

**+** 24 A NATURAL  
REVOLUTION

**37** THE EXPORT  
REPORT

**47** MULTI-ENTERPRISE  
COLLABORATION

# FOOD *in* CANADA

Canada's food & beverage processing magazine

## —A— *fish* tale

THE SEAFOOD  
REPORT  
PG.26

—Inside—  
**PETFOOD  
IN CANADA**  
PG.49

**HEAT  
WAVE**

The latest  
sauces &  
marinades  
PG.32

**ACCENT  
ALIMENTAIRE  
SUR LE QUÉBEC**

PG.61

**MNP  
B.C. REGIONAL  
ROUNDTABLE**

PG.39

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# FOOD in CANADA

Canada's food & beverage processing magazine



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# contents



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## departments

- 6 Editorial**
- 8 News File**
- 18 Market Trends**  
Market outlook and highlights from Dr. Larry Martin and Associates.
- 20 Focus on Food Safety**  
Genetic diversity and the “omics.”
- 22 Food Law**  
Truth or dare?
- 24 Regulatory Affairs**  
A natural revolution.
- 30 Ingredients Spotlight**  
Matcha is becoming ubiquitous across North America.
- 36 Sensory Trends**  
Meanwhile, back at the ranch...
- 46 Operations**  
Top 10 non-conformances, and what we can learn from them.
- 47 Ask the Expert**  
Enhancing supply chain management through multi-enterprise collaboration.
- 48 Rethinking Innovation**  
Eco-food will be more than a mega-trend – Part 1.
- 68 Product Showcase**  
Post-show review of SupplySide West 2015.
- 70 Industry Insider**  
Morell, P.E.I.-based PEI Mussel King.

# 32

### Heat Wave

It's all about the chilies in today's sauces, dressings and marinades as more consumers experiment with flavours from around the world.

## features

- 26 A Fish Tale**  
When it comes to fish and seafood, consumers are craving international flavours, unfamiliar species and gourmet-style frozen entrées.
- 37 Going Global**  
Is it time to consider exporting?
- 39 B.C. Regional Roundtable**  
*Food in Canada's* British Columbia regional roundtable, sponsored by MNP LLP and presented in partnership with the BC Food Processors Association. This year's theme is “Opportunities for Growth, Challenges in the Future.”

# 37



## in this issue

### 49 **PETFOOD**<sup>in</sup> **CANADA**

A supplement of Food in Canada magazine

#### Accent Alimentaire sur le Québec

**61 Nouvelles**

**64 Profile d'entreprise:**  
Ruchers Promiel



# 30



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## From culture clash to clarity

In our last issue, I highlighted the benefits of building a positive corporate culture within your company. But how easy is it to change deeply rooted values and behaviours in an organization?

Like most things in life, talking about changing corporate culture is simple — it's making the change that can be difficult. It starts with taking an accurate measurement of where your culture is at the moment, says Deborah Henderson, a consultant at the U.K.'s Centre for Inspired Leadership. While working with corporate leaders, Henderson uses measurement models such as Barrett Values Centre's Cultural Transformation Tools.

While it may require some soul searching by management, Henderson says accurately assessing the health of your organization allows you to “know how aligned the values of [the company's] employees are with the perceived current culture values, the level of fear, or dysfunctionality, in the system, and to know the roadmap that's needed for the organization to fulfill its highest potential and reach its highest performance.”

The results must then be analyzed and understood by leaders so that they may determine how clear their corporate vision, mission and strategic direction are to the organization, as well as what needs to be done to realign culture in that direction. “Leaders need to own that

the culture is a reflection of their actions and attitudes,” notes Henderson, adding that they must “contract among themselves how they are going to shift their mindset and behaviours to be a good role model for others.”

Employee feedback and participation is an integral part of the process, says Henderson, explaining that staff will then have to agree on “an adjusted set of values and priorities for action which will support these values to be ‘lived’ authentically within the organization.” Remember too that for employees to follow, ensure that “the storyline as to why the culture shift needs to happen is clear and compelling.”

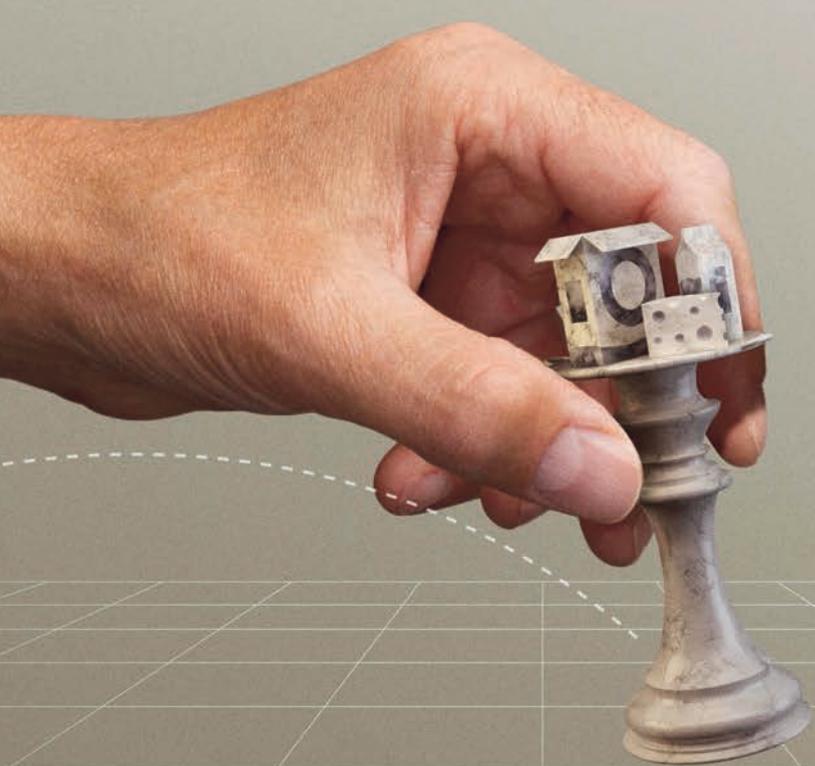
Perhaps most importantly, Henderson emphasizes the value of setting up a “reinforcing system” to ensure leaders are modelling the right values and behaviours, and that “systems, processes and procedures...are aligned to reinforce actions in keeping with the new values.” With more engaged managers and employees, the end result will be a more effective and productive operation overall. ●

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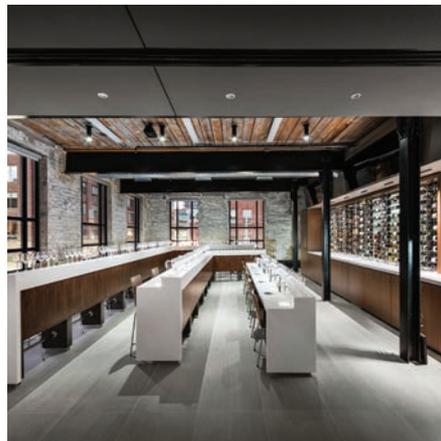
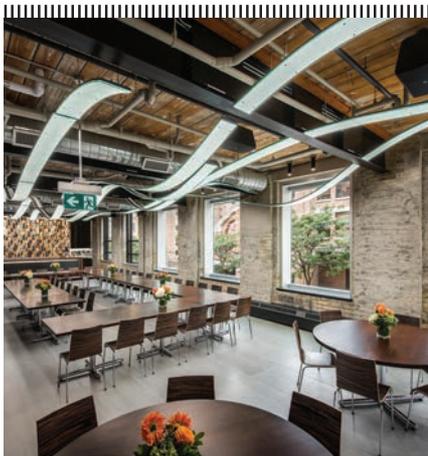


## Winemaking at sea

Wine-loving cruise passengers will soon be able to experience the art of winemaking at sea when Holland America Line's new ms Koningsdam cruise ship makes its debut in April 2016. In collaboration with Chateau Ste. Michelle, Washington State's oldest winery, BLEND will be an intimate on-board venue that enables guests to blend their own wine and then either enjoy it at dinner or in the privacy of their stateroom. BLEND is the first venue of its kind for Holland America Line, and the only purpose-built wine-blending venue at sea.



## News > file



### George Brown College unveils applied research facility

With an eye on helping Canada's food and beverage industry produce more innovative and nutritious products, George Brown College has launched a world-class applied research and industry facility in Toronto.

Housed within George Brown's Centre for Hospitality and Culinary Arts, the multifunctional facility aims to provide access to advanced learning and applied research spaces, as well as opportunities for product development, including prototyping and commercialization support.

"This facility represents why we are one of Canada's foremost leaders in food and beverage research, innovation, and education for industry," says Robert Luke, vice-president, Research and Innovation, George Brown College. "Not only does this expansion create the conditions for companies to succeed, it also enriches the learning of students and prepares

them to become the highly qualified and skilled leaders the growing food and beverage sector needs."

This facility was made possible in part by a \$7-million investment from the Federal Economic Development Agency

for Southern Ontario (FedDev Ontario) as well as matching George Brown College, donor and industry contributions.

The facility is expected to support a diverse group of customers, including all types of restaurants, wine and alcoholic beverage companies, food and beverage processing and manufacturing organizations, foodservice companies, hospitals and other research facilities.

In addition to the celebrated Chefs' House restaurant on the first floor, the four-storey, 18,000-sq.-ft. building will also house the Industry Engagement and Interaction Facility — a simulation lab on the second floor that will be used for sensory evaluation, product launches and commercialization, and for special events — and the Beverage Research Lab, a beverage research theatre on the third →

### PINK BUNS FOR BREAST CANCER

In an effort to help "beet" cancer, Mississauga, Ont.-based ACE Bakery and Toronto-based HERO Certified Burgers teamed up to support the Canadian Breast Cancer Foundation — Ontario Region (CBCF), with a special pink burger bun offering.

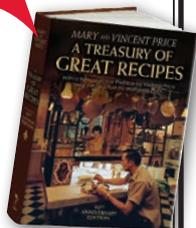
From Sept. 28 through Oct. 25, 2015, consumers who visited any HERO Certified Burger location in Ontario were able to purchase a burger on a pink ACE Bakery bun. The pink colour in the buns came from all-natural beet juice, which also added flavour to the buns. Customers at HERO had the option to upgrade any burger on the menu to have the pink bun, or they could go all out and order the "Think Pink Burger" — a special burger featuring natural beef, raspberry goat cheese and a pink slaw (as well as the pink bun).

For every pink bun sold during the campaign, \$1 was donated to CBCF. In a play on the use of natural beet juice to colour the buns, the campaign's tagline read: Be a Hero. Let's #BeetCancer together.



FROM OUR LIBRARY

We all know the late, great actor Vincent Price for his work in horror films like *The Pit and the Pendulum* and *The Last Man on Earth*. But did you know that the king of horror was also a world-class gourmet? Vincent and his wife Mary were dedicated foodies, and in 1965 they gathered their favourite recipes and published their own highly acclaimed cookbook called *A Treasury of Great Recipes*.



Their book has been out of print in recent years, but this year – 50 years after it was first published – Dover Publications, Inc. has released a new edition of Vincent and Mary Price's book: *A Treasury of Great Recipes, 50th Anniversary Edition: Famous Specialties of the World's Foremost Restaurants Adapted for the American Kitchen*.

This 512-page classic is filled with recipes from an array of five-star establishments: Lasserre (Paris), Tre Scalini (Rome), The Ivy (London), Sobrino de Botín (Madrid), Rivoli (Mexico City), The Four Seasons (New York), and many more. Recipes range from haute cuisine dishes such as Truite Farcie Fernand Point and Poularde Pavillon, to more common fare like buckwheat griddle cakes and New England clam chowder.

In his foreword to the 50th anniversary edition, celebrity chef Wolfgang Puck writes, "This is an enthralling travelogue for anyone who loves the pleasures of the table, and the food is just as mouthwatering today as it was back then. I'm so thrilled that this new edition makes Vincent Price's incomparable personality and down-to-earth connoisseurship available to another generation of food lovers everywhere."

floor that encompasses a world-class wine lab, which will be available for events such as product and beverage launches, training and testing.

"We're excited that businesses like ours will have the opportunity to leverage George Brown's extensive applied research expertise and resources," says Philippe Roireau, founder of Zpirit Infused Water, a Toronto-based company that makes flavoured beverages low in sugar and calories. "We came to George Brown College to optimize our processes and streamline production, and with the expert help we received, we've been able to expand our product lines and promote a healthy lifestyle to consumers worldwide."

Starting in early 2016, the college will also provide expanded commercialization capacity on the fourth floor for its existing Food Innovation and Research

Studio (FIRSt), and will be constructing new learning and applied research spaces that include a Large Quantity Bake Lab, a Beverage Research Lab and a Large Quantity Culinary Lab.

**Entrepreneur returns to his roots with new cheese operation**

Paul Kostas is confident that his new Santorini Dairies Inc. will succeed where another entrepreneur with European cheese processing experience failed.

Kostas, a Winnipeg resident for more than 50 years, with a record of success in several different business ventures, acquired the former Co-op Dairies plant in north Winnipeg in August 2014, after the previous tenant tried and failed to establish an artisanal cheese processing plant. ➔

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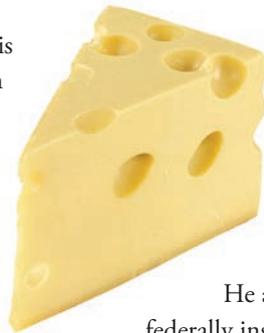
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“An opportunity came up,” Kostas says of his decision to acquire the plant in 2014 and open Santorini Dairies. “It took us a year to recommission the building and bring in all new equipment (largely from Europe).” Once the plant is at capacity, Kostas expects to have about 40 employees.

Kostas arrived in Winnipeg from Greece in 1963. His first career here was in photography. During his business career, he has also operated several restaurants and currently owns two hotels in the city.

For Kostas, Santorini Dairies is a labour of love. He grew up on the Greek island of Rhodes in a dairy and cheese making family. Santorini’s initial product lines are feta cheese — based on a recipe from the Greek island of Santorini — as well as tsaziki and other dips and Greek yogurts. “There is a market opportunity here,” he says. “No one in this region is currently producing feta or specialty Greek yogurts.” His feta and yogurt products, he says, are being marketed to the institutional or restaurant market. The yogurt is intended to be used exclusively for making tsaziki.



Santorini Dairies will also be producing Swiss cheeses and other semi-hard cheese products in the new year. “It takes a while to cure Swiss cheese,” Kostas notes.

He adds that his operation is federally inspected, which will allow Santorini Dairies to ship product across Canada.

There are only two other specialty commercial cheese-making operations in Manitoba — Bothwell Cheese in New Bothwell southeast of Winnipeg, and a Trappist Monastery to the west of Winnipeg.

— Myron Love

## Masculine and feminine food?

Gender-specific packaging often influences what consumers buy in the grocery store, according to a recent study. Luke Zhu, an assistant professor of Business Administration at the University of Manitoba, worked with researchers at Yale and INSEAD, an international business school, on the study called “Macho Nachos: The Implicit Effects of Gendered Food Packaging on Preferences for Healthy and Unhealthy Foods,” which was published in the journal *Social Psychology*.



