 2015:

• **A melting pot of tastes** — Dishes that mix ethnic cuisines and flavours offer a multicultural population something versatile and unique. Comax Flavors identifies versatile flavour combinations such as butterscotch curry, cherry yuzu and sriracha maple.

• **Pumpkin is the new kale** — The Canadian Health Food Association

(CHFA) and holistic nutritionist Michelle Book are predicting that pumpkin and products such as pumpkin oil and seeds will be this year's super veggie.

• **Global blends on the move** — Blends like Japanese Seven Spice (Shichimi Togarashi) offer a new kind of spicy heat, while Shawarma Spice Blend lends warm, spiced flavour (McCormick's annual Flavour Forecast. For more on this see "Bold Adventures" on page 30).

• **Hyper-local sourcing** — Restaurants will increasingly use house-made, farm-branded and artisan products (National Restaurant Association's What's Hot Culinary Forecast).

• **Sour and Salt** — Expect the unexpected in combinations such as coarse salt with surprising sours like pickled ginger and sour cherry (McCormick).

• **Vegetables everywhere** — Veggies are popping up in unexpected places, including in ice cream and savoury yogurt (International Food Network). McCormick also notes that naturally umami-rich veggies like mushrooms, tomatoes, sweet potatoes and nori will be headliners.

• **Fancy fats** — New oils like avocado, camelina and flax seed oil will capture consumer interest this year for their unique health benefits (CHFA).

Meet up in the Big Easy

This year the Research Chefs Association heads to New Orleans, La. for its annual conference and culinology expo, taking place March 24 to 27 at the Morial Convention Center.

INBRIEF

• **Brett Pottruff** from Forks Restaurant at The Arlington Hotel in Paris, Ont. took the title of Royal Chef Champion at the Road to the Royal Chef Challenge, which took place during the Royal Agricultural Winter Fair in Toronto last November. Pottruff won with an entrée and dessert featuring wild rice from Northern Ontario and fresh Honey Crisp Apples from the province's apple growers.

• **Rupert Garcia**, of the Calgary Golf & Country Club, took second place in the 38th Concours International des Jeunes Chefs Rôtisseurs Competition, held last fall in Durban, South Africa and hosted by La Chaîne des Rôtisseurs. Garcia's winning three-course menu included a main course of oven roasted ostrich filet with pulled chicken rosti potato, butternut squash purée, roasted chicken bone reduction, baby corn and zucchini. **Michael Christiansen**, of the Pear Tree Restaurant in Burnaby, B.C., will be the next Canadian national representative at the competition, having won gold and the Fulgence Charpentier Trophy at the 2014 La Chaîne des Rôtisseurs Jeunes Chefs Rôtisseurs Competition held in Calgary, Alta.

Christiansen

• **Ruwan Jayakody**, pastry chef and owner of Ruwan's Culinary Inc. in Toronto, received a medal and honorary certificate during the recent Expo-Gast 2014 Culinary World Cup held in Luxembourg from Amitie Gastronomique Francois Vatel. The award recognizes Jayakody's outstanding continuous participation in the Culinary World Cup with team Golden Horseshoe Canada since 2002.

(*Left*) Armand Steinmetz, president of the Vatel Club-WACS, presents an award to Ruwan Jayakody.

With its rich culinary heritage and vibrant array of restaurants and bars, New Orleans offers something for all food-loving visitors. Conference attendees can learn more about the city's cuisine with two pre-conference tours, one focusing on classic drinks, and the other on the food of the French Quarter.

The conference kicks off with its annual 5K race and fun run at Audubon Park in historic Uptown New Orleans, benefiting the Research Chefs Foundation, the Bill "Pops" Hahne and the Michele Block Memorial Scholarship Funds. The always-spectacular opening reception takes place this year at Generations Hall, featuring food from some of New Orleans' top restaurants.

As well as sessions on flavour trends and career building, attendees will hear speakers discuss a wide range of topics, including mouth behaviour and food design, the natural food market, product development, and food labelling. Rounding out the week are the student and professional culinology competitions, the culinology poster presentations, and the Culinology Expo, which takes place on March 26.

PEI PORKTOBERFEST

Chef Mike Clarke of Terre Rouge, creator of the "Boss Hog," was named P.E.I.'s Best Chef during Porktoberfest 2014 last October. Congratulating Terre Rouge owner John Pritchett (second left) are Paul Larsen, chair of P.E.I. Hog Commodity Board, Agriculture and Forestry Minister George Webster, and Fresh Media's Melody Dover.

Popcorn, reinvented

Popcorn is having a renaissance as consumers rediscover the wide range of healthy and creative ready-to-eat popcorn brands now on the market. In fact, Rabobank International reports that U.S. sales of bagged, pre-popped popcorn grew to $750 million last year, a 25-per-cent increase since 2013 and a whopping 60-per-cent jump since 2012.

John Placko

The importance of sensory—

FACTS AND MYTHS DEBUNKED

As a chef, I've always been aware of the importance of sensory, and my interest peaked when I worked for large food companies and ultimately when my passion for molecular cuisine engulfed my career.

I met John Hale about four years ago and was fascinated by his depth of knowledge on the subject of sensory, so I approached him to collaborate on this article. John had worked for large multinationals and grocery chains in the U.K., Europe and Asia before settling in Canada. He recently started a consulting business with a number of seasoned professionals with complementary skills.

Let's start with the five basic senses: sight, smell, taste, hearing and touch. When creating dishes that are known as molecular cuisine the aim is to hit all five senses to deliver a memorable eating experience.

1. Sight: Sight is the first sense you eat your food with. For this reason chefs are trained to make food look as good as possible.

2. Smell: Eighty-five per cent of what we taste is attributed to smell. Try it for yourself. Hold your nose and eat a piece of chocolate. After 10 seconds of chewing release the grip on your nose.

3. Taste: There are six basic tastes: sweet, salt, sour, bitter, umami and metallic. There are myths surrounding the map of the tongue, as seen in the diagram to the right. It was considered the norm that certain taste perceptions could only be detected on certain areas of the tongue, but this is not the case. All taste buds can detect all the primary tastes to some degree, but they are more sensitive to one of the primary tastes.

A taste bud generally lives for 14 days before dying off and being replenished. As people get older replenishment is not as quick and thus the person loses their sense of taste. One of the ways to enhance the taste satisfaction is to use more herbs and spices in food for the elderly. However, eating spicy food is not the answer to helping them enjoy their food.

TASTE BUD SECTIONS

Did you know that people have different levels of sensitivity to the perception of taste? There are three categories of tasters: non-tasters, average tasters and super tasters. Super tasters in Canada account for approximately 25 per cent of the population, with women outnumbering men, although in the U.K. the per cent of super tasters is around five per cent because of the effect of their spicy diet. Super tasters are key to the evaluation process of recipe development because if they can't taste a difference between two products, how could the masses detect the

“Eighty-five per cent of what we taste is attributed to smell.”

difference? Sensory panels use super tasters when an expert panel is called for.

Average tasters account for approximately 50 per cent of the population, and non-tasters for the remaining 25 per cent. A trained consumer panel will consist of a blend of average tasters and super tasters, but small-scale panels would never use non-tasters. In large scale panelling where the consumer panel is not screened, there could be as much as 25 per cent of the panel that cannot taste, which is why the number of tasters is large to account for this variance.

To see what kind of taster you are, buy a pack of PTC (phenylthiocarbamide) paper strips. Place a strip on your tongue. A super taster will have a reaction within a millisecond while a non-taster tastes nothing.

4. Hearing: Sound is key to the food experience. Take celery for example. If it doesn't have a crunch when you eat it, you most likely won't enjoy it. The same applies to a soft, chewy cookie that is supposed to be crispy.

5. Touch: The most sensitive area of the body is the lips. Our predecessors quickly learned that if they put an unfamiliar berry on the inside of their bottom lip they could tell if it was edible. If their lip went numb they knew it was poisonous.

Now let's turn our attention to the five key elements used when evaluating food on a sensory panel of trained tasters: appearance, aroma, flavour, texture and aftertaste.

» **Appearance:** If the food doesn't look good no one is going to want to eat it.

» **Aroma:** There are two types of aroma: retronasal, which is the aroma released from your mouth when you are chewing your food; and orthonasal, which occurs when you are sniffing your food. When you have a cold you can't taste your food, due to the nasal tubes to your olfactory nerve being blocked from receiving the aroma.

» **Flavour:** Flavour comprises taste, olfactory senses and trigeminal sense. Our sense of taste is fully developed by the time we reach puberty and can go on well into old age. However, there are factors that govern whether or not we can taste in our advancing years. One of the major factors is eating hot and spicy foods on a regular basis (two or more times per week), as this tends to kill off the growth of the taste buds. So if you want to lengthen the life span of your taste buds, stay away from spicy foods. Staying off spicy foods for three weeks will allow the taste buds to regenerate.

» **Texture:** A softer product will release its flavour faster than a hard, brittle product like a hard candy, even if the flavour is the same concentration. There is an expectation of texture for various food types, and texture is often seen as a sign of freshness. A thick custard gives a more satisfying experience vs. a crème anglaise, which is a lot thinner in viscosity. Wines that have a thin finish are seen to be less satisfying than a wine with a full, rounded mouthfeel.

» **Aftertaste:** This is a key attribute when drinking coffee. A flavour with a short aftertaste is seen to be less satisfying versus a coffee with a medium to long aftertaste. Temperature is also key with coffee. There are certain types of coffees on the market which when drunk hot have a very floral and citrus flavour. As the coffee cools down the bitter notes come through and can become harsh, however, when the coffee is drunk cold sour notes come bursting through and it is likened to biting the flesh of a lemon.

In my next column I'll cover sensory topics such as the type of sensory panel you should use, the kind of results different tests will give, and how to report your results. For more information about John Hale, visit www.halefood.com

John Placko is culinary director of Toronto's Modern Culinary Academy. Contact him at johneplacko@gmail.com or visit www.ModernCA.ca

Birgit Blain

Transforming recipes into packaged products

For chefs aspiring to see their creations on retail store shelves, there is much they need to know. This is the first in a series of articles about entering the packaged foods arena and positioning a brand for success.

Creating a recipe is very different from developing a commercial packaged food product. Food processing is not as simple as multiplying the recipe. Product development for recipe scale-up requires food science, quality assurance and culinary expertise and can be a lengthy process of fine-tuning and testing. There are many constraints, depending on ingredients, processing methods and equipment, desired shelf life, packaging processes and other factors. Some compromises will be necessary.

Setting up a food manufacturing facility is a complex and expensive undertaking. Many brand owners use co-packers to manufacture products on their behalf, enabling them to focus financial and human resources on marketing and sales.

Finding a co-packer that has the required manufacturing, food safety and packaging capabilities and who wants to do business with a smaller food brand can be challenging. There are minimum volume requirements for cost effective procurement of ingredients, production efficiency and waste reduction; the more automated the facility, the higher the minimum runs.