Findings included the fact that stereotypically feminine packaging, characterized by subtle colours and script-style fonts, is typically used for healthier foods. Meanwhile, more masculine packaging, with bold colours and large fonts, is often used for less healthy items. Interestingly, when the “gender” of the packaging matched the perception of the product (i.e. feminine packaging for a healthy food, masculine packaging for an unhealthy food), consumers rated it more highly and said they would be more likely to purchase it.

## Chickpea pasta answers parents’ dinner dilemma

As a new mom, Shelby Taylor was having trouble finding nutritious meals for kids that were also convenient and easy to make — an important quality for busy parents who struggle to juggle it all. So, the entrepreneurial Taylor decided to develop her own product to satisfy that need.

“When I began shopping for my own family, the decision became obvious — spend time in the kitchen making something healthy, or sacrifice nutrition for convenience,” says Taylor, a former health store owner from Collingwood, Ont. Seeing a need in the marketplace, she developed Chickpea — a pasta →

## PIZZA CHEF OF THE YEAR

Pizza makers from across Canada had a chance to show off their skills at the Chef of the Year competition at the Canadian Pizza Show on Oct. 19 in Mississauga, Ont.

One winner rose to the top: Joe Leroux of Amadio’s Pizza in Port Credit was honoured with the title of *Canadian Pizza* magazine’s Chef of the Year. Leroux’s “Chi manga bene, viva bene” — which translates



as “If you eat well, you live well” — earned him the title of Canada’s top pizza maker.

As the winner, he was awarded \$1,000 and a trip to Las Vegas to compete in the International Pizza Challenge in March 2016.

Canadian Pizza Show sponsors were Saputo Foodservice (Diamond), PizzaMaster distributed by Alfa Food Service (Platinum), Stanislaus (Gold) and Dairy Farmers of Canada (Gold). Saputo Foodservice (Diamond) and Moretti Forni distributed by Euro-Milan (Gold) sponsored the Chef of the Year competition.

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made almost entirely of organic chickpeas. “Chicka-pea is an organic, non-GMO, gluten-free pasta line made up of fibre-rich chickpeas and superfood chia, nothing else,” explains Taylor.

Taylor’s idea really took off after winning the SmOffice entrepreneur contest in May 2015. Her company, Earth to



Kids, was also awarded two grants designated for young entrepreneurs, including a \$5,000 grant from ventureLAB’s BOOST program.

The momentum continued into October, when Taylor launched a successful 30-day Kickstarter campaign to help bring her production to the next level. She is hoping to have the product available online by the end of this year, with distribution to retailers early in 2016. By the middle of the year, Taylor hopes to expand distribution from health food stores to larger retail chains.

## Food allergies prevalent in Canada

One in 13 Canadians — or 2.5 million people — is currently affected by a food allergy, according to new estimates from the Hamilton, Ont.-based Allergy, Genes and Environment Network (AllerGen). Published in the *Journal of Allergy and*



*Clinical Immunology: In Practice*, the research found that 7.5 per cent of Canadians — 7.7 per cent of adults and 6.9 per cent of children under 18 years of age — self-reported having at least one food allergy.

This research represents the largest survey to date on the prevalence of food allergies in Canada. It will be used as a baseline to gauge if allergies are rising or falling. The research was conducted by a team of AllerGen investigators in partnership with Health Canada, and co-led by Ann Clarke, a professor at the University of Calgary, and Susan Elliott, a professor at the University of Waterloo.

## ALL-BRAN, NOT JUST FOR BREAKFAST ANYMORE

In a marketing campaign aimed at inspiring Canadians to think of All-Bran as something more than just a high-fibre breakfast cereal, Kellogg Canada partnered with three top Canadian chefs this fall to create restaurant-worthy dishes that include a healthy kick of fibre.

Going with the trendy theme of “comfort food moderne” — healthy, upscale comfort food — Kellogg’s enlisted Chef Craig Harding from Campagnolo (Toronto), Chef Connie DeSousa from Charcut (Calgary) and Chef Alexandre Gosselin from Chez Victoire (Montreal) to come up with 15 new and creative high-fibre recipes using All-Bran.

Their creations included: Chef Craig Harding’s All-Bran Cornish Hen Cacciatore with Roasted Shepherd Peppers and All-Bran Polenta; Chef Connie DeSousa’s All-Bran Cheesecake Crunch in a Jar with Seasonal Fruit; and Chef Alexandre Gosselin’s Cauliflower, Bacon and All-Bran Gratin.



## INBRIEF



> Bedford, N.S.-based **Clearwater Seafoods** has acquired **Macduff Shellfish Group Limited**, a vertically integrated shellfish company in the U.K. with a strong presence in the European Union.

> **Daniel Richard**, entrepreneur and well-known figure in the world of wine and spirits, has announced the founding of **Univins & Spirits**, a new Canada-wide wine and spirits agency whose mission is to deploy a national brands strategy all across the country designed to maximize its clients’ sales. Five regional agencies have consolidated their portfolios to create Univins & Spirits.



> **Farm Credit Canada (FCC)** was recognized as a Platinum employer (the top category) in this year’s annual Aon Hewitt Best Employers study.

> **Glenfiddich**, the world-renowned Single Malt Scotch whisky, provided **Wounded Warriors Canada** with a cheque for \$123,000 during a charitable presentation at the Maritime Museum of the Atlantic in Halifax in November just prior to Remembrance Day.



Glenfiddich presents Wounded Warriors Canada with a cheque for \$123,000 during a charitable presentation at the Maritime Museum of the Atlantic in Halifax. (L to R:) Nicole Oliva, Jack Kelly, Phil Ralph, Richard Martin, Scott Maxwell, Elizabeth Havers. (Photo courtesy of CNW Group/William Grant & Sons Ltd.)



> *Progressive Grocer* magazine has recognized **North Prairie Gold Extra Virgin Canola Oil** with a 2015 Editors' Pick Award for best new product. Judging criteria included innovation, taste/functionality and overall value. North Prairie Gold is produced by a group of Canadian prairie farmers on family farms located within a 150-mile radius of their own oil crushing facility in Saskatoon, Sask.

> Etobicoke, Ont.-based **Beretta Farms** is now offering fresh beef rated Step 4 by the **Global Animal Partnership's 5-Step Animal Welfare Rating program** and will be sold at Whole Food Market stores. Global Animal Partnership is a non-profit organization dedicated to continually improving farm animal welfare through their third-party audited 5-Step Animal Welfare Rating program and is used by Whole Foods Market for all its beef, chicken, turkey, and pork products sold in the fresh meat case at all their stores in Canada and the U.S.

> **MicroNourish Core** won the **2015 SupplySide CPG Editor's Choice Award** for Brain Health and Mood at SupplySide West in Las Vegas in October. The SupplySide editorial team gave awards for achievements in consumer packaged goods (CPG) for innovation and market impact across 18 different categories, with the Brain Health Award as a new honour just introduced this year. ↪



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> White Rock, B.C.- and Calgary-based **Paradise Mountain Organic Coffee**, a producer of sustainable organic Arabica coffee beans, was awarded Non-GMO Project Verified certification for their coffee by the not-for-profit organization Non-GMO Project this fall.

> Celebrating its 10th year, **Vancouver Aquarium's Ocean Wise** program has launched a new phone app that makes it easier for consumers to make ocean-friendly choices. With this app, users can conveniently check which seafood options are Ocean Wise recommended, and can readily access a database of more than 3,000 Ocean Wise partner locations, including restaurants, markets and suppliers. Featuring an interactive map, the interface can help consumers find the nearest partner location for an ocean-friendly meal or to select sustainable seafood for cooking at home.



## SUPPLIER NEWS



> **Quadra Chemicals Ltd.** was recognized by *Canadian Occupational Safety* magazine for its outstanding accomplishments in health and safety as part of the 2015 Canada's Safest Employers Awards. Quadra was selected as the Gold recipient in the Retail and Services category.

> Ireland-based **Kerry Group plc**, the global taste and nutrition company, has acquired **Wellmune** from Eagan, Minn.-based **Biothera Inc.** Wellmune is a natural food, beverage and supplement ingredient aimed at strengthening the immune system.

> Lewisville, Tex.-based **Metl-Span**, a manufacturer of insulated metal panels, has acquired the **Vicwest** manufacturing plant in Hamilton, Ont. The new plant will allow Metl-Span to expand and better serve customers within the Canadian and Northeastern U.S. markets.

> **Prolamina** and **Ampac**, two recently merged global flexible packaging firms, announced the new corporate name of the merged company: **ProAmpac**. The merged company will be headquartered in Cincinnati, Ohio.

> **Quadra Ingredients** was appointed as AkzoNobel's Canadian distributor for food, pharmaceutical and personal care industry

in Canada. Quadra will be representing Akzo on their Akucell line of CMC in the Canadian

> Japan-based **Omron Automation and Safety** moved its Canada headquarters in November. The company will now operate out of offices in Consilium Place, a Toronto East business complex.



marketplace. Akucell is the trademark for AkzoNobel's food-grade cellulose gums.

> **PaperWorks Industries, Inc.**, a Bala Cynwyd, Penn.-based integrated North American paperboard packaging supplier, will be consolidating all of its Canadian folding carton production into its recently acquired manufacturing facility in Kitchener, Ont. The company expects to consolidate all production at Kitchener by May 2016, and close its Hamilton, Ont. plant by July 2016.

## P.E.I. SCALLOPED POTATOES FLAVOUR WINS LAY'S CONTEST

After a two-month consumer voting period, Lay's Canada revealed the winning potato chip flavour in its annual "Do Us A Flavour" contest: P.E.I. Scalloped Potatoes.

The winning entry came from Burlington, Ont.'s Jordan Cairns. Inspired by Atlantic Canada's reputation for potato cultivation, Cairns says one of his fondest memories of growing up was sitting down to big family dinners on Friday nights and holidays. His favourite side dish at these meals was always the freshly baked scalloped potatoes.

The P.E.I. Scalloped Potatoes chips will now be available in stores across Canada. In addition to the glory of knowing he came up with the

idea for a tasty new chip flavour, Cairns will receive \$50,000 plus one per cent of his flavour's future sales.

"I'm excited to be named this year's winner," says Cairns. "It's incredible to think that a flavour inspired by a childhood memory will join the Lay's lineup in stores across Canada."

Earlier this year, the Lay's brand had asked Canadians to submit their ideas for the next great potato chip flavour inspired by a particular region in Canada. In less than two months, the contest received almost 950,000 submissions from fans across the country. In August, the Lay's brand revealed the four finalist flavours, and Canadians were invited to select the winner by trying all four and voting for the yummiest from Aug. 11 to Sept. 30.

Jordan Cairns



# FCC Drive Away Hunger



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## PEOPLE ON THE MOVE



Kejlhof

> Minneapolis, Minn.-based MOCON, an international provider of instruments and services for testing, measuring and analyzing invisible gases, has promoted

**Karsten Kejlhof** to vice-president

of Sales and Marketing for the company's package testing and permeation businesses.

> Bedford, N.S.-based Clearwater Seafoods has appointed **John Gu** as vice-president, Asia-Pacific. Based out of Shanghai, China, Gu will be responsible for providing leadership to further develop and deliver Clearwater's organizational objectives in the Asia-Pacific region.

> Toronto-based raw material supplier CK Ingredients welcomes

**Mark Hales** to its organization.

Hales will serve as an account manager in CK's food and beverage ingredients division.



Hales

> The Guelph, Ont.-based Agri-food Management Institute (AMI) has named **Alison Robertson** as its new executive director.

> Winnipeg-based Ag Growth International Inc. has announced the retirement of **Gary Anderson** as CEO of the company. **Tim Close**, president, will be named CEO.



Schilling

> Morris Plains, N.J.-based functional ingredients company BENEIO has named **Ginger Schilling** as regional sales manager responsible for the Midwestern region of the U.S.

> Mississauga, Ont.-based Maxxam Analytics has appointed **Donna Garbutt** as its new CEO.

> PMMI, the association for packaging and processing technologies, elected new members to the board of directors and announced its 2016 executive committee at the opening session of its November 2015 annual meeting. **Paul Irvine**, CEO of Plexpack Corp., will now serve as chairman, and **Mark Anderson**, president and CEO Pro Mach, Inc., will be vice-chairman.



Motta



Timoteo

> San Antonio, Tex.-based Food Safety Net Services (FSNS) is adding two new members

to its team: **Mike Motta** is the new vice-president of Sales and **Vicki Timoteo** is the new director of Marketing.

## Campbell's celebrates 85th anniversary

Campbell Company of Canada celebrated its 85th anniversary with an event in Toronto on Nov. 16, appropriately held at the Andy Warhol: Revisited exhibit at the Revolver Gallery.

The president of Campbell Company of Canada, Ana Dominguez, was on hand to celebrate both the past and the future of the company. "We're proud to have been making great-tasting, quality soups on Birmingham Street in west-end Toronto since 1930," says Dominguez. "A huge part of our success is the longstanding relationships we have built with the people who grow our ingredients, and that includes generations of farmers in the farming communities surrounding Toronto."

According to a Campbell Canada media release, the company sources 70 per cent of the vegetable ingredients used in its soups (by weight) from local farms from within 300 km of its Toronto plant.

"Campbell's — the iconic soup company — is a great example of what makes Ontario's food processing sector so dynamic," says Arthur Potts, parliamentary assistant to the minister of Agriculture, Food and Rural Affairs. "They have a strong tradition of creating innovative products while maintaining long-lasting relationships with the farming community by sourcing fresh, locally grown product."

Looking to the future, Campbell Canada is focused on its global promise of delivering "Real Food that Matters for Life's Moments" — a slogan that Dominguez says "represents the single most important cultural change we've implemented globally and at Campbell Canada specifically. We have committed to delivering products with no artificial colours and flavours, eliminating the use of high fructose corn syrup and making sure we provide a host of choices for consumers with different dietary needs."

Dominguez also discussed the importance of Campbell Canada's new website, [WhatsInMyFood.ca](http://WhatsInMyFood.ca). "Through this platform, we will engage in a meaningful dialogue with our consumers, and provide answers to their most pressing questions," she says.

Campbell Canada's anniversary-related media release also pointed out that Campbell's soups are constantly being updated in response to changing consumer tastes and demand for innovative new flavours. The Healthy Request line, for instance, has been reinvented in response to today's health-conscious consumer who wants to know what's in their food as well as what's not in their food. (Healthy Request promises to never contain preservatives.) And the recently launched Campbell's Soup Kits were developed for people who want homemade soup but don't want to spend hours making it. All they need to do is add a few simple ingredients, and in about an hour, they have a homemade soup with no artificial flavours or colours.



Campbell Canada president Ana Dominguez and Arthur Potts, parliamentary assistant to the minister of Agriculture, Food and Rural Affairs, celebrate Campbell Canada's 85th anniversary.

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## COMMENTARY

In our last commentary we addressed the increasing possibility of deflation. Since then soybean meal prices joined soy oil and soybeans below long-term historical support. Corn, wheat, natural gas and crude oil are all in downtrends close to tests of support. Cattle and hog prices have collapsed, and both U.S. and Canadian stock indices are down.

Because I work with producers a lot, writing this month's column wasn't fun. Seldom has there been such a bearish overtone to so many markets simultaneously. We've worked with agricultural producers to either get their commodity risk management tools in place or to sell on rallies over the past few months. That's not easy after several years of buoyant markets raised expectations.

In Canada, where the weak loonie is sheltering producers from the worst effects of lower commodity prices, we still see strong farmland values. But in the U.S., where the full effects

of commodity prices are hitting, farmland prices have declined for 14 straight months.

This all creates interesting issues for buyers of commodities: should I take advantage of the current low prices and lock them in, or wait because they'll likely get lower later? And what will my competitors do? How do I take advantage of lower commodity prices but shelter myself from the loonie?

I'll be presenting my three-day commodity risk management course in Guelph, Ont., Jan. 17 to 19, where these questions will be top of mind. Go to our website, [agrifoodtraining.com](http://agrifoodtraining.com), to find out more, or contact me directly for more information. ●

Market Trends is prepared by Dr. Larry Martin, who offers a course on managing risk with futures and options in January in Guelph through [agrifoodmanagementexcellence.com](http://agrifoodmanagementexcellence.com). Contact him at [DLM@explornet.com](mailto:DLM@explornet.com) or at (519) 841-1698.

## MARKET HIGHLIGHTS

**Sputtering October commodity rallies turned downward in November and more markets are testing support.**

**> Grains:** Three things are weighing on grain markets: a huge U.S. crop is almost harvested; another potential record corn and soybean crop is coming in Brazil and Argentina; and Chinese export demand is declining. USDA reports for two months running have "surprised" markets with higher than expected yield forecasts, though there were several warnings they would be high.

**> Corn:** December futures rallied to almost \$4 then dropped into the \$3.70s after the October USDA report, and then the \$3.60s after November's report. U.S. export inspections are 5.9 million tons this year vs. 7.8 million tons last year. China has a huge stockpile of corn it's whittling down. That November report sent charts through fairly strong support at \$3.72 on the March, now at \$3.69. The next major support is just below \$3.50. We continue to buy hand to mouth.

**> Soy oil:** Unlike meal and beans, soy oil rallied in October with palm oil, but is following palm back down on quite ample supplies and weak Asian demand. Despite the rally, soybean oil, \$0.275, broke out below long-term support at \$0.31 with no more in sight until \$0.23. We would continue to buy hand to mouth with at most some protection above \$0.30 on the March.

**> Wheat:** Wheat stocks are huge with little indication of a decline. U.S. export inspections remain two million tons behind last year despite plentiful supplies. After almost a 23.6-per-cent rally in October, futures prices headed back down, currently to \$4.85 on the March, and will soon be testing support at \$4.72. There's more around \$4.55. We would protect above resistance at \$5.40, but buy hand to mouth and consider price protection near one of the support levels.

**> Sugar:** Sugar is the only one of our commodities showing strength as March rallied from \$0.115 to \$0.155 before dropping back to \$0.145. The rally was spurred by weather issues in Brazil. The market is now focused on the Indian government's decision to subsidize exports of a large inventory of sugar. Technically, the market looks like it topped. If you protected above \$0.125, we would take profits and watch for another opportunity to enter near support.

**> Natural gas:** Like grains, the energy sector labours under heavy inventory. Natural gas supplies are particularly burdensome as mild weather means weak demand. Long term, natural gas offers significant cost advantages in many applications. March futures are near \$0.0255 with resistance around \$0.028 and \$0.03. There is very strong support, going back over several years, at \$0.018. We've been suggesting for some time that it would be prudent to lock up supplies on pull back

toward support because of the potential for a switch in demand to natural gas. We continue to say protect against \$0.03, watch for bottoming action to lock in long term. But under \$0.03 is inexpensive energy.

**> Crude Oil:** Brent crude rallied to \$55 in early October before falling to the \$45 area on the March contract. This is below all support on the nearby chart and closing in on very strong historical support at \$37. U.S. and world inventories of oil continue to rise as producers knock themselves out, though much new development is being cancelled. As with other commodities, buy hand to mouth, protect against resistance in the \$55 to \$57 area, and lock in on bottoming action at support.

**> Canadian dollar:** Complicating life for Canadian buyers of commodities is a currency which is giving back much of the price strength that commodity markets are eroding. The loonie languishes in the same chart pattern as oil as seen on continuation charts: the last lows on both were 2009. Both markets traded lower than 2009 for 10 years ending in 2004. The big difference is that the loonie has now dropped below the 2009 lows four straight months, but oil hasn't. One may hypothesize that markets believe the Canadian economy is even weaker than the oil market. With all this negativity, we need to say what we've been saying — hold your \$0.815 Puts, or roll them. Be covered below \$0.7135, i.e. long-term support. ●



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## Genetic diversity and the “omics”

There is nothing short of a revolution underway in methods used to identify the microbial life forms in our foods and to learn about their genetic diversity. Many of the names assigned to these methods end in “omics” and include genomics, metagenomics, transcriptomics, proteomics and metabelomics. As the body of knowledge grows in terms of what makes up the microbial ecology in our food supply, our ability to improve food safety increases exponentially.

### Genomics

A discipline within the field of genetics, genomics is the study of the composition of DNA and often includes many other disciplines. Genomics has provided numerous benefits to the food industry. From a food safety perspective, traditional plating methods only detect about one per cent of the microbial ecology on foods. A decades-old technology called pulse field gel electrophoresis (PFGE) can separate the DNA from the bacteria cultured by traditional methods into a unique pattern that can be used to identify the bacteria in question. PFGE is still the core technology used to identify food and human pathogens.

Despite advances and refinements in PFGE over the years, this technology is not able to discriminate between closely-related subtypes of some pathogens like *Salmonella*. In this case a method called whole genome sequencing (WGS) can be used. This technology is quickly

replacing PFGE as the preferred analytical method when establishing genetic identity is critical. Growing demand for and recent refinements in WGS technology have reduced the cost of sequencing a single genome to as little as US\$50 per sample from an isolated culture.

### Metagenomics

Unlike PFGE, WGS is not dependant on cultured isolates. This attribute of WGS has led to the development of the field of metagenomics, which attempts to identify bacteria from mixed cultures recovered from a sample and sequenced together without enrichment. Metage-



nomics has made it possible for us to analyze the entire ecology of our foods and the environments in which they are prepared in a level of detail that we could only dream about a decade ago.

### Limitations

Although WGS and metagenomics are game-changing advances in our quest for improving food safety, this technology is not without its issues. These include:

**1. Data capture and analysis** – Sequencing a mixed culture produces a staggering amount of data, which then has to be analyzed for distinct sequences to identify what species make up the microbial population. This would not be possible without the aid of advanced

computer technology, sophisticated software and reference genetic databases of sequences from known species.

**2. Viability of the species** – Unlike traditional culture methods which depend on viable bacteria to grow, WGS makes no distinction as to whether the DNA is from a live or dead species. This can be an issue when analyzing non-cultured samples from a product which has undergone steps to kill pathogens.

**3. Non-microbial DNA** – Human stool samples will have significant amounts of human DNA which needs to be taken into consideration.

**4. Genetic stability** – Bacteria constantly evolve with changing environments but they can also remain unchanged over time if their environments do not change. The “so what” of all this is that their DNA sequences change by coding for the adaptation necessary to survive. This adds some degree of uncertainty to genetic analysis, and as a result one does not always get a 100-per cent match with a known reference. On the other hand, it is possible for the same species to turn up in two different facilities if both facilities use or have used the same ingredients and if conditions in each facility are similar.

WGS, metagenomics and the other “omics” now offer our industry a means of improving food safety and better understanding the ecological changes that take place on food products. I’ll be writing about transcriptomics, proteomics and metabelomics in future articles. 🍎

Dr. R.J. (Ron) Wasik PhD, MBA, CFS, is president of RJW Consulting Canada Ltd. Contact him at [rwasik@rjwconsultingcanada.com](mailto:rwasik@rjwconsultingcanada.com)



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# Truth or dare?

## Due diligence for food claims

It's common knowledge that labelling and advertising of foods must be "truthful and not misleading," but what does this really mean, and what do companies have to do to comply? Recently, this column looked at the due diligence defence available to food companies in Canada. This defence needs to be carefully considered, not only with respect to food safety, but also labelling and advertising.

Making food claims that are not misleading to consumers can be a difficult feat. This is especially true as marketers come up with new claims to differentiate products and meet changing consumer preferences, including expectations regarding food production and social responsibility (for example, animal welfare).

While the Canadian Food Inspection Agency (CFIA) has published some interpretative guidance for potentially misleading claims under section 5(1) of the *Food and Drugs Act* and section 7(2) of the *Consumer Packaging and Labelling Act*, the onus is on companies to ensure they are compliant. At minimum, this should entail a two-step analysis of potential claims, taking "reasonable care" to ensure claims are truthful and not misleading, as required for a due diligence defence.

### 1. Is the claim true?

Depending on the supply chain from farm to table, ensuring truthfulness can be complicated. For example, consider a claim for cage-free eggs.

The farmer who cares for the hens can



be confident this claim is true, but what about a food retailer? If the retailer buys directly from the farmer, did they do an on-site visit to ensure cages weren't being used? Do they have a contract in place with the farmer that warrants the hens are, and always will be, housed without cages? Is a third-party certification system being relied upon?

**“It is risky for companies to simply assume consumers will understand a claim in the intended manner.”**

If there is a grader or processor between the farmer and the retailer, does the processor only process cage-free eggs? If not, what system is in place to ensure the cage-free eggs aren't co-mingled with other eggs? What contracts and/or verification activities does the retailer have in place with the processor and any other members of the supply chain to ensure the cage-free claim is always true?

Ultimately, the company making the claim needs to consider what action it has taken to ensure the claim is true, both before the claim is made and on a going-forward basis, and whether that action is sufficient to state that they have taken reasonable care. Case law related to the due diligence defence is limited, but as previously discussed in this column, it suggests that simply relying on a supplier's assurance may not be enough.

### 2. What does the claim mean to consumers?

A true claim can still be misleading to consumers. For example, CFIA guidance addresses "false uniqueness" claims. If a product is preservative-free this may be a truthful claim; however, if the type of product doesn't typically have preservatives, the claim is misleading because it implies a benefit in comparison to other similar products.

When developing claims, consider how consumers may interpret and understand them. Continuing with the cage-free eggs example, what does "cage-free" mean to consumers? Does this claim imply the chickens are allowed to roam freely, or can they be confined in an enclosure? Do consumers believe the laying hens have access to the outdoors?

It is risky for companies to simply assume consumers will understand a claim in the intended manner. When it comes to due diligence on potentially misleading claims, taking reasonable care may include conducting focus groups or other market research on what the claim means to consumers, and considering how to present sufficient information to avoid a misleading impression about a product's quality, value or merit.

Until further guidance or case law sheds light on what is "reasonable care" with respect to false or misleading food claims, it is up to companies to consider whether their practices may be sufficient to found a due diligence defence. 🍎

Katrina Coughlin practises with the Food, NHP and Cosmetics Law Group in the Ottawa offices of Gowling WLG. Contact her at [Katrina.Coughlin@gowlings.com](mailto:Katrina.Coughlin@gowlings.com) Ronald Doering will return next month.



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Gary Gnirss



## A natural revolution!

What does “natural” mean in relation to a food? That is a question that the U.S. Food and Drug Administration (FDA) is also wondering. This past November, the FDA reached out for comments from interested stakeholders. “Natural” is a seemingly simple term, but with an eclectic personality. It may mean many things to different people. For example, does it mean that a food represented as “natural” would not contain any agriculture chemical residues, nor be a product derived from a genetically engineered food source? Should the term be prohibited outright?

The FDA has not formalized any regulations defining “natural.” It has, however, maintained a policy dating back to 1993 whereby it interprets “natural” as meaning that “nothing artificial or synthetic has been included in, or has been added to, a food that would not normally be expected to be in the food.” Food processing methods are not considered. In contrast, the “natural” policy under the USDA’s Food Safety and Inspection Service (FSIS) related to meat and poultry products do include consideration that such foods would be only minimally processed.

So why after more than 20 years is the FDA undertaking possible changes to its policy? For the past number of years, private litigation has been ongoing over “natural” and what it means in the context of a food. Several federal courts have asked the FDA for administrative

determinations. Within the last year as well, there have been four citizen petitions requesting that the FDA either define “natural” or prohibit it outright.

In July 2015 the *Safe and Accurate Food Labeling Act of 2015* passed in the U.S. House of Representatives. To become law it still needs to pass the Senate, and then onto the president. If it does become law it would require the FDA to regulate the term “natural” on food labeling. There is no guarantee that the FDA

**“While Canada also does not have any formal regulation on “natural” claims, the CFIA does have guidelines.”**

will do anything. The comment period ends Feb. 10, 2016, after which the FDA will need to ruminate over what are sure to be some very interesting comments.

On the Canadian side, things are comparatively quiet on “natural.” It has not been as litigious, and the dialogue from advocacy groups in Canada aiming to reserve the designation of “natural” for organic foods and those that are not derived from genetically engineered sources, have also in comparison been softer. The matter had, however, been on the table under the Canadian Food Inspection Agency’s (CFIA) broader food labelling modernization. It ranks as a matter under consumer values, which are overshadowed by the priorities related to health or safety. Where and how quickly the CFIA is going on this is not currently clear.

While Canada also does not have any formal regulation on “natural” claims,

the CFIA does have guidelines. The expectations for a food represented as “natural” include the following:

- » Not to contain, or to ever have contained, an added vitamin, mineral nutrient, artificial flavouring agent or food additive;
- » Not to have any constituent or fraction thereof removed or significantly changed, except the removal of water;
- » Not to have been submitted to processes that have significantly altered their original physical, chemical or biological state.

The CFIA also considers the effects of processing. These include acceptable minimum processes like reconstitution without chemical addition, treatment with toxic gases without chemical change, and emulsification without synthetic chemical addition. Chemical synthesis, curing with chemical addition and hydrogenation are examples of unaccepted maximum processes. In this regard, the CFIA’s guidelines are more akin to those of FSIS. As in the U.S., the guidelines in Canada do not disqualify “natural” claims where a food is or contains ingredients derived from genetically engineered sources. Furthermore, the CFIA has distinct guidelines on natural production methods related to meat and poultry products.

As food labelling modernization moves forward, a clearer picture of how the CFIA will approach “natural” will emerge. For now we can enjoy watching our neighbours struggle through their modernization. ●

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



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## HELPING BUSINESS PERFORM BETTER





# A Fish Tale

BY DON DOULOFF

When it comes to fish and seafood, consumers are craving international flavours, unfamiliar species and gourmet-style frozen entrées

Photo: Albion Fisheries

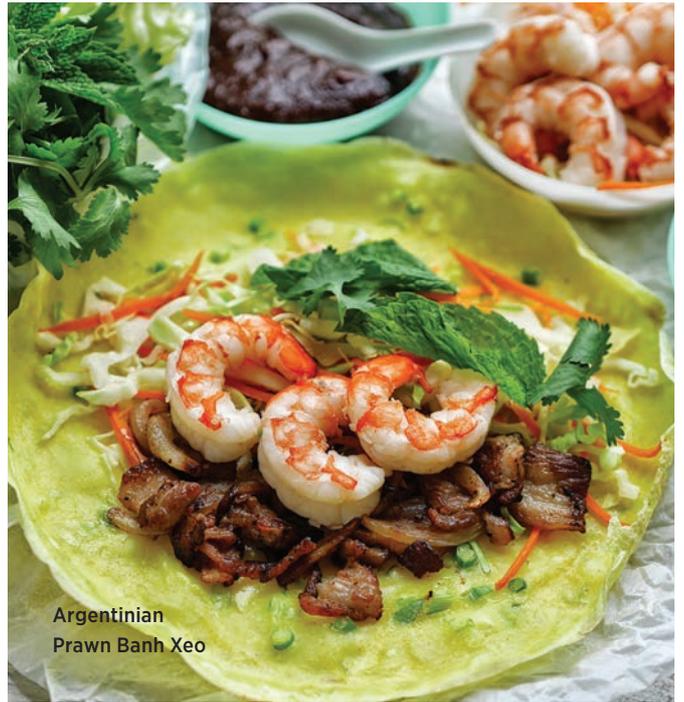


Kuterra Salmon  
Cured with Lapsang  
Souchong Tea

Photo: Clearwater Seafoods LP



The Belle Carnell was recently added to Clearwater's fleet of clam vessels and is the most technologically advanced shellfish harvester in the world.