Co-packing agreements are used to define each party's responsibilities. Many details must be ironed out, such as ingredient specifications and sourcing, product specifications, order processing, production planning, lead times, quality control, packaging inventory, distribution, liabilities and consumer complaints.

> "Creating a recipe is very different from developing a commercial packaged food product."

The food processing industry is heavily regulated and for good reason — it is fraught with food safety risks. Health Canada and the Canadian Food Inspection Agency (CFIA) take their responsibility for protecting the health and safety of Canadians very seriously. New regulations are on the horizon. When the *Safe Food For Canadians Act* comes into force this year, most food manufacturers will require a licence and food safety preventive controls.

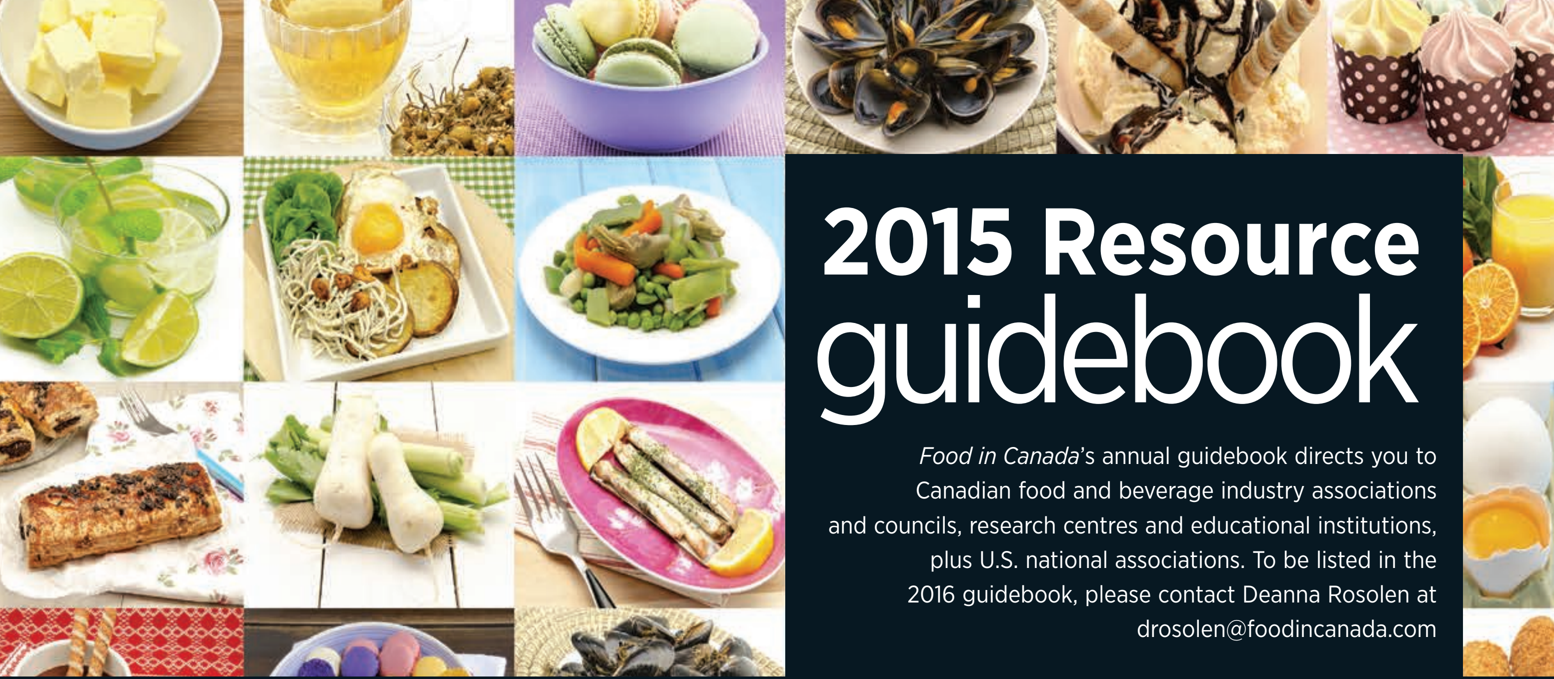
Labelling, marketing and advertising cannot be false or misleading. Virtually everything on a food label is regulated. Allergens and claims, often disguised as marketing romance copy, pose the highest risks of a labelling recall. Regulatory affairs specialists are skilled at navigating the regulatory maze and can help to mitigate risks.

Typically retailers require a minimum shelf life of 12 months for shelf stable and frozen foods, but 18 to 24 months is preferred. This allows time for the product to move through the supply chain, enabling retailers to sell the inventory, and gives consumers time to store it for future use. Shelf life studies are conducted to determine the optimum product life.

Selecting the appropriate packaging is another important consideration for product protection, shelf life, transportation, merchandising, communication and marketing. Packaging suppliers and printers have minimum volume requirements. Some companies offer lower minimums (5,000 units for example) but the high cost will drive up the cost of the product, without adding value for the consumer.

These are only a few of the ingredients in the recipe for success. And just like creating a food recipe, ingredients, method and testing and refinement are part of the process for building a successful brand.