Argentinian  
Prawn Banh Xeo

Photo: Albion Fisheries

**W**hen it comes to fish and seafood, consumers are craving international flavours; previously under-represented or unfamiliar varieties; and gourmet-style frozen entrées — preferably from sustainable stocks that are humanely raised or caught.

Demand is certainly there, with Canadians' average annual household fish and seafood spend rising to \$201 in 2013 up from \$177 in 2012, according to Statistics Canada. In July 2015, households and restaurants, combined, bought \$66.5 million worth of fresh fish and other seafood, according to StatsCan figures surveying commodity sales at 80 large retail enterprises.

On the plate, there's plenty going on. "We continue to witness a trend of international cuisines and flavours growing in popularity at foodservice and later making their way onto grocery store shelves. The same rings true with seafood, where we've increasingly seen the pairing of spicy and bold flavours with a variety of shellfish," says Jeff Duffin, Global Marketing vice-president at Clearwater Seafoods LP, a Bedford, N.S.-based harvester, processor and marketer of seafood.

"We're seeing a movement away from familiar North American rubs and marinades to exotic flavour profiles such as Hawaiian, Korean, Moroccan, Brazilian and Argentinean spices," agrees Guy Dean, vice-president and chief sustainability officer at Richmond, B.C.-based Albion Fisheries, an importer, processor, direct procurer and distributor of seafood.

Martin Lapierre, director of Sales at La Crevette du Nord Atlantique Inc., a processor of northern shrimp, reports that shrimp are showing up in Thai dishes such as pad Thai; in sushi (especially coldwater shrimp); and on Swedish-style sandwiches,

along with salmon. Consumers, he says, are asking for Texas-style barbecued shrimp and tail-on raw shrimp.

Also resonating with seafood eaters are Asian-style preparations of varieties such as whole grey sole, says Chris Curran, vice-president of Sales and Marketing, North America, at Ocean Choice International, a St. John's, Nfld.-based seafood harvester and processor.

In Canada, the diverse array of international flavours available to consumers is driving a trend toward exotic dishes reimagined with local ingredients — for instance, sothy, a Sri Lankan dish made with coconut cream and turmeric, can be made substituting whitefish or salmon, notes Donna Dooher, president and CEO of Restaurants Canada foodservice association.

Furthermore, data from Technomic MenuMonitor shows that spicy tastes rank second among the most popular flavours in both breaded shrimp and breaded fish appetizers (ranking only below Asian flavours). In non-breaded fish appetizers, spicy also ranks as the second most popular flavour.

Recently, for example, Ruth's Chris Steak House rolled out its Summer Classics menu featuring an appetizer of fried shrimp tossed in sriracha sauce, while The Keg Steakhouse + Bar offered a Szechuan lobster appetizer.

According to information provided by Technomic, 35 per cent of Canadian consumers say they'd be likely to order sushi when ↗



**35 PER CENT** OF CANADIAN CONSUMERS  
SAY THEY'D BE LIKELY TO ORDER **SUSHI**  
WHEN THEY DINE OUT



Photo: Clearwater Seafoods LP



they dine out, and this preference is driving specialty sushi varieties on restaurant menus. Operators are spotlighting sushi as a platform for experimentation and culinary creativity, an example being Nû Burger Sushi Bar in Calgary.

According to Technomic, chili flavours in fish entrées rose 125 per cent in the latest year-long period (an example is Milestones restaurant's tomato sugo halibut with smoky tomato sauce and serrano chili cream), and apple flavours in fish dishes are up 71.4 per cent. Meanwhile, beet flavour mentions in fish entrées have increased 44.4 per cent in the past year-over-year period.

Consumers are also searching out the unfamiliar. Popular in Canada, for example, are whole-fish preparations utilizing species such as Greenland turbot, grey sole and yellowtail flounder, says Curran. Demand is also rising for skin-on cod and flounder fillets.

Similarly, New Zealand mussels are appearing more frequently on restaurant plates, as is mackerel, which has a "good reputation" because of its high proportion of healthy omega-3 fatty acids, says Lapiere. He adds that Nordic shrimp from the U.S. West Coast, sold as coldwater or wild shrimp, is also gaining traction, as is warm-water shrimp from Vietnam, Cambodia and India, especially butterflied varieties designed for ease of preparation by restaurant kitchens.

On restaurant menus, freshwater fish such as perch, pickerel and whitefish are, increasingly, replacing species "that traditionally came from the sea," says Dooher. Shellfish such as mussels, clams, razor clams and lobster is picking up again, along with consumption of raw oysters, and as Dooher notes, "We're

going to see a lot more of this, especially with the public's concern with where seafood is coming from."

Indeed, "consumers are increasingly interested in the traceability and sustainability of the seafood they purchase. They want to consume seafood from a sustainable source, with the certainty they're making a responsible choice," says Duffin. "Sustainability is a requirement," adds Curran. "Wild is preferred, and country of origin is also important — anything that provides confidence or trust in who fished it and where it came from."

Environmental considerations are notably important among millennials, who are "more concerned about where food is coming from and how healthy it is," says Dooher. Across the board, "consumers are willing to pay more for ingredients, even if it means smaller portions, to ensure that the product is healthy and humanely caught," she adds. It's also important, among consumers, that seafood harvesters and processors act in a socially responsible fashion, by treating their employees fairly and giving back to their communities, notes Dean.

“What’s being prepared and served in restaurants is a good indicator of what consumers would like to enjoy at home.”

Other changes are afoot. "With increasingly busy lifestyles, consumers are looking for convenience-based items in the grocery store, and with a variety of new value-added items hitting seafood shelves, consumers are gravitating toward this department for healthier options and protein variety," notes Duffin. "Value-added products can provide quick meal solutions for busy families, but may also address the lack of familiarity when it comes to preparing seafood. Many consumers want to make meals at home without having to sacrifice flavour, meal variety and, most importantly, convenience. What's being prepared and served in restaurants is a good indicator of what consumers would like to enjoy at home."

Foodservice clients are, for example, requesting "three different flavour profiles of salmon, already marinated, that they can easily prepare," said Dean. At retail, gourmet-type frozen seafood "is a major growing trend," with shoppers gravitating towards entrées such as six-ounce marinated salmon featuring a spice mix or butter blend in the same package. In fact, there's a growing realization, among consumers, that "frozen is not a bad thing," says Dean. He notes that fish such as tuna, super-frozen to minus 60°C, or salmon, frozen as soon as it's caught, "is often better than fresh," since it doesn't degrade.

Also trending is "the rise in land-raised aquaculture, especially among high-end chefs seeking sustainable, local alternatives to what they're serving," says Dean, who notes that land-based farms on the West and East Coasts are raising salmon, tilapia, sturgeon and, to a lesser extent, shrimp. This method of farming holds great appeal because it's disease-free (since the fish don't interact with the marine environment), pesticide-free and eco-friendly (the host water is recycled). ●



CHILI FLAVOURS IN FISH  
ENTRÉES ARE UP 125 PER CENT IN  
THE LATEST YEAR-LONG PERIOD





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Carol Neshevich

## Matcha, matcha, everywhere

This traditional Japanese green tea is quickly becoming ubiquitous across North America — and not just in beverage form

These days, it's not uncommon to walk into a trendy café and hear the person in front of you ordering a foamy matcha latte. You might even spot a fellow customer munching on a bright green matcha cupcake.

"It's very trendy here in B.C.," says Harrison Sinclair, owner of Matcha Mountains, a Nelson B.C.-based wholesale matcha supplier.

According to a 2015 research report on matcha from the Seattle-based Sage Group, sales of the traditional Japanese green tea have indeed been skyrocketing in North America and will continue to do so. The report, which called matcha "a major trend with long-term viability," predicted that sales of matcha in the U.S. and Canada would grow by 25 per cent annually, compounded year to year, between 2015 and 2018.

### What is matcha?

Matcha dates back to 8th-century China, but it was introduced to Japan in the 12th century. While it soon fell out of favour in China, it went on to become extremely important in Japan as the tea used in the traditional Japanese tea ceremony.

Matcha is a green tea with some unique qualities. It's powdered, for instance, meaning the leaves have been



crushed into an extremely fine powder form. So instead of steeping the tea leaves (whether loose or in bag form) in hot water and discarding the leaves after making the tea, all the powder is dissolved into the boiled water, which essentially means you are ingesting the entire tea leaf. Matcha is therefore much more potent. The caffeine levels in a cup of matcha typically equal those in approximately half a cup of coffee, while the beneficial elements of green tea (such as antioxidants, nutrients, amino acids and chlorophyll) are up to 10 times higher in concentration in a cup of matcha compared to regularly brewed green tea.

### Healthy properties

"I would describe matcha as a super food," says Dan MacDonald of Vancouver-based Domo Tea. "The benefits are countless." Matcha aficionados praise the tea for its ability to boost energy and metabolism, lower cholesterol, prevent disease, and enhance mood and concentration, among other things.

While it's often tricky to make precise health claims for food products, Sinclair points out that many of the qualities attributed to matcha have scientific studies to back them up. According to a study

published in the *Journal of Chromatography A*, for instance, matcha has three times more epigallocatechin gallate (EGCG) than regular green tea. EGCG is a catechin, which is a phytochemical compound that acts as an antioxidant and is believed by many to help fight cancer, viruses and heart disease.

### Not just for sipping

Matcha is consumed in traditional tea form throughout North America, of course, but it's become so much more than that. In addition to trendy matcha lattes, matcha powder is becoming a frequent addition to smoothies and shakes. "I've even seen matcha popsicles," says MacDonald.

Matcha is also increasingly being used as an ingredient in baking. Countless bakeries now sell an array of matcha cupcakes, muffins, cakes, cookies and more, with the matcha acting as a natural colouring that gives these baked goods an unmistakable bright green hue.

In Japan, the Matcha Kit Kat chocolate bar is a popular packaged treat — and in fact, the bright green Japanese Kit Kat has become a highly sought-after product in the eyes of many North Americans looking to try it, many of whom end up ordering them online from Japan. Sinclair says he wouldn't be surprised to see more of these types of treats filling Canadian store shelves soon.

"I think information about matcha has really spread to the West," adds MacDonald. "Looking back 20 years ago, very few people here knew what it was; today, it's just exploded." ●





*“Our products may be healthier, but our margins aren’t.”*

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**It's all about the chilies in today's sauces, dressings and marinades as more consumers experiment with flavours from around the world**

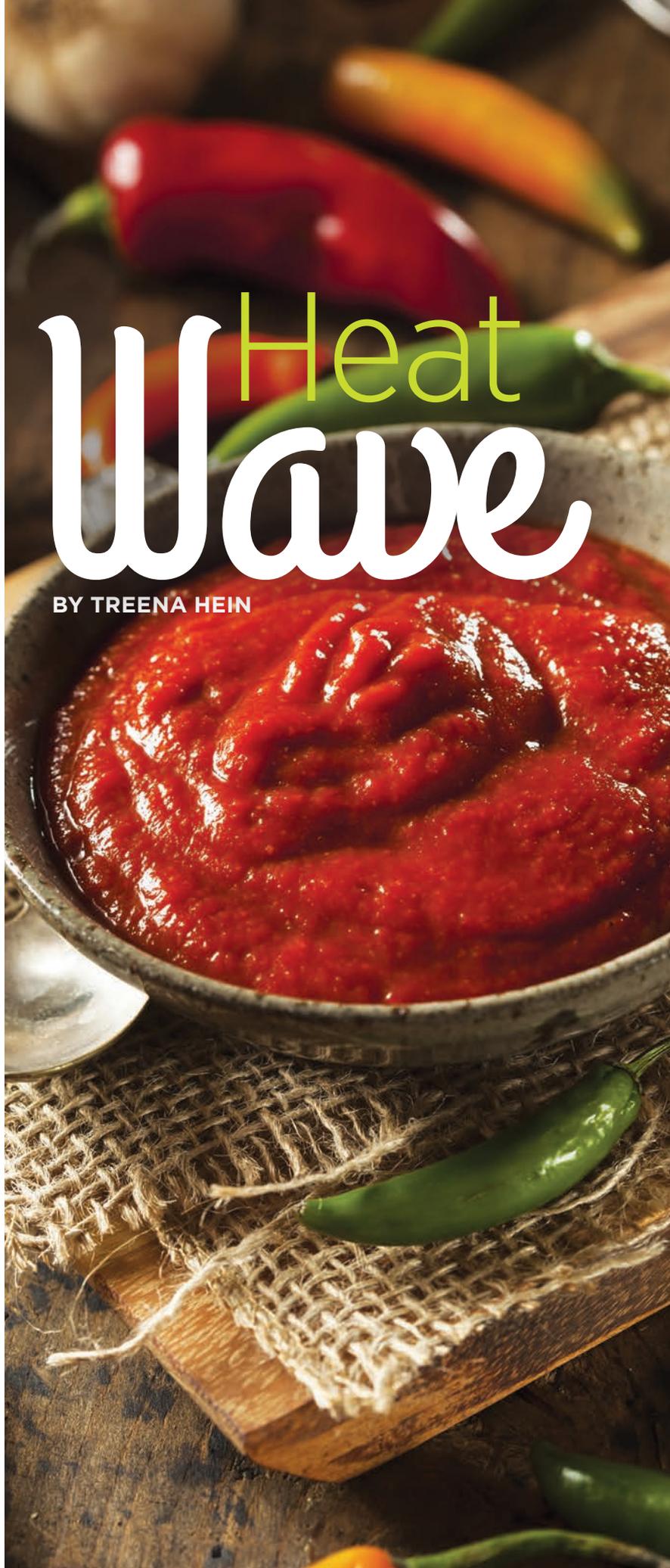
“Consumers want to enjoy restaurant gourmet without spending a fortune, but many people are too busy to cook from scratch,” says Jean Shieh, marketing manager at Sensient Natural Ingredients. For the typical person, Shieh believes sauces represent “foolproof” cooking tools that provide the fun of cooking with ease. “Think of premium ethnic sauce mixes or spice blends that consumers simply add to organic chicken broth or coconut milk and heat up on the stove,” she says. “Then they throw in some fresh vegetables and tofu — an authentic dish is done in 10 minutes.”