Birgit Blain is a packaged foods consultant specializing in strategy, brand and packaging development, to position brands for growth. Her experience includes 17 years in the grocery trade with Loblaw Companies and President's Choice. Learn more at www.BBandAssoc.com



2015 Resource guidebook

Food in Canada's annual guidebook directs you to Canadian food and beverage industry associations and councils, research centres and educational institutions, plus U.S. national associations. To be listed in the 2016 guidebook, please contact Deanna Rosolen at drosolen@foodincanada.com

ASSOCIATIONS

Agriculture and Agri-Food Canada
TF: (855) 773-0241
T: (613) 773-1000
www.agr.gc.ca

Agri-Food Export Group Québec-Canada/Groupe Export Agroalimentaire
TF: (800) 563-9767
T: (450) 461-6266
www.groupexport.ca

Agri-Food Trade Service
TF: (855) 773-0241
T: (613) 773-1000
bit.ly/9FFAic
The Canadian Trade Commissioner Service
www.tradecommissioner.gc.ca/eng/home.jsp
Find a Trade Commissioner
www.tradecommissioner.gc.ca/eng/find-trade-contacts.jsp

Ag-West Bio Inc.
T: (306) 975-1939
www.agwest.sk.ca

Alberta Barley
TF: (800) 265-9111
T: (403) 291-9111
www.albertabarley.com

Alberta Food Processors Association
T: (403) 201-3657
www.afpa.com

Allergy/Asthma Information Association
TF: (800) 611-7011
T: (416) 621-4571
www.aaia.ca

Anaphylaxis Canada
TF: (866) 785-5660
T: (416) 785-5666
www.anaphylaxis.ca

L'Association des brasseurs du Québec/Quebec Brewers Association
TF: (800) 854-9199
T: (514) 284-9199
www.brasseurs.qc.ca

Association des embouteilleurs d'eau du Québec/Quebec Water Bottlers' Association
T: (450) 349-1521
www.conseiltac.com/aeeq.html

Association of Seafood Producers
T: (709) 726-3730
www.seafoodproducers.org

Atlantic Food & Beverage Processors Association
T: (506) 389-7892
www.atlanticfood.ca

Baking Association of Canada/Association canadienne de la boulangerie
TF: (888) 674-2253
T: (905) 405-0288
www.baking.ca

B.C. Food Processors Association
T: (604) 371-4245
www.bcfpa.ca

B.C. Grapegrowers Association
TF: (877) 762-4652
www.grapegrowers.bc.ca

B.C. Salmon Farmers Association
TF: (800) 661-7256
T: (250) 286-1636
www.salmonfarmers.org

B.C. Salmon Marketing Council
T: (855) 642-3551
www.bcsalmon.ca

B.C. Wine Grape Council
T: (250) 767-2534
www.bcwgc.org

B.C. Wine Institute
TF: (800) 661-2294
T: (250) 762-9744
www.winebc.com

Beer Canada
T: (613) 232-9601
www.beercanada.com

Canada Beef Inc.
www.canadabeef.ca
www.beefinfo.org

Canada Pork International/Canada Porc International
T: (613) 236-9886
www.canadapork.com

Canada Safety Council/Conseil canadien de la sécurité
T: (613) 739-1535
www.canadasafetycouncil.org

Canada's Smartest Kitchen
T: (902) 816-7081
www.canadassmartestkitchen.ca

Canadian Aquaculture Industry Alliance/Alliance de l'industrie canadienne de l'aquaculture
T: (613) 239-0612
www.aquaculture.ca

Canadian Association of Importers and Exporters/Association canadienne des importateurs et exportateurs
T: (416) 595-5333
www.iecanada.com

Canadian Association of Regulated Importers
T: (613) 738-1729
www.cariimport.org

Canadian Beverage Association (previously Refreshments Canada)
T: (416) 362-2424
www.canadianbeverage.ca

Canadian Bottled Water Association/l'Association canadienne des eaux embouteillées
T: (416) 618-1763
www.cbwa.ca

Canadian Centre for Occupational Health and Safety/Centre canadien d'hygiène et de sécurité au travail
T: (905) 572-2981
www.ccohs.ca

Canadian Corrugated & Containerboard Association
T: (905) 458-1247
www.cccabox.org

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Canadian Dairy Commission/ Commission canadienne du lait
T: (613) 792-2000
Class 3(d) and Special Milk Class Permits: (613) 792-2057
Dairy Imports/Exports: (613) 792-2010
www.cdc-ccl.gc.ca

Canadian Federation of Agriculture/Fédération canadienne de l'agriculture
T: (613) 236-3633
www.cfa-fca.ca

Canadian Federation of Independent Grocers/ Fédération Canadienne des Épiciers Indépendants
TF: (800) 661-2344
T: (416) 492-2311
www.cfig.ca

Canadian Food Exporters Association
TF: (888) 227-8848
T: (416) 445-3747
www.cfea.com

Canadian Food Inspection Agency/Agence canadienne d'inspection des aliments
TF: (800) 442-2342
T: (613) 773-2342
www.inspection.gc.ca

CFIA Food Labelling and Advertising
bit.ly/cxAKya

CFIA offices
http://bit.ly/JnaXrl

CFIA Area and Regional Offices
bit.ly/qx6I3l
Atlantic: (506) 777-3939
Quebec: (514) 283-8888
Ontario: (226) 217-8555
Western Canada: (587) 230-2200
National Headquarters: (800) 442-2342 or (613) 773-2342

CFIA Regulating Agricultural Biotechnology in Canada
TF: (800) 442-2342
T: (613) 773-2342
bit.ly/J38mSD

Canadian Foundation for Dietetic Research
T: (519) 267-0755
www.cfdr.ca

Canadian Hatching Egg Producers/Les Producteurs d'oeufs d'incubation du Canada
T: (613) 232-3023
www.chep-poic.ca

Canadian Health Food Association
TF: (800) 661-4510
T: (416) 497-6939
www.chfa.ca

Canadian Institute of Food Science & Technology/Institut canadien de science et technologie alimentaires
T: (905) 271-8338
www.cifst.ca

Canadian Manufacturers & Exporters/Manufacturiers et exportateurs du Canada
T: (613) 238-8888
www.cme-mec.ca

Canadian Meat Council/ Conseil des viandes du Canada
T: (613) 729-3911
www.cmc-cvc.com

Canadian National Millers Association
T: (613) 238-2293
www.canadianmillers.ca

Canadian Organic Growers/ Cultivons Biologique Canada
TF: (888) 375-7383
T: (613) 216-0741
www.cog.ca

Canadian Pallet Council/ Conseil des palettes du Canada
T: (905) 372-1871
www.cpcpallet.com

Canadian Plastics Industry Association
T: (905) 678-7748
www.plastics.ca

Canadian Pork Council/ Conseil canadien du porc
T: (613) 236-9239
www.cpc-ccp.com

Canadian Poultry and Egg Processors Council/ Conseil canadien des transformateurs d'oeufs et de volailles
T: (613) 724-6605
www.cpepc.ca

Canadian Produce Marketing Association/Association canadienne de la distribution de fruits et légumes
T: (613) 226-4187
www.cpma.ca

Canadian Sanitation Supply Association
TF: (866) 684-8273
T: (905) 665-8001
www.cssa.com

Canadian Seed Growers' Association/Association canadienne des producteurs de semences
T: (613) 236-0497
www.seedgrowers.ca

Canadian Soybean Exporters' Association
T: (519) 822-3386
www.canadiansoybeans.com

Canadian Spice Association/ Association Canadienne des Épices
info@canadianspiceassociation.com
www.canadianspiceassociation.com

Canadian Sugar Institute
T: (416) 368-8091
www.sugar.ca

Canadian Vintners Association/ Association des vignerons du Canada
T: (613) 782-2283
www.canadianvintners.com

Canola Council of Canada
TF: (866) 834-4378
T: (204) 982-2100
www.canolacouncil.org

Central Ontario Cheesemaker Association
T: (519) 287-3933
www.cocma.ca

Centre de recherche industrielle du Québec (CRIQ)
TF: (800) 667-2386
T: (418) 659-1550
www.criq.qc.ca

Certified Organic Associations of British Columbia
T: (250) 260-4429
www.certifiedorganic.bc.ca

Chicken Farmers of Canada
T: (613) 241-2800
www.chicken.ca

Coffee Association of Canada/ Café association du Canada
T: (416) 510-8032
www.coffeeassoc.com

Confectionery Manufacturers Association of Canada/ L'Association Canadienne des fabricants confiseries
T: (416) 510-8034
www.confectioncanada.com

Council of Food Processing & Consumer Products/Conseil de la transformation agroalimentaire et des produits de consommation
T: (450) 349-1521
www.conseiltac.com

CSA Group (Canadian Standards Association)
TF: (800) 463-6727
T: (416) 747-4044
www.csagroup.org

Dairy Farmers of Canada/Les producteurs laitiers du Canada
T: (613) 236-9997
www.dairyfarmers.ca

Dietitians of Canada/Les diététistes du Canada
T: (416) 596-0857
www.dietitians.ca

Egg Farmers of Canada/Les Producteurs d'oeufs du Canada
T: (613) 238-2514
www.eggfarmers.ca

Export Development Canada/ Exportation et développement Canada
TF: (800) 267-8510
T: (613) 598-2500
www.edc.ca

Fédération des producteurs de cultures commerciales du Québec
T: (450) 679-0540, poste 8743
www.fpccq.qc.ca

Fisheries Council of Canada/ Conseil Canadien des Pêches
T: (613) 727-7450
www.fisheriescouncil.ca

Fisheries and Oceans Canada/ Pêches et Océans Canada
T: (613) 993-0999
www.dfo-mpo.gc.ca

Food and Beverage Ontario (formerly Alliance of Ontario Food Processors)
T: (519) 650-3741
www.aofp.ca

Food & Consumer Products of Canada
T: (416) 510-8024
www.fcpc.ca

Food Banks Canada/Banques alimentaires Canada
TF: (877) 535-0958
T: (905) 602-5234
www.foodbankscanada.ca

Food Industry Association of Canada (Golden Pencil Awards)
c/o Bill Sheine, secretary/ treasurer
T: (416) 229-0210
E: sheine@rogers.com
www.goldenpencilaward.com

Food Processors of Canada
T: (613) 722-1000
www.foodprocessors.ca

Further Poultry Processors Association of Canada
T: (613) 738-1175
www.fppac.ca

George Morris Centre
T: (519) 822-3929
www.georgemorris.org

Grain Growers of Canada/ Les producteurs de grains du Canada
T: (613) 233-9954
www.ggc-pgc.ca

Innovation P.E.I.
TF: (800) 563-3734
T: (902) 368-6300
www.innovationpei.com

Manitoba Canola Growers Association
T: (204) 982-2122
www.mcgacanola.org

Manitoba Food Processors Association
T: (204) 982-6372
www.mfpa.mb.ca

Manitoba Pulse Growers Association
TF: (866) 226-9442
T: (204) 745-6488
www.manitobapulse.ca

Master Brewers' Association of Canada (c/o of the Master Brewers Association of the Americas)
www.mbaa.com/districts/Pages/ default.aspx

National Farm Animal Care Council/Conseil national pour les soins aux animaux d'elevage
www.nfacc.ca

National Research Council Canada/Conseil national de recherches Canada
TF: (877) 672-2672
T: (613) 993-9101
www.nrc-cnrc.gc.ca

Natural Health and Non-prescription Health Products Directorate
TF: (866) 225-0709
T: (613) 957-2991
www.healthcanada.gc.ca/nhpd