In Shieh's view, the percentage of consumers who now enjoy cooking experiences with products like sauces and marinades is quite large. And the creativity and novelty aspects are key, notes Beatriz de Llano. “Ethnic and exotic sauces fuel demand as consumers experiment with new tastes and flavours outside of staple condiments,” says the Canadian market research analyst for Euromonitor International. “Sauce consumption is slowly shifting away from staple condiments like ketchup and barbecue sauces...A lot of cooking sauces within the Indian cuisine range, other than the popular curry cooking sauce, are in demand on a larger scale, like butter chicken sauce.”

While consumers of all ages are interested in the way sauces, marinades and dressings bring the world into their kitchens, Shieh notes that retirees in

# Heat Wave

BY TREENA HEIN





Sensient Natural Ingredients'  
Indian Rasam Soup

particular are turning to them in droves. This demographic generally has more time on its hands and can experiment, she explains. The other group most interested in ready-to-use or quick-to-prepare sauces is younger consumers, so much so that they are driving new openings in the category. Millennials (those 18 to 35) want higher-end products and shy away from low-cost sauces, Shieh says, since for millennials, the low price point and long shelf life correlate with preservatives, additives and low-quality ingredients.

Kathy Murphy, communications lead at Kraft-Heinz Canada, agrees. “With the rise in millennial purchasing power and their taste for more international dishes and spices, we’re finding ways to reinvent beloved everyday condiments to capture the growth of these relevant flavour trends,” she observes. The company’s Classico and Diana sauces are an example of this, and will continue to offer new ways to bring together real ingredients to enhance any meat or pasta-based dish, Murphy says, “without the guesswork.”

And spiciness, to put it simply, is hot. There are over 2,000 chili pepper varieties grown around the world, and Shieh notes that more and more of them are being used to give products a distinctive flair. “For example, the red-brown colour, earthy-nutty flavour, and medium heat of Devanur Chili is perfect for marinades,” she explains. “The bold colour, a pungent-sweet flavour and mild heat of Byadgi Chili gives dressings a hint of heat; Teja Chili packs serious heat, and its orange-red colour and sharp flavour, along with a rich, smoky-sweet undertone, makes it ideal for sauces.” Sensient Natural Ingredients has therefore continued to expand its collection of chili blends, which include Moroccan Harissa, Korean Gochujang, and Sichuan Hot Pot. “These regional chili blends bring authentic ethnic flavour profiles to product developers,” Shieh says, “and provide a simple starting point for ethnic sauces.” ➔



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Indeed, chilies were a featured trend in the McCormick 2014 Flavour Forecast. “Beyond just discovering new chili varieties, this obsession [for consumers] has extended into using techniques like grilling, smoking, pickling, fermenting and candying to tease out their full flavour potential,” notes McCormick Canada’s Marketing vice-president Dina Clark. “We’re definitely seeing Canadians embrace this growing trend, and we’re excited to expand our heat-inspired flavours this year with products such as Demi-Glace Gravy Mix with Club House La Grille Spicy Pepper Medley.” Mexican flavours were another key trend in the McCormick 2014 Flavour Forecast. “Canadians are embracing authentic elements of this bright, bold and casual cuisine,” Clark explains, “which is reflected in a variety of our new Skillet Sauce flavours that launched earlier this year, such as Taco with Chipotle, Fajita with Roasted Chili and Chili with Roasted Garlic.”

Euromonitor predicts that retail sales of spicy sauces will be six per cent higher this year over 2014. “One of the fastest-growing products is the sriracha sauce, a spicy chili sauce, which gained its popularity with the rise of Asian restaurants in Canada,” de Llano notes. “Its growth in Canada has been very strong and, from a retail perspective, it is not regarded as an ethnic type of product anymore. The product’s versatility has created a cross-functionality for this sauce.”

### Smoky notes

Chilies are among the many ingredients being lent a smoky flavour in sauces and such these days — but what is being smoked doesn’t stop there. The McCormick 2015 Flavour Forecast predicts the continued rise of smoked spices such as peppercorns and sea salt, which Clark says adds another dimension to meals. “These deep and rich flavours and subtle smoky notes are reflected in a number of our product offerings,” she notes, “including the new Club House Gravy Mix for Pork with La Grille Smouldering Smoked Applewood and new Club House Smoky Bourbon BBQ Pulled Pork Slow Cooker Sauce.”

Besides smoked chilies and spices, look out for smoked olive oil and smoked caramel. Sensient Natural Ingredients just launched a line of gently smoked vegetables and chili, including onion and bell peppers.

### Outlook is healthy

Along with a desire for new flavours and heat, consumers also want their sauces, dressings and marinades to come without tons of calories and fat. Kraft-Heinz has introduced more Calorie-Wise and Low Fat dressings over the years, in addition to low-sugar and low-sodium ketchup. “We’ve also taken steps to reduce sodium in many of our other products — including a 20-per-cent reduction in our Kraft salad dressings,” Murphy notes.

“With the rise in millennial purchasing power and their taste for more international dishes and spices, we’re finding ways to reinvent beloved everyday condiments to capture the growth of these relevant flavour trends.”

Canada’s Dempsey Corporation consulted its supplier and partner IDF (International Dehydrated Foods), where staff report global hype around using chicken schmaltz (rendered chicken fat) as a replacement for mayonnaise. IDF notes that it’s a healthier alternative, easily spreadable, and nicely takes on flavours of other ingredients mixed with it. Some reports state that schmaltz has less trans fat than margarine and more omega-3 fatty acids than most vegetable oils.

While soy sauce, teriyaki sauce and fish sauce are all famous for their “umami tastes” and use in many savoury applications, Shieh notes that baby boomer, Gen X and millennial consumers want umami taste with clean label ingredients. This summer at the IFT15 Expo in Chicago, Sensient Natural Ingredients introduced Umami Natural, a blend of all-natural vegetable powders with no artificial ingredients or additives that can be used in many items, from Ranch dressing to pasta sauce to baked goods. Shieh adds that they hope it will be used widely in clean ingredient dry sauce mixes and spice blends in the future. “With consumers seeking bold flavours in sauces and marinades, umami has returned to centre stage,” she notes. 🍌



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Daniel Scholes



## Meanwhile, back at the ranch...

Ranch dressing is North America's most popular salad dressing variety. While originating at a dude ranch in the 1950s, it became widely popularized in the 1980s as restaurants began to use it on burgers and sandwiches, and food manufacturers began integrating the flavour into packaged snacks. Today, Ranch has become one of the most versatile condiments in North American food culture — whether used as a dip for veggies and appetizers, on sandwiches or wraps, or as a salad dressing as originally intended, it is one of the most iconic and recognized flavour profiles in current Western food culture.

The popularity of Ranch flavour may be because it seems to hit on all the right taste notes — it's creamy, slightly sweet, with just the right amount of tanginess to tickle the taste buds. To investigate this further, we recently ran a taste test to see which brands of Ranch dressings are “high on the hog,” or whether there are any black sheep among them.

### The ranch hands

We asked 50 females from the Greater Toronto Area to taste six brands of on-the-shelf full flavour Ranch dressings, including both national and private-label brands. The dressings were presented in a plastic cup labelled with a three-digit code, accompanied by vegetables for dipping.

Brand loyalty was fairly high among our testers, with over half claiming that



they regularly purchase the same one or two brands based on taste preferences.

### The cream of the crop

One of our six test samples stood well apart from the others. This prized dressing was significantly preferred over all other brands and surpassed all performance expectations for the category, convincing us to officially declare it the gold ribbon winner in the Ranch dressing category.

The winning characteristics of this dressing included aspects of both the flavour and textural profile. It was the most natural tasting of the bunch, with naturalness being one of the strongest drivers of overall liking. It also had the perfect balance of sweetness, saltiness and tanginess, and was the thickest, creamiest, and richest — in fact it was significantly richer in flavour than most of the other brands. What's even more impressive about this victory is that it was not linked to higher fat or sodium content, as this brand had one of the lowest declared fat values within our sample set.

### Don't bet the farm

Juxtaposed against the greatness of our gold medal winner was a dressing that decisively anchored the bottom of the barrel on all measures of performance. This flavour profile was weak and lifeless, while the texture was much too thin with hardly any sense of creaminess. This Ranch also scored very low on

appearance, with many testers indicating that the colour was too white — which we suspect was also a cue to the artificial and unnatural taste perceptions of this dressing. Overall, there were no redeeming sensory qualities to this product, and with close to 80 per cent of our testers indicating they have little to no interest in buying this brand, leaving it on the shelf runs the risk of devaluing its brand image.

### Give that ranch a hand

When it comes to sensory profiles, in some food categories the differences between one brand and another are subtle and it can be difficult to achieve a differentiated and winning taste. But in this rodeo, we found that all off-the-shelf Ranch dressings are not created equal — in fact we found wide ranging product performance with the emergence of a clear winner...and a clear loser.

For the winning brand, it is the perfect opportunity to generate awareness of their winning qualities through ad claims such as “Best tasting Ranch.” And when it comes to the runt of our litter, it might be time to consider the future of this sacred cow. All processed food manufacturers seek to create a stampede of loyal followers — and while the right pricing and brand credentials are important tools, it is an elusive goal if the product itself fails to deliver. Only by testing your products with consumers can you truly know if it's succeeding — and if it's not, it may be time to reformulate...or move on to new pastures. 🍷

For questions about this research, or how you can leverage consumer taste buds in your business, contact Dan Scholes at [info@contracttesting.com](mailto:info@contracttesting.com) or (905)-456-0783.



# Going global

Is it time to consider exporting?

BY YVONNE DICK

For companies in the food production sector, exporting would seem to be the next logical step in expanding the business. The reality is that exporting food from Canada involves a steep learning curve and for some smaller companies, seemingly too high an expense for the risk. There are different regulations between countries; permits and laws for the type of food, where it was made, and its ingredients. Businesses exporting from Canada need extensive knowledge of industry specific regulations and how to navigate them.

Several levels of government are involved when sending Canadian-made food across North American, European and worldwide borders, most notably, the Canadian Food Inspection Agency (CFIA), Foreign Affairs, Trade and Development, and the Canadian Border Services Agency (CBSA). Business owners are responsible for deciding what permits, certificates and licenses are necessary in order to export a product. Their shipment can be returned or refused at the company's expense, a difficult and costly situation for refrigerated and short-freshness date products.

If you want to mitigate some of the risks to your company's profit, information is the key. Economic Development Canada's *Country Risk Quarterly* →



publication comes out each January, April, July and October, with reports and risk assessments for markets and countries. A global summary is included with each CRQ, as well as the most current information available for each region: Americas, Asia, Europe, Middle East and Africa.

In Insurance News Net, Stuart Bergman, assistant chief economist and director of the Economic and Political Intelligence Centre at Export Development Canada (EDC) notes, “EDC’s job is to provide Canadian companies with the right financial tools to make business with foreign buyers easier. The new *Risk Quarterly* is another advantage in the Canadian trade toolbox that gives companies a 360-degree view of any market. This can significantly limit surprises and allow Canadian companies to identify the right solutions for their own risk appetite.”

The Foreign Affairs and International Trade Canada agency guide is available through the website [tradecommissioner.gc.ca](http://tradecommissioner.gc.ca). The guide has an exportation checklist in its appendix and gives a summary as well as a detailed outline of the steps to get your company ready to export. Basic steps the guide offers advice on include: how to know if your company is export-ready; building an export plan; selecting your target market; shipping options; exploring the risks and benefits of export loans; and an overview of the most important legal aspects.

The Canada Business Network (CBN) is a good resource for further information on export rules and regulations. According to the CBN, your company will need to follow a number of pre-export steps: obtain an import-export account attached to your business number; list the country of origin of your

export goods — where they are produced — and check all lists to find out if the items you want to export are restricted or prohibited; determine if you require an export permit; classify the products using the Harmonized System or Canadian Tariff Classification Number; clearly describe the goods on the CBSA shipping label; and comply with any customs regulations or requirements.

### **Who Exports?**

Gus and Sandra Hargrove of New Brunswick’s Canadian Organic Maple Co., export their organic maple syrup to New Zealand. In 2000, when they first started, the market for organics was much smaller, so they had to rely on heavy marketing and a premium-quality product. They lucked out when their booth was visited during the second largest trade show in New York, and a salesperson shopping for maple syrup lapped theirs up. Today their

“Businesses exporting from Canada need extensive knowledge of industry specific regulations and how to navigate them.”

operation is much the same as when they began — they lease crown land for the maple trees and offer syrup in volume amounts as well as individual bottles to retail consumers.

Food safety will always be a concern for companies exporting food and their overseas clients. Regulations can be very strict, and depending upon the product the regulation for its import country may sometimes be stricter than our own in Canada. For example, what may be considered safe in Canada may not be rigorous enough for other countries to import. Beef can be especially complicated to export due to foreign policies surrounding correct ages of cows to ensure there is no bovine encephalitis (BSE).

### **To Export or Not?**

According to Foreign Affairs and International Trade Canada, two-thirds of our country’s gross domestic product comes from import and export business. Increased sales and higher profits are some of the reasons you may decide to begin exporting goods. Other reasons include diversification — exporting to markets which are not in a recession can help keep growth stable during a domestic recession. Global competitiveness, as well as domestic competitiveness, has been cited as well, the rationale being that a Canadian company which can survive in the global marketplace will have a better chance of surviving in the Canadian one.

As with any business, exporting your product relies on the same skills which got you to the point you are at today. If you are willing to put in the work, and you have the right product for the right market, you may find success wherever you sell it. ●



**THE PARTICIPANTS:**

*(Back row left to right)* Dave McNerny, president and CEO of Sun-Rype Products Ltd.; Rick Brar, president and CEO of International Herbs (B.C.) Ltd.; Dave Eto, executive director and CEO, BC Dairy Association; Maria Gonzalez, senior consultant, Advisory Services, MNP; Rahim Talib, CEO, Meadowfresh Dairy Corporation; Glenn Fraser, vice-president, national leader, Food and Beverage Processing, MNP; Jack Meli, publisher, *Food In Canada*.

*(Front row left to right)* Kirk Homenick, president, Naturally Homegrown Foods Ltd. (Hard Bite Chips); James Pratt, co-owner/director, Prosnack Natural Foods Inc.; Ken Bulthuis, partner and B.C. leader for Food and Beverage Processing at MNP; Peter Higgins, president and chocolate scientist, Purdys Chocolatier; Ian Walker, president, Left Coast Naturals; and James Donaldson, CEO, BC Food Processors Association. *Photography by Techno Monkey Media Inc.*

# Opportunities for Growth, Challenges in the Future

**M**NP is proud once again to work with the BC Food Processors Association and *Food in Canada* to provide an opportunity for the province's food and beverage companies to share knowledge and ideas while looking ahead to the industry's future. The 2015 B.C. Regional Roundtable discussion focused on the significant opportunity that exists in the marketplace and the growth that companies are achieving. ➔

The strong U.S. dollar has resulted in Canadian food and beverage processors becoming much more competitive on the global stage and new mediums for growth have created a situation in which processors who aren't growing are in decline as it is virtually impossible to maintain the status quo.

Some food and beverage processors are looking at growth by targeting inter-provincial markets, while others are focused on growth outside of the country, especially in the U.S. given the proximity to market and the favourable dollar.