Newfoundland Aquaculture Industry Association
T: (709) 754-2854
www.naia.ca

Nova Scotia Fish Packers Association
T: (902) 742-6168
www.fishpackers.com

Ontario Food Protection Association
T: (519) 265-4119
www.ofpa.on.ca

Ontario Fruit and Vegetable Growers' Association
T: (519) 763-6160
www.ofvga.org

The Ontario Greenhouse Alliance
TF: (888) 480-0659
T: (905) 945-9773
www.theontariogreenhouseal-liance.com

Ontario Independent Meat Processors
T: (519) 763-4558
www.oimp.ca

Ontario Processing Vegetable Growers
T: (519) 681-1875
www.opvg.org

PAC, Packaging Consortium
T: (416) 490-7860
Que. office: (514) 990-0134
www.pac.ca

The Paper & Paperboard Packaging Environmental Council (PPEC)
T: (905) 458-0087
www.ppec-paper.com

Pasta Canada
T: (613) 235-4010
www.pastacanada.com

Poultry Industry Council
T: (519) 837-0284
www.poultryindustrycouncil.ca

Restaurants Canada (formerly Canadian Restaurant and Foodservices Association)
TF: (800) 387-5649
T: (416) 923-8416
www.restaurantscanada.org

Retail Council of Canada/ Conseil canadien du commerce de détail
TF: (888) 373-8245
T: (416) 922-6678
www.retailcouncil.org

Saskatchewan Food Processors Association
TF: (866) 374-7372
T: (306) 683-2410
www.sfpa.sk.ca

Spirits Canada
T: (613) 238-8444
www.acd.ca

Standards Council of Canada/ Conseil canadien des normes
T: (613) 238-3222
www.scc.ca

Supply Chain Management Association
TF: (888) 799-0877
T: (416) 977-7111
www.sclcanada.org

Taste of Nova Scotia
TF: (800) 281-5507
T: (902) 492-9291
www.tasteofnovascotia.com

Tea Association of Canada/ Association du Thé du Canada
T: (416) 510-8647, ext. 2
www.tea.ca

Turkey Farmers of Canada/Les éleveurs de dindon du Canada
T: (905) 812-3140
www.canadianturkey.ca

Union des producteurs agricoles du Québec
T: (450) 679-0530
www.upa.qc.ca

Vintners Quality Alliance of Ontario
T: (416) 367-2002
www.vqaontario.com

Wine Country Ontario (c/o Wine Council of Ontario)
T: (905) 562-8070, ext. 221
www.winecountryontario.ca

Women in Food Industry Management
E: admin@wfim.ca
www.wfim.ca

Workplace Safety & Prevention Services (formerly Industrial Accident Prevention Association)
TF: (877) 494-9777
T: (905) 614-1400
www.wsps.ca

World Potato Congress
T: (902) 368-8885
www.potatocongress.org

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RESEARCH CENTRES

Agriculture and Agri-Food Canada's Research Centres
bit.ly/XrAVze

Atlantic Poultry Research Institute
www.dal.ca/sites/apri.html

Bio|Food|Tech – Prince Edward Island Food Technology Centre
TF: (877) 368-5548
T: (902) 368-5548
www.gov.pe.ca/ftc

Canadian International Grains Institute
T: (204) 983-5344
www.cigi.ca

Cintech Agroalimentaire
T: (450) 771-4393
www.cintech.ca

College of Agriculture and Bioresources
University of Saskatchewan
T: (306) 966-4056
bit.ly/KvY9PQ

Food Development Centre
Manitoba Agriculture, Food and Rural Initiatives
TF: (800) 870-1044
T: (204) 239-3150
bit.ly/1ABm44T

Food Innovation Centre of B.C.
www.foodinnovationcentre.ca/

Food Processing Development Centre
Alberta Agriculture and Rural Development
T: (780) 986-4793
www.agric.gov.ab.ca/fpdc

Guelph Food Technology Centre
T: (519) 821-1246
www.gftc.ca

Human Nutraceutical Research Unit
Department of Human Health & Nutritional Sciences
University of Guelph
T: (519) 824-4120, ext. 53749
www.uoguelph.ca/hnru

Merinov – Quebec Fisheries and Aquaculture Innovation Centre/Centre d'innovation de l'aquaculture et des pêches du Québec
TF: (844) 368-6371
T: (418) 368-6371
www.merinov.ca

Morden Research Station
Agriculture and Agri-Food Canada
T: (204) 822-7555 bit.ly/1zJ2CVq

Organic Agriculture Centre of Canada/Centre d'agriculture biologique du Canada
Dalhousie University
T: (902) 893-7256
www.organicagcentre.ca

POS Bio-Sciences John and Charlotte Cross Bio-Sciences Centre
TF: (800) 230-2751
T: (306) 978-2800 www.pos.ca

Saskatchewan Food Industry Development Centre Inc.
T: (306) 933-7555
www.foodcentre.sk.ca

EDUCATIONAL CONTACTS

Acadia University
School of Nutrition and Dietetics
T: (902) 585-1366
nutrition.acadiau.ca

British Columbia Institute of Technology
School of Health Sciences
Food Technology Department
TF: (866) 434-1610
T: (604) 434-5734
www.bcit.ca/study/programs/500adiplt

Canadian Nutrition Society/Société canadienne de nutrition
TF: (888) 414-7188
T: (416) 491-7188
www.cns-scn.ca

Council of Canadian University Food Science Administrators
c/o Muriel Subirade, director
Department of Food Science
Faculty of Agriculture & Food Sciences Université Laval
E: Muriel.subirade@fsaa.ulaval.ca

Dalhousie University
Faculty of Agriculture
T: (902) 893-6600
www.dal.ca/faculty/agriculture.html

Durham College
Pharmaceutical and Food Science Technology
T: (905) 721-2000
bit.ly/10Pai8c

George Brown College
Hospitality and Culinary Arts and Chef School
TF: (800) 265-2002
T: (416) 415-2000
bit.ly/WVkjtl

Holland College
Culinary Institute of Canada
TF: (800) 446-5265
T: (902) 629-4217
www.hollandcollege.com/culinary-institute-of-canada

Kemptville Campus (University of Guelph)
Associate Diploma in Food Science and Quality Management
T: (613) 258-8336
https://www.kemptvillec.uoguelph.ca/programs/food/diploma/food-science-and-quality-management

Langara College
Nutrition & Food Service Management Program
T: (604) 323-5268
www.langara.bc.ca/departments/nutrition

McGill University – Macdonald Campus
Faculty of Agricultural and Environmental Sciences, and the School of Dietetics and Human Nutrition
T: (514) 398-7773
www.mcgill.ca/macdonald

Memorial University of Newfoundland
Fisheries and Marine Institute
TF: (800) 563-5799
T: (709) 778-0200
www.mi.mun.ca

SAIT Polytechnic – Southern Alberta Institute of Technology
TF: (877) 284-7248
T: (403) 284-7248 www.sait.ca

University of Alberta
Faculty of Agricultural, Life & Environmental Sciences
Department of Agricultural, Food and Nutritional Science
T: (780) 492-3239
www.afns.ualberta.ca

University of British Columbia
Faculty of Land and Food Systems
T: (604) 822-1219
www.landfood.ubc.ca

University of Guelph
Centre for Open Learning and Educational Support
T: (519) 767-5000 or (519) 824-4120, ext. 55000
www.open.uoguelph.ca

University of Guelph
Department of Food Science
T: (519) 824-4120
www.uoguelph.ca/foodscience

Université Laval
Microprogramme en Alimentation et Nutrition
T: (418) 656-2131
bit.ly/1Cvpl1a

University of Manitoba
Department of Food Science
Faculty of Agricultural and Food Sciences
T: (204) 474-9621
bit.ly/VkbQWw

University of Manitoba
Human Nutritional Sciences Programs
Faculty of Agricultural and Food Sciences
T: (204) 474-9901
bit.ly/Yo2mud

University of Prince Edward Island
Applied Human Sciences
TF: (800) 606-8734
T: (902) 628-4353
www.upei.ca/science/applied-human-sciences

University of Saskatchewan
College of Agriculture and Bioresources
T: (306) 966-4056
www.agbio.usask.ca

University of Toronto
Department of Chemical Engineering and Applied Chemistry
Faculty of Applied Science & Engineering
T: (416) 978-2011
www.chem-eng.utoronto.ca

U.S. NATIONAL ASSOCIATIONS

American Frozen Food Institute
T: (703) 821-0770
www.affi.com

American Meat Institute
T: (202) 587-4200
www.meatami.com

Bakery Equipment Manufacturers and Allieds
T: (913) 338-1300
www.bema.org

Flavor and Extract Manufacturers Association
T: (202) 293-5800
www.femaflavor.org

The Food Institute
T: (201) 791-5570
www.foodinstitute.com

Food Marketing Institute
T: (202) 452-8444
www.fmi.org

Food Processing Suppliers Association
T: (703) 761-2600
www.fpsa.org

Grocery Manufacturers Association
T: (202) 639-5900
www.gmaonline.org

Institute of Food Technologists
T: (312) 782-8424
www.ift.org

International Warehouse Logistics Association
T: (847) 813-4699
www.iwla.com

National Dairy Council
www.nationaldairycouncil.org

North American Meat Association
U.S.: (800) 368-3043
Canada: (905) 356-5963/(613) 739-8500
www.meatassociation.com

Organic Trade Association
U.S.: (202) 403-8520
Canada: (613) 482-1717/ (250) 335-3423
https://www.ota.com

Paperboard Packaging Council
T: (413) 686-9191
www.ppcnet.org

Soyfoods Association of North America
T: (202) 659-3520
www.soyfoods.org

U.S. Food and Drug Administration
TF: (888) 463-6332
www.fda.gov

AD INDEX

Deanna Rosolen

Empanadas from FV Foods Inc.

FV Foods Inc., Scarborough, Ont.

Mel Galeon wasn't even a Canadian citizen when in 1998 he saw a need in the Filipino community in Toronto and decided he was going to do something about it. Galeon, who went on to establish FV Foods Inc. with partner Flor Vendiola, was selling Filipino baked goods at the annual Canadian National Exhibition (CNE) through a trade and tourism exhibit. When he saw how excited the Filipino community was to see treats from home, he knew he was onto something.

With only $500, Galeon got to work making ube halaya (sweetened purple yam), espasol (sticky rice), yema, bibingka (rice cake with salted egg), custard cake and pastillas (milk pastry). At that time he delivered his creations by bus and subway to Filipino stores. Then he met Vendiola, who was also from the Philippines and living in Toronto, and who then started helping with deliveries. Around the year 2000, the pair turned the venture into a business and called it FV Foods.

The Scarborough, Ont.-based company makes Filipino sweets, breads, cakes and pastries that cater to a community hungry for these comfort foods from home. Demand for their products grew quickly in those early years, leading the pair to rent their own manufacturing plant. In 2003, demand was still so strong that the company opened a grocery store, and then a second location in 2006. In 2008, the pair opened another store, this one with a hot food take-out counter. And in 2012, Galeon became a Canadian citizen.