Some companies are reaching new markets through online organizations like Ali Baba and Amazon, both of which have become significant players in the global online retail platform for food and beverage companies. These trends and new platforms are giving food and beverage processors alternatives to traditional sales outlets, allowing them to reach a global market and take advantage of Canada's worldwide brand for high-quality, safe, clean food.

The educated consumer continues to present challenges and opportunities to the industry, putting ongoing pressure on companies to go back to basics. As people become increasingly aware of the impact of food on their health and conscious of what goes into their bodies, there has been a major shift in consumption and a move toward healthy, natural and organic products. High fat is no longer the issue it once was, as moderation becomes the buzzword of the day. But simplicity is key, with label-reading consumers wanting to see short lists of ingredients.

Statistics say that the global population will consume the same amount of food over the next 50 years as it has over the last 10,000 years. This is a huge opportunity for industry and raises a number of questions that will need to be addressed if companies are to continue being successful. The real challenge is access to ingredients. How will the increase in demand impact the cost of ingredients, and of food? Is the ability to produce reasonably priced, safe, healthy food at risk? Is the demand for organic sustainable from a supply perspective? B.C.'s food and beverage industry needs to consider these questions to prepare for the future.

MNP is pleased to contribute a voice and platform for discussion alongside the companies who proudly represent B.C. nationally and globally. We will continue to support these companies through business and strategic initiatives as they overcome their challenges and develop and grow their market identities and presence.

We look forward to a very successful future.



Glenn Fraser, Partner & National Leader,  
Food & Beverage Processing, MNP LLP



**GLENN FRASER** ➤ *Good morning everybody. Maybe we could start with each of you introducing yourselves and talking a little bit about your company.*

**PETER HIGGINS** ➤ I'm president and chocolate scientist with Purdys Chocolatier. We're a manufacturer and retailer of premium chocolate products. We have 74 chocolate shops. We sell online and right across the country and somewhat globally.

**IAN WALKER** ➤ I'm owner and president of Left Coast Naturals. We're an organic food company based here in Burnaby. We manufacture organic products under the brand name Hippy Foods. We have another brand called Left Coast Bulk Foods. We're also a distributor: about 85 per cent of our business is distribution across Western Canada. We carry about 30 brands, selling to grocery chains, natural food stores across Western Canada. I started the business back in 1996.



**“I worry about some of the food labelling regulations.”**

—Dave McNerny

**JIM PRATT** ➤ I'm with a company called Prosnack Natural Foods. We make Elevate Me energy bars and instant oatmeal, among other things. We're a small company, with less than 10 employees.

**KIRK HOMENICK** ➤ I'm with Naturally Homegrown Foods. We're a Lower Mainland-based snack food manufacturer. We market a line of all-natural kettle cooked chips under the Hardbite brand name.

The company itself is about 12 years old, and our current ownership group has been involved with it for the last four years. We did an extensive rebrand, put it out into the marketplace and expanded both in Eastern Canada as well as the U.S.

**RICK BRAR** > I have a company called International Herbs. Our current ownership group has been in place seven years. We do organic, natural, vegan, non-GMO fresh produce. And that's the bulk of our business. We also still do a lot of conventional and natural produce. But we're in the outside fringes of the category. We do the superfoods: kale, chard, basil, rosemary, chives.

**RAHIM TALIB** > I'm CEO of Meadowfresh Dairy Corporation. Meadowfresh is a full-service dairy that processes, packages and distributes a wide complement of dairy products from conventional and organic fluid milk products, to ice cream mixes, niche and ethnic products, and cultured products like yogurt varieties, sour cream and cream cheese. Our customers include retailers, restaurants, bakeries, cafés, caterers and food manufacturers.

**DAVE MCANERNEY** > I'm president and CEO of SunRype. SunRype is based in Kelowna and is probably a brand that you grew up with. Many people know us for our apple juice. We've been contracted to use 100 per cent of the Growers' Cooperative's apples, their process grade apples, since 1946. We also have proprietary processes for drying fruit snacks, for the brands Fruit to Go and FruitSource. So we've got some unique and differentiated products. We recently expanded into the U.S. making two acquisitions of fruit processing plants in central Washington.

**DAVE ETO** > I'm the CEO of the BC Dairy Association and Past Chair of the BC Food Processors Association. Being in the dairy sector is very interesting at

this point in time and our focus is to promote the consumption of dairy products for Canadians and British Columbians. From a larger perspective, I've learned that protecting the integrity of our food security is integral to what we are about, not just for supply-managed products but for agriculture in general.

**“Sometimes being local — and local being Canadian — is more significant to the consumer than being tagged organic from the U.S.”**

—Rick Brar



**KEN BULTHUIS** > *Our theme today is growth strategies. We all know that if you're not growing, you're standing still; and if you're standing still you're probably declining, not growing. Can each of you comment on whether your business grew during the last year? Where there any specific strategies that you implemented to promote that growth?*

**HIGGINS** > We have been fortunate to see our business grow in the past year. Ontario is a large growth market for us. Online is also a significant growth area for us. We're seeing some strong growth in British Columbia in same-store growth as well. In Ontario it's really about gaining market share. But, really, the traction has been gained through innovation and new products, new chocolates. For us, the foodie trend is undeniable, so we try to leverage that and make a strong connection with our customers — that has been an extremely core part of our strategy that's helped us grow. But along with introducing those new products, it's about the 'where it's from,' 'how it's made,' 'why it's unique' — the story behind it. The authentic story behind it is really that innovation. One other major point that has been a key part of our growth is we have in the last

year launched 100-per-cent sustainable sourcing for all of our cocoa products. That's been a real connection point for our customers — the fact that we're partnering with our farmer partners in West Africa to ensure that they have improved profits for the work they're doing and improved living standards. Those types

of activities and the communication of those activities have been really strong connectors to our customers and direct drivers, we believe, to increasing sales.

**WALKER** > We have definitely experienced growth in the last year, and it's come in a couple different areas. And the thing to remember is that we are a manufacturer and a distributor, so I do speak from a couple different points on this. One of the big shifts that we've seen in the last few years, and that has really resonated this year, was the idea that organic and non-GMO have now to some degree become table stakes for mainstream grocers. There's an acceptance that that tipping point has come, and that they have to be in the game. So while our core natural foods stores remain the same, we're seeing a lot more growth on the grocery side where even the most conventional grocers are looking at us to help them get progressive. Every retailer is asking for innovation, and mostly on the sustainable, organic, non-GMO side of things. I don't know if anybody here is aware of it, but as a business we announced a year ago that we're the first distributor in North America to completely phase out GMOs in a very comprehensive manner. So we're seeing a lot of growth in that area. ➔

**PRATT** > We took over the company two years ago, and we were very much a regional brand. We're growing just by ourselves because, you know, as you expand geographically you hope growth comes. And that's what's happened. We

Canadian national team or world-class athletes, but we work with them because of the challenge that they have in funding. We try to stay at the level where we can be helpful. There's no official ROI, but anecdotally, it's gone very well for us.

that especially in the space we're in. And that's something that we've been able to differentiate ourselves with.

**BRAR** > Our business did grow significantly and has been growing consistently for the last three or four years. 2014 was a big year for us, again, through organic growth of our customer base — Loblaw's buying Shoppers Drug Mart, introducing fresh produce into that Shoppers Drug Mart format, although on a smaller scale. The Sobey's takeover of Safeway — all that added growth. And then there is the innovation of the product itself — different types of herb blends and salad mixes. All of those are areas where we've been pushing and driving, both on the natural, conventional vegetable side, which is still experiencing significant growth, and also on the non-GMO, certified organic vegetable side. And



**“Our challenge is how do you get people to drink more milk?”**

—Dave Eto

have grown to the extent that we're moving eastward with our brand. As a small company it's really difficult to build a brand in Canada. So we've taken the strategy to grow the brand as much as we can, but to also co-pack a private label. So to the extent that our growth has been super-charged, it's been because of the co-pack and the private label. We're not foolish enough at this stage to try to build our brand in the U.S. because so many Canadian companies blow their brains out when they go down there. But we can enter the U.S. with co-pack and private labels. One of the areas that caught us a little bit by surprise was online. One thing we know that's happening is that because we've expanded geographically the people who were buying online before can now get our product in the store. So we have to rework our online strategy to make sure that we're not cannibalizing the online sales by the geographic growth that we've had.

**BULTHUIS** > *You mentioned you were focusing on branding, what particular strategies are you using?*

**PRATT** > What we've chosen to do to get our message out there is a lot of sampling of our product. And then we try to work with who we call ambassadors, non-professional athletes. They're largely

**HOMENICK** > We've experienced growth in the last year and, being a smaller company, growth is a little bit easier to achieve when you put some elbow grease into it. But we've experienced growth in a lot of different channels and in different geographic markets. First, our local market is here in Western Canada. When we rebranded the company we really wanted strong ties to the region. And on our core potato chip line we found that that really resonated with the consumer. Over the last three years we've invested strategically in a couple of marketing mediums to build brand awareness with the consumer. We've certainly done a lot of demoing, as well. If you've seen our packaging we've started targeting more of a lifestyle or aspirational-type consumer. And, with that, we've been able to connect with the consumer by having them submit pictures that we're now rotating into packaging. We're starting to see some of the fruits of those labours coming through on a regional basis. Non-GMO has become a very big thing. As a manufacturer getting our products validated by the Non-GMO Project has been very influential on our business. We've vetted a number of our products through, and we've reformulated a couple to have all of our ingredient decks lined up. The consumer wants transparency; we've experienced

**“It is disconcerting that the industry has not been growing.”**



—Rahim Talib

sometimes being local — and local being Canadian — is more significant to the consumer than being tagged organic from the U.S., and I think that plays into an advantage for us. Our primary growth outside of those areas has been expanding slowly to the Eastern side. In 2014, we started shipping some direct mixed vegetable loads out of our fields in California and Mexico directly to Toronto and Montreal. And now we've come up with a plan to open a warehouse and start our own base somewhere east of

Toronto to supply the big retailers out there. We have about 83 per cent of retail market share in Western Canada with our brands and our products. We're now poised to roll that out in the East. And I think that's where our future growth is going to come from.

**TALIB** ➤ At Meadowfresh we've experienced some good growth over the last couple of years. I think that's a big accomplishment in an industry that's been generally flat for some time. From a strategic perspective, we've tried to keep things really simple in our business. All of our growth initiatives are customer-centric — that is, to grow in ways that provide some form of benefit or value to our customers. In addition to servicing the “you know what” out of our customers, we have collaborated with our customers to: 1. R&D and launch one product a year that they are asking us for, such as kefir, omega-3 yogurt, baker's buttermilk etc.; 2. Add one to two trucks a year to enhance our distribution reach in areas where our customers are growing such as in Abbotsford and Chilliwack; 3. Add a product or two a year to our distribution lineup that our customers require such as butter, eggs, hard cheeses, etc.; and 4. Private label one or two products a year for our retail customers looking to brand their own line of dairy products. All of these customer-centric initiatives have brought strong growth to our company.

**JAMES DONALDSON** ➤ *Rahim, are you seeing a trend in consumer buying behaviour towards healthier fats so that you're seeing growth in things like butter and creams?*

**TALIB** ➤ Yes. It's quite incredible how the tides change. A few years ago it was low fat and skim everything. Today, natural fats are hot. Products that are natural and are rich... items that contain butterfat are really gaining interest fast. This includes creams, full-fat ice creams,

whole milk and creamy yogurt and of course butter. Margarine, low-fat milk and other products that contain ingredients that are not naturally occurring or that are modified in some way are of less interest.

**MCANERNEY** ➤ We are going to see some growth at SunRype this year, with growth through new products being somewhat offset by ongoing declines in

provide not only branded products but private-label products as well.

**ETO** ➤ I acknowledge that sales of milk per capita are declining and they will continue to decline — not just in B.C. or Canada but around the world. Dairy sales overall, however, because of the general growth in population will increase over the next 15 years. But



**“Getting our products validated by the Non-GMO Project has been very influential on our business.”**

—Kirk Homenick

some of the core categories we operate in. Shelf-stable juices have been declining for five years in a row now. So, how have we offset those declines in what would be traditionally our core categories? First off, with innovation. A lot of our innovation in the last couple of years has been within our core categories. We don't think that's enough, so I'll talk about what we're doing to get beyond our core categories. For example, we see growth potential in nutritional bars and we've launched an energy bar, the Okanagan Energy Bar. Again, we're trying to understand what consumers want more of, what's on trend. That's an example of a product that's got plant protein, an ingredient that is growing in appeal. It also has ginseng as the energy source and our 100-per-cent fruit pieces. On the beverage side we've done a lot to try and create products with less sugar. So, we've come out with a 10-calorie product called Slim and a 40-calorie product, Frullo, that's made with stevia. We've got very strong competencies in R&D and product development, as well as marketing, so we're trying to leverage those as much as we can. We're also growing with new customers in Canada and the U.S. and

our challenge is how do you get people to drink more milk? We can't rely on processors to do the marketing on our behalf so farmers invest a lot of time and money to develop creative campaigns for milk. B.C. is defying this downward sales trend right now. One reason is the low Canadian dollar that is influencing cross border shopping and that has been steadily declining this past year, meaning more Vancouverites are purchasing Canadian dairy products. The other reason relates to innovative marketing strategies to collaborate with dairy processors and retailers offering sales opportunities that consumers haven't experienced before.

**DONALDSON** ➤ *Now I'd love to hear you talk about your future state. What are those obstacles and threats that you look at in your business over the next few years?*

**HIGGINS** ➤ The exchange rate has been an impact for us, for certain. On a broader scale, cocoa being one of our primary ingredients, commodity price fluctuations have been a big deal for us. Over the last six, seven years, the amount of speculators in the commodity market has risen drastically, and they're not the first users. ➤

And so, that's been a really difficult thing to get a handle on. We have to implement strategies around hedging to try to best control and predict the future in terms of our pricing model. Other factors are the global factors that are unknown — the price of oil and larger economic issues hitting us all globally. That's a concern and how we watch for that is just to try to control our inputs as best we can.

**WALKER** ➤ Definitely on the organic side long-term there's a supply issue — demand has been going up but supply hasn't been keeping track with that. It's expensive to farm organically and there is, for certain commodities, growing condition issues, especially if a lot of our stuff is coming from California. And so, we are facing really high commodity costs to the point that a bunch of products, especially on the nut side, for example, could be pricing themselves out of the marketplace. We've had to alter formulas where we've pulled some of the higher expensive ingredients. So that's been a bit of a concern because there's only so much premium that people can take on these things. As a smaller manufacturer

get squeezed there. So that really creates a difficult dynamic for young, vibrant businesses. You have to be a must-have product to have any leverage with them. What's come with that has been a squeezing of margins.

**PRATT** ➤ I agree 100 per cent. So I won't talk about that — the power imbalance that's out there. But other than that, what keeps me up at night is, as a small company, trying to fund our growth and the kind of capital model to use. We learned the hard way with our previous company where we grew really quickly — we went from \$1 million to \$9 million over six years — but we did it with other people's money, because we took the company public. We completely lost control on so many different levels. And so, on this go around I don't want to do that. We won't make those mistakes again. There are opportunities to do something, but it means a cheque. It's a challenge.

**HOMENICK** ➤ Food costs and the drought in California has extended all the way up into British Columbia and we source a lot of local products. And

that we waste, and we're trying now with the national brands to talk about ugly produce, to talk about imperfect produce and to talk about juicing items and the ethics behind throwing away good food. As a management team it bothers us significantly. Our best use so far for this

**“Innovation is what's going to drive the industry.”**

—Peter Higgins



item, simply because we haven't been focused on it, has been to compost it. So, a management obstacle, is, hey, we generate a couple tonnes a day of great product going to compost. We need to figure something out.

**TALIB** ➤ While we feel that there's a lot of opportunity in the industry and we're excited about our future, it is disconcerting that the industry has not been growing. This means that we have to innovate, be creative and continue to be customer-centric to grow. Organic milk is becoming more widely available and therefore more commoditized, the yogurt aisle is jammed full and fluid milk... well, is fluid milk. My point is that margins in dairy are very slim. This presents the perfect scenario for partnerships and alliances to flourish. Collaboration, bulk buying, knowledge sharing and leveraging manufacturing infrastructure can allow aligned partners, even competitors, to work together in a transparent manner to create value. At Meadowfresh we are very open minded about creating healthy strategic alliances and pursuing innovation in a customer-centric manner. While the industry continues to pose



**“Often little companies are the engines of growth.”**

—James Pratt

and distributor another issue is definitely the consolidation of retail space, especially for natural foods. And as we all know, those retailers have a vested interest in their house brand. So, you know that's where you're hearing a lot of people who are getting into private labels, and we've dipped our toes in that one as well. But I think that's just a dangerous proposition when you have small suppliers and large customers. There's a good chance to

that's had an impact on food costs as well as just overall yield and quality of product. So, those are some things that, over time, as we grow, become a bigger factor, because we need to draw more raw ingredients. Another one for us is labour and finding good, skilled labour locally, and having the time and resources to train them.

**BRAR** ➤ One of the interesting things about our company is all of the food

challenges, I also think it's what keeps us excited and hungry, as well.

**MCANERNEY** ➤ The fact that many new products launched by companies don't meet expectations is something very relevant, so many of us are saying we need to innovate, but then you're up against some pretty tough odds. We've found launching new products and going into new geography is very challenging. That's probably the biggest challenge. The threats that we see on the horizon are foreign exchange for many of us that are buying in U.S. dollars. I would echo retailer consolidation as a challenge. And, finally, I think the other thing that's tricky in our business is anticipating what's going to matter to the consumer next. Those of us in the innovation game have got to stay ahead of the curve, and that's not easy because it's changing rapidly.

**PRATT** ➤ I agree — the speed of innovation and the highly competitive nature of the industry these days have made it tougher to keep ahead of the curve. You used to have years to launch stuff, now it's about six months. And once something comes out there's six other versions of that within the next six months or year. So you get no period to build a market for yourself before competitors come in, like you used to.

**HIGGINS** ➤ But innovation is what's going to drive the industry. It's going to create jobs. It's going to be great for Canada. It's expensive for everybody in Canada, given the scale we're at. So incentives and support from government in Canada would be huge in order to support the food industry in Canada and to create jobs.

**ETO** ➤ I believe ensuring a secure food supply to consumers and a strategy to enable this to occur is most important. It means having an integrated strategy that allows communities to leverage what

they're good at doing. This depends on a collaboration with government, processors, producers, foodservice and retailers.

**MCANERNEY** ➤ I worry about some of the food labelling regulations. The regulators need to understand how challenging it is when you're sourcing ingredients throughout the world. I also think there's a huge opportunity to support export; when regions are exporting their products it drives a huge economic benefit. B.C. has a lot of things working for it. So, if our governments make concerted efforts to understand how to truly support exports and brand Canadian-processed products it will pay dividends.



**“Organic and non-GMO have now to some degree become table stakes for mainstream grocers.”**

—Ian Walker

**BULTHUIS** ➤ *What is your feeling about government intervention? What should government be doing to further help Canadian food businesses?*

**TALIB** ➤ Initially, I had some doubts about the dairy industry's intense regulatory framework. It is complex and it is difficult to understand. I now see the value of the regulation in terms of creating standards, establishing a high threshold for food safety and quality. The Canadian dairy industry does this very well. I feel very proud and confident with the dairy that Canadian farmers and processors are delivering to Canadian consumers. I don't know of any other country in the world that has higher dairy standards. Where I think the industry needs some intervention is ensuring a competitive landscape that encourages

product innovation and diversity. Innovation is difficult in Canada. Canada has a small population that is sparsely situated. The dairy industry is very consolidated and investing in small run, innovative niche products is impractical and expensive. The government would serve both the industry and consumers well by intervening in a manner that would help and encourage processors to develop and market a greater variety of niche dairy products.

**HOMENICK** ➤ Anything the government can do to help with the labour pool within food manufacturing would be beneficial, especially to earlier stage companies. And the other one has to do with being

integrated with agricultural products that are grown within Canada. In order for that continuity of locally produced products, anything the government can do to help these guys remain competitive and help us create an opportunity for them both in the fresh table market as well as the processing market, is going to be really key towards the future.

**PRATT** ➤ The message that I'd convey to the provincial government or the audience is to keep in mind that little companies grow up to be big companies. And often little companies are the engines of growth. So, to the extent that our lives can be made easier — whether it's getting rid of red tape, government support, supporting associations like the BC Food Processors. That's important for the health of our industry. ●

Robert Prevendar



## Top 10 non-conformances

...and what we can learn from them

As the leading certification body in the area of food safety, NSF conducts thousands of food, packaging and distribution centre audits each year. NSF regularly reviews non-conformance (NC) data across the industry. We recently looked at aggregate non-conformance data across three large standards – SQF, BRC and NSF’s Supplier Assurance audit. What we found was that there were a number of commonalities across all of these standards. The top 10 occurrences are:

1. Lack of a master sanitation schedule (MSS) and lack of monitoring and recording of cleaning.
2. HACCP plan not fully developed, effectively implemented and maintained.
3. Floors, walls and ceilings not maintained, clean or in good condition.
4. Records not maintained.
5. Personnel not handling products in a way to prevent contamination.
6. Documented cleaning procedures not established.
7. Traceability exercises and programs not maintained.
8. Crisis management plans not fully established or maintained.
9. Chemicals not properly used or stored.
10. Doors not closed or tight fitting enough to prevent pest entry.

These NCs paint a picture of common

challenges that facilities face when implementing high-level food safety standards. It is important to understand why facilities struggle with these challenges, so that they can overcome them.

• **Lack of a master sanitation schedule (MSS) and lack of monitoring and recording of cleaning:** Facilities are required to develop and maintain a MSS. The key to meeting this requirement is to have all cleaning practices pulled together into a master schedule that is tracked to demonstrate that procedures are being followed.

• **HACCP plan not fully developed, effectively implemented and maintained:** A well-developed HACCP plan is a critical part of any food safety system. Consultants can help facilities develop such plans, but success is dependent on the facility implementing the plan each and every day.

• **Floors, walls and ceilings not maintained, clean or in good condition:** Facilities are constantly challenged with keeping these surfaces clean as they experience significant wear and tear. However, not maintaining a facility’s cleanliness or keeping it in good repair often contributes to food safety issues.

• **Records not maintained:** All food safety standards require significant recordkeeping to demonstrate that processes and procedures are being followed. Records can include documentation of cleaning and sanitation, pest control, preventive maintenance, internal audits and HACCP plans. The challenge facilities face is establishing the systems to keep the necessary records, and staying disciplined to maintain them on an ongoing basis.

• **Personnel not handling products**

**in a way to prevent contamination:** This is often the result of insufficient training, but is absolutely critical to maintaining product safety.

• **Documented cleaning procedures not established:** Documented cleaning procedures support the MSS, and need to be validated to ensure effectiveness.

• **Traceability exercises and programs not maintained:** Traceability is critical to ensure that products can be easily tracked down if they need to be recalled. Food safety standards require that facilities not only have a traceability program in place, but that they conduct regular exercises to test the program.

• **Crisis management plans not fully established or maintained:** A facility must not only have a traceability program, but a larger plan to deal with food safety crises when they occur. These would include communication plans and establishing who does what.

• **Chemicals not properly used or stored:** If not properly handled, used or stored, chemicals in a facility can lead to product contamination.

• **Doors not closed or tight fitting enough to prevent pest entry:** Facilities commonly spend thousands of dollars a month on pest control, but fail to maintain tight door seals that would keep pests out in the first place.

By understanding these common NCs, facilities can better prepare themselves for compliance with food safety standards and ensure that they maintain safe products for their customers. 🍎

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By Nathalie Brunet



## Reducing waste, increasing profits

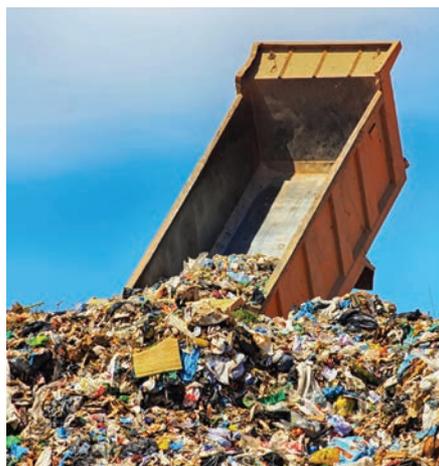
Enhancing supply chain management through multi-enterprise collaboration

While a small number of retailers continue to dominate the food retail market in Canada, other market entrants are putting pressure on traditional business models — from Costco and Walmart to online farm-to-fork delivery services. As competition increases, retailers are being pressured to balance an ever-increasing availability of products with shifting customer demands. Retailers know if products are not on the shelves when customers want them, the customers will look elsewhere.

Retailers pass their supply pressures down the supply chain, creating waste as distributors, wholesalers, processors and producers acquire more product than required to ensure quantities are available. Unfortunately, much of this inventory goes to waste. Some estimates suggest that just 60 per cent of food produced for retail distribution makes it to consumption. Given increasing pressure on product margins at every stage of the supply chain, this amount of waste is unsustainable.

### The case for collaboration

If organizations across the supply chain collaborated on demand forecasting and planning, everyone could benefit. The right product for the right quantity



would be required — leading to less waste and higher profits. And that isn't all. Through collaboration, supply chain partners could better understand what products customers want and when, creating a competitive advantage by reducing new product cycle time.

What does collaboration require? As a starting point, consider the following activities:

#### > Gain buy-in from stakeholders

It can be difficult to gain buy-in across a supply chain because you need to go beyond the inherent distrust that keeps organizations from sharing business-critical information. As a starting point, consider asking your supply chain partners to validate your sales plan. By helping them see the value of demand planning, you can start enhancing efficiency. Over time, you can extend your collaborative activities.

#### > Leverage the power of technology

To manage the complex demand planning required of leaders in the food industry today, you need to leverage technology so that all supply chain

partners are using the same information. This typically begins with obtaining information from point-of-sale (POS) systems — whether in store or online. For some companies, especially producers and processors who may not have the same technological maturity level as retailers, this may require them to innovate with cloud solutions, multi-enterprise processes and shared tools.

#### > Ask the right questions

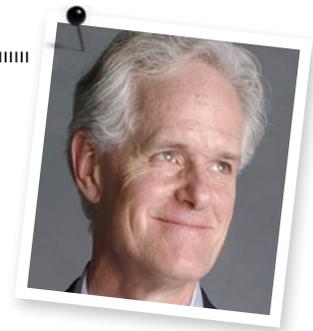
Access to data is only useful if you can understand and act upon it. As you're working toward multi-enterprise collaboration, consider the following questions:

- Do we get customer orders based on a demand plan that has been validated by all stakeholders?
- How does the validated demand plan affect our manufacturing/distribution processes?
- How can we foster stakeholder collaboration regarding demand forecasting?
- Have we achieved value from the changes? If not, what needs to be changed?

Food distribution and retail will only become more complex over time. The Internet of Things and other technologies have the power to reshape how the industry gathers and responds to customer demands. By collaborating now, supply chain partners will be better able to respond to challenges in the future. 🍎

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Peter Henderson



## Eco-food will be more than a mega-trend — Part 1

Accelerate profitability by innovating transformational eco-products

This is not a holier-than-thou article. It is designed to encourage you and your colleagues to reframe where there is transformational opportunity, while de-risking your business and considering what's right for societies, in Canada and beyond.

In October, expert food and drink analysts at Mintel announced 12 global trends for 2016, including: "Eco is the New Reality. Drought, worries about food waste and other natural phenomena not only affect the worldwide food and drink supply, but influence preparation and production. In 2016, sustainability evolves from being good for the bottom line to being a necessary part of new product development for the common good."

While the degree of development of the trend varies by region, the message is clear. But what does this mean for innovators? Where will this trend be in five or 10 years? The answer may surprise you.

In November 2015, Canadian Climate Forum hosted a dynamic symposium on Food Security in a Changing Climate. Contextually, the Canadian Climate Forum positioned "food security" in a new light. Many attendees were thinking of the near-term food system implications



for the entire planet, not just societies in drought-stricken, colder climates, and/or poorer regions of the world. Scientist after scientist realistically exposed stark realities of the planet's deeply troubling changing climate (starting with the North) and its impact on food security and food sustainability. There is good

**“Business as usual is no longer an option.”**

reason every Canadian could reconsider the definition of "food security" in terms that relate to their children, grandchildren and future generations.

Without getting into scientific detail, climate change is impacting food and water supply, as well as severe climactic events at an alarming rate (faster than anticipated just a few years ago).

Dr. Tim Benton, "champion" for the U.K.'s Global Food Security program, perhaps summarized the situation best: "Business as usual is no longer an option," he said. "The agri-food industry represents 30 per cent of all carbon emissions globally. The easiest ways to reduce total emissions is to change diets and reduce

waste; a move toward 'sustainable nutrition.' For instance, reducing an average family's meat consumption by half can be the same as taking a combustion engine car off the road."

Dr. Benton also advised that trying to transform communities to "local food" should not be done with a view that it will reduce carbon emissions.

It is most likely that regions and businesses which are ahead of this mega-trend will be the winners. However, the true winners will not view this as a competition. If the timeliness of action is insufficient, everyone in future generations could be a loser.

At the moment, the risk to businesses and societies of not acting fast enough are too high. Consider who you or your company can collaborate with. It can be good for business.

For more information on the Canadian Climate Forum visit [climateforum.ca](http://climateforum.ca). For Mintel's list of 2016 food and beverage trends visit [mintel.com](http://mintel.com).

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# PETFOOD in CANADA

A supplement of Food in Canada magazine

## WILD at heart

Business is booming for raw pet food manufacturers, but the industry still has critics PG.54



### HEALTHY TREATS, HEALTHY PUP

St. Catharines, Ont.'s Slobbers  
Organic Dog Treats PG.58

NOVEMBER/DECEMBER 2015

# contents

—Nov/Dec 2015 ISSUE—



58



54

## DEPARTMENTS

- 50 **Editorial**
- 52 **Barks & Bites**  
Pet food industry news and products.



## FEATURES

- 54 **Wild at heart**  
Business is booming for raw pet food manufacturers, but the industry still has critics. Manufacturers are hoping regulations and scientific studies will put an end to the question marks around raw pet food.