FV Foods' pan de sal

Today there are five stores in Toronto, one of which is a franchise. The company supplies its products to grocery stores in Winnipeg, Windsor, Mississauga, throughout the Greater Toronto Area, Montreal, and even in Saskatchewan and Alberta. It has 17 different breads available in No Frills, Shoppers Drug Mart locations, and Asian supermarkets. The business also manufactures 100 different kinds of cakes, sweets and pastries, all CFIA-approved and HACCP compliant.

Q&A

Q: Are more non-Filipino consumers keen to try your products?

A: "We do see more non-Filipino consumers trying our products. As Filipinos, we are proud of our culture and proud to share and promote our foods. Filipino caregivers often introduce the food to their employers and employers' children. Many Filipinos marry outside of the culture. In schools, multi-cultural events include Filipino foods. What's popular among non-Filipino consumers are empanadas (beef and chicken patties), cassava cake, custard cakes and flans, puto (rice cakes), pan de sal (dinner rolls), tasty (loaf bread), turon (banana roll), beef caldereta (stew), pork or chicken barbecue skewers, roast pork, crispy pork belly, spring rolls and chicken or pork adobo."

Q: What challenges do you face as a business?

A: "As the Filipino population grows, more Filipino bakeries are being established and our business becomes more competitive. Also, since we are now popular among Filipinos and other cultures and their communities, we aim to be at par with other bakeries and restaurants in Canada. Our mission is to exceed our customers' expectations by providing high-quality products and offering customers a delightful, hospitable and welcoming experience in all our locations."

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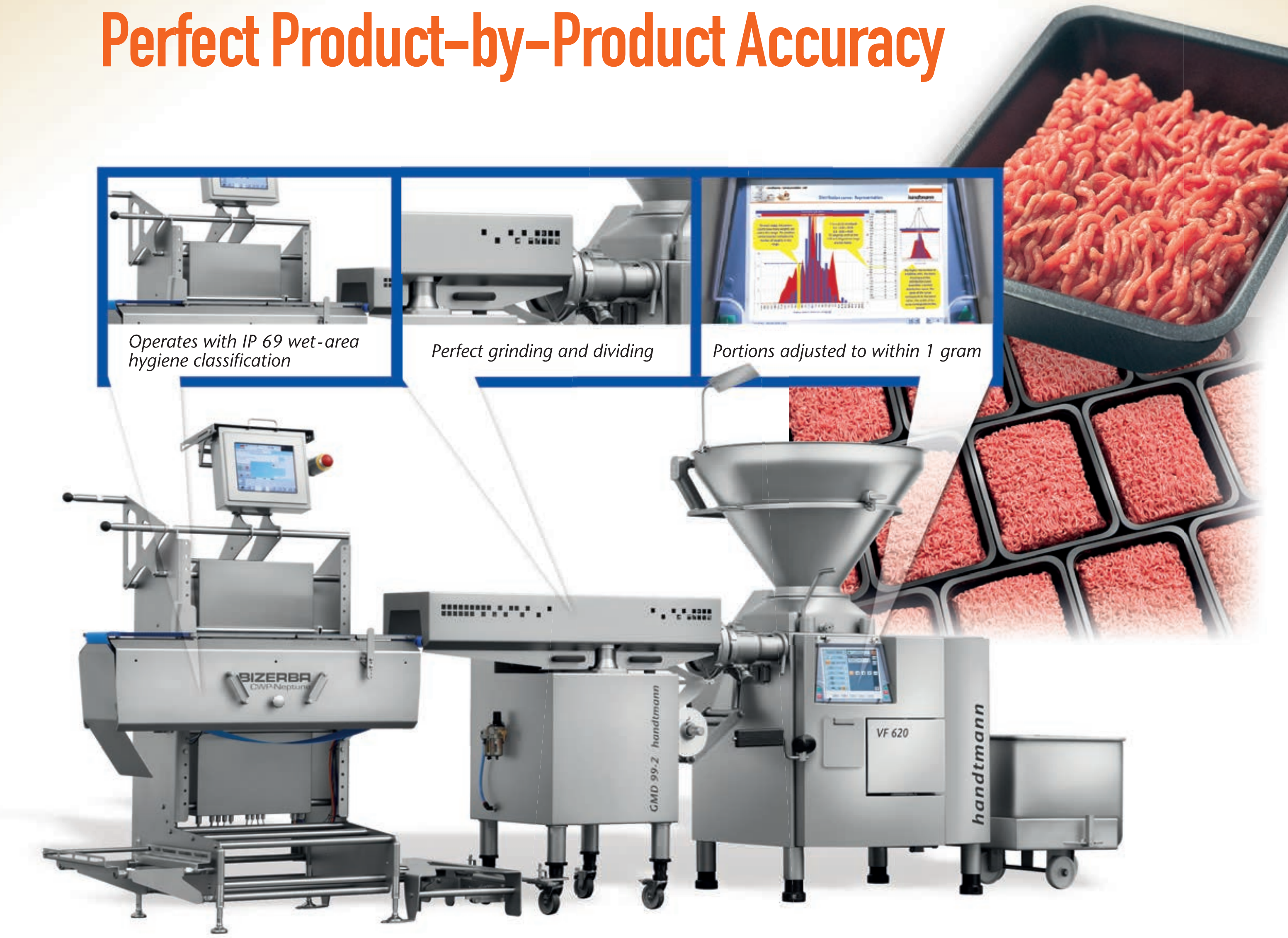

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