52

- 58 **Healthy treats, healthy pup**  
The owners of Slobbers Organic Dog Treats are finding success with a simple philosophy: don't feed your dog anything that you wouldn't eat yourself.

## EDITORIAL

Carolyn Cooper



## On the shelf

With the continued trend toward humanization of pet food, it's not surprising that many of the consumer demands driving food manufacturing are also impacting what we feed our four-legged friends.

Buoyed by a demand for healthier, more natural foods with fewer preservatives, pet food is going back to basics with simple, clean ingredient lists. Premium snacks (increasingly with functional properties) and foods that are free from things like gluten or allergens also have a growing awareness among pet parents looking for condition-specific foods and "healthier" choices. In fact, according to Innova Market Insights, nearly 73 per cent of global pet food launches in the previous year to March 2015 had some sort of health positioning (that number jumped to over 82 per cent in the U.S.).

Cat and dog treats in all their forms are taking a bigger bite of the market as well. In its presentation at SuperZoo 2015 this summer, market researcher GfK revealed that treats now account for 14.6 per cent of the retail specialty market for dog food, and 6.1 per cent for cat food, up from 13.2 and 5.6 per cent respectively in 2011. Interestingly, sales of seasonal and holiday-themed treats rose to US\$3.8 million in 2014, up from \$1.7 million in 2013.

Hot trends particular to the pet specialty market include freeze-dried foods, which, says GfK, saw sales jump 64 per cent to \$40 million in the year ended May 2015, and frozen pet food, which grew by 32 per cent to \$69 million in the same time period. Meanwhile, the two largest trends in pet food continue to be grain-free products, which now account for \$2.4 billion in U.S. sales each year, and the natural category, which racks up sales of \$5.2 billion annually. 🐾

*Carolyn*

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## Smart bowl for portion control

Got an overweight pet who tends to eat too much? San Francisco-based Obe Inc. has an answer to that problem. The company has created the Obe ProBowl, a new “smart” bowl that makes it easier for pet owners to make sure their dogs get exactly the right amount of food and water. The smart base that comes with the ceramic bowl connects to Wi-Fi, measuring the amount of food and water consumed in real-time. It also features a convenient “Say When” light to let pet owners know when to stop filling the bowl.

# Barks & bites

Pet food industry news



## “Dog train” inspires 500-lb. Petcurean food donation

A video of Texas retiree Eugene Bostwick’s “dog train” became an online viral sensation this autumn, bringing a smile to the faces of millions of pet lovers around the world — including the people at Canada’s Petcurean.

After viewing the charming video, representatives of Petcurean, a family owned premium-quality pet food company based in Chilliwack, B.C., were so impressed with Bostwick’s dog train that they travelled all the way to Ft. Worth, Tex. from Canada to honour him and his pups with a 500-lb. donation of Petcurean dog food.

Just what is the dog train? Bostwick has built a train out of fiberglass barrels mounted on wheels and linked to a riding lawnmower to take the nine stray dogs he has rescued for rides around town. And

since it’s quite a sight to see, someone decided to upload a video of Bostwick taking the dogs for a ride onto YouTube and it quickly became a viral sensation, garnering more than three million views so far.

The retired farmer and his wife Patricia cover all the costs of the dogs’ food, medical care, and, of course, the custom-built train he uses to take the dogs — most of whom were abandoned on his doorstep — on their adventures.

“Eugene is an inspiration to pet lovers everywhere,” says Christine Garlick, Petcurean’s Pet Nutrition Customer Service and Events manager. “He’s literally pulling a large pack on his own — showering them with love, shelter and food. We were honoured to help Eugene in our own way by providing some nutrient-packed premium pet food for his beloved dogs to enjoy.”

## A coffee and a kitty

Toronto’s first cat café opened in November, giving customers an opportunity to sip on a cappuccino while playing with a cute cat.

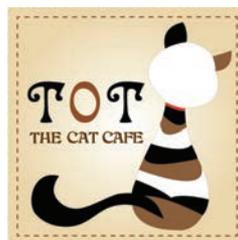


Photo: TOT the Cat Café

Called TOT the Cat Café, the new Toronto establishment is owned by Scott Tan and Kenneth Chai. It took the pair two years to get the café up and running. As a former chef and baker, Tan

is the one who whips up tasty treats for cat-loving customers to munch on. There are currently five cats on hand in the café available for customers to cuddle and play with, all of whom come from the Toronto Humane Society.

The cat café trend is steadily making its way across the globe. There are cat cafés



## A FOOD TRUCK... FOR DOGS!

Walmart Canada promoted its new premium pet food brand, Pure Balance, by setting up a doggie food truck at Woofstock in Toronto at the end of September. Created specifically for dogs, the Pure Balance Pooch Truck was one-third of the size of a regular food truck and had a window accessible only to dogs. At Woofstock — billed as North America’s largest outdoor festival for dogs — the Pooch Truck was positioned in close proximity to the food trucks for humans. Marketing agency J. Walter Thompson Canada worked on this fun campaign.



in Japan, France, England and Singapore. In Canada, there are currently several in Quebec, with cafés set to open soon in Vancouver and Edmonton, and others likely to follow across the country.

So far these cafés have proven to attract cat lovers of all kinds, but they're considered especially attractive to people living in smaller apartments or condominiums that don't allow them to have a cat of their own.

**PETPRODUCTS**

**Omega-7 for pet health**

Trivonal Purified Omega-7 from Florida-based Tersus Animal Health is a line of proprietary products for animal health and wellness containing Provinal, an Omega-7 fatty acid. It promotes healthy joint, skin and eye health, as well as improved post-operative recovery. It also reduces inflammatory response with no side effects and decreases insulin-resistance. [www.tersusanimalhealth.com](http://www.tersusanimalhealth.com)



**Safe, natural and palatable**

Florida-based Pet Flavors Inc. has been conducting extensive research with all-natural flavouring agents for more than 20 years. In the pharmaceutical drug/animal health industry, the company's Artificial Powdered Beef Flavor PC-0125 is a popular palatable flavour base developed for chewable tablets, soft chews, and granules for dogs and cats. And in the nutritional supplement/animal health industry, their Artificial Powdered Meat Flavor PC-0030, Artificial Powdered Meat Flavor PC-0170 (Hypo-Allergenic Flavor Base), Natural Meat Powdered Flavor PC-0050, Natural Chicken and Fish Powdered Flavor PC-0335, and Sweet Apple and Molasses Flavor PC-0555 are used in more than 200 different companion animal nutritional supplements. [www.petflavors.com](http://www.petflavors.com)



**INBRIEF**



> **Petcurean Pet Nutrition**, a premium pet food company based in Chilliwack, B.C., has partnered with one of Canada's largest dry dog food manufacturers, **Elmira Pet Products**, in opening a 33,000-sq.-ft. state-of-the-art manufacturing facility in Elmira, Ont. Elmira Pet Products and its operations staff will run the new facility, which broke ground in November 2014 and was expected to officially open this December.

> Alberta-based **Champion Petfoods** has selected the Infor Food & Beverage technology suite — comprised of InforM3, an enterprise resource planning (ERP) system, and Infor ION, a purpose-built middleware — for use in its kitchens. The Canadian-based maker of Biologically Appropriate pet food, best known for its brands ACANA and ORIEN, made the switch because it was looking to more closely collaborate with its producers of fresh regional ingredients by enhancing its kitchen technology.

> **Mars International India** has recently launched the internationally well-known Eukanuba pet food line in India. Eukanuba

> Brentwood, Tenn.-based **DOG for DOG** pet treats are now available in Tractor Supply Company store locations across the U.S. DOG for DOG, a mission-based dog food company, started the movement to help dogs in need. The company's "buy one, give one" business model has made a major impact in both the pet industry and in the lives of homeless dogs across the country. Its mission is to feed dogs in rescues and shelters by donating food every time a purchase is made. DOG for DOG's partnership with Tractor Supply Company is expected to feed even more animals in need and help put an end to pet homelessness.



brand pet food will be available in one-kilogram, three-kilogram and 15-kg packages in specialty channels in metro areas and in major cities across India. Mars acquired the Eukanuba brand, as well as Iams and Natura, from Procter & Gamble in 2014.

> **Petbrosia Inc.**, the Cincinnati-based pet food startup that offered custom orders geared to the dietary needs of individual dogs and cats, is no longer in business. It ceased operations on Oct. 30.

> Phoenix, Az.-based **PetSmart, Inc.** named Rob Anderson to the position of senior vice-president and chief financial officer in October.

> **VioVet Ltd.**, part of the Oakville, Ont.-based **Pethealth Inc.** family of companies, has announced the acquisition of **Berriewood Pet Supplies**, a leading specialty pet supply wholesaler in the U.K. The Berriewood business will join Pethealth's group of U.K. pet supply retailers, VioVet and VetMedsDirect.



|||||

# WILD at heart

|||||

BY REBECCA HARRIS

**T**he trend toward more natural, less processed foods has trickled down to four-legged family members. As more consumers look to give their dogs and cats better nutrition and higher-quality ingredients, they're swapping kibble and canned meat for raw meat and vegetables.

"It's like the food movement with people," says Barbara Fellnermayr, president of Richmond, B.C.-based Amoré Pet Foods, which manufactures frozen and dehydrated raw pet food products. "Minimally processed, no preservatives, no additives — that's what people want for themselves, and they want that for their animals."

Why raw? Proponents of the raw pet food diet say there are numerous benefits to animals: a healthy coat, better breath, cleaner teeth, increased energy, and better weight management. And, of course, "that's what they were naturally designed to eat," says Inna Shekhtman, owner of Vancouver-based Red Dog Deli Raw Food Company, which manufactures raw pet food under the Red Dog Blue Kat brand name.

The nutritional makeup of Red Dog Blue Kat is similar to what animals ate in the wild hundreds of years ago. Its meals for dogs, which come in 12 different proteins including chicken, lamb and rabbit, contain 75 per cent muscle meat, organ and bone, and 25 per cent organic juiced vegetables. Its meals for cats contain 98 per cent muscle meat, organ and bone, and two per cent organic juiced vegetables. "Our dogs and cats are biological creatures like us," says Shekhtman.



**BUSINESS IS BOOMING FOR RAW PET FOOD MANUFACTURERS, BUT THE INDUSTRY STILL HAS CRITICS. MANUFACTURERS ARE HOPING REGULATIONS AND SCIENTIFIC STUDIES WILL PUT AN END TO THE QUESTION MARKS AROUND RAW PET FOOD**



“Their cells require nutrition and their digestive system, just like ours, is designed to process things that are simple and whole and haven’t been turned into something else and over-processed.”

Pets are clearly gobbling it up. Sales of raw pet food in Canada aren’t tracked, but in the U.S., retail sales of raw freeze-dried dog and cat food jumped 64 per cent in the past year, from \$25 million to \$40 million, and sales of raw frozen pet food jumped 32 per cent from \$52 million to \$69 million, according to market research firm GfK.

Those are impressive numbers, and they may not even tell the whole story. Dean Ricard, owner of Edmonton-based raw pet food manufacturer Mountain Dog, and president of the Canadian Association of Raw Pet Food Manufacturers, believes those figures only represent about a third of the market. He points out that many raw pet foods aren’t sold at the large retailers that typically track pet food sales, and many people buy directly from the manufacturers. In any case, “it’s growing...and raw pet food is finally starting to become more mainstream,” says Ricard.

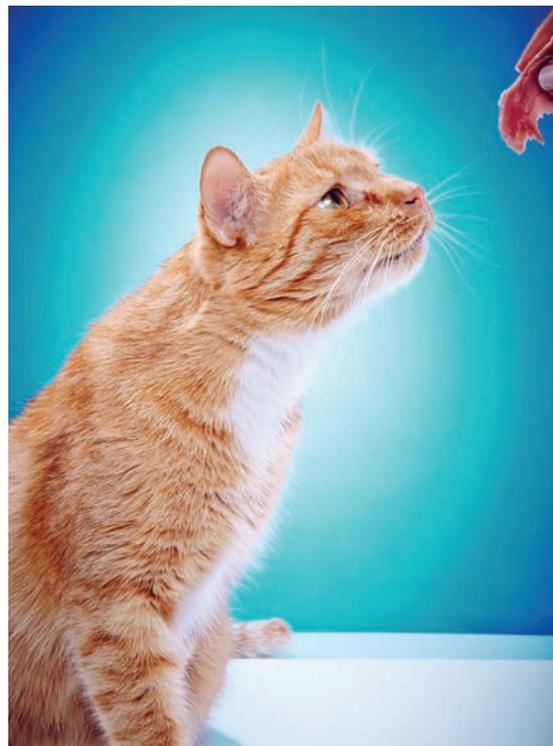
That said, the raw pet food diet is not without critics — and safety concerns. The Canadian Veterinary Medical Association’s (CVMA) position is that the potential animal and public health risks in feeding raw meats outweigh any perceived benefits of the diet. Some of the risks, according to the CVMA, are that pets fed raw meats can shed potential bacterial pathogens in their stool that can potentially infect humans. In addition, there’s an enhanced risk of infection in very young children from exposure to the food or feces of pets consuming raw food diets.

The U.S. Food and Drug Administration Center also warns against raw pet foods. A two-year study from the FDA Center for Veterinary Medicine (CVM) showed that raw pet food was more likely to be contaminated with disease-causing bacteria than other types of pet food tested. The study identified a potential risk for pets eating the raw food, and for the owners handling the product, who may have a higher risk of getting infected with *Salmonella* and *Listeria monocytogenes*.

But is the risk of handling raw pet food any different to handling raw meat for humans? “Probably not,” says Mansel Griffiths, professor and director of the Canadian Research Institute for Food Safety at the University of Guelph. “But the issue is if the animal becomes sick, then you get large amounts of the organism shed in feces and all the issues that entails...which is why



**IN THE U.S., RETAIL SALES OF RAW FREEZE-DRIED DOG AND CAT FOOD JUMPED 64 PER CENT IN THE PAST YEAR, FROM \$25 MILLION TO \$40 MILLION, AND SALES OF RAW FROZEN PET FOOD JUMPED 32 PER CENT FROM \$52 MILLION TO \$69 MILLION.**



maybe it would be good to avoid giving [pets] raw foods if you’ve got young children.”

Raw pet food manufacturers say some of the food-safety concerns are valid. But they assert that they have high standards in place, both in terms of where they source their meat and how it’s processed, thereby minimizing safety risks.

“We’re concerned about it...but all of our raw materials are humane grade and we get them from good, trusted sources,” says Fellnermayr. Amoré buys its meat, including certified organic beef, directly from B.C. farms. “We’re getting our meat and vegetables from the same places that are supplying restaurants,” adds Fellnermayr. “We start with quality ingredients and we handle it properly, so that’s how we overcome the bacteria.”

Amoré’s dehydrated pet food, for example, which is formulated with free-range meat, vegetables and ground bone, is dehydrated using cool air. “We don’t use any heat, but we’ve got it set up so that the air is moving, we’re dehydrating, and we take the moisture out of the food so the bacteria don’t have any place to survive,” says Fellnermayr.

Red Dog Deli’s Shekhtman points out that consumers need to use the same precautions for handling any pet food, whether it’s raw, dry or canned. ➔

“There have been lots of recalls of bacterial and mould contaminations in dry food as well and cases of people getting sick from that,” she says.

Now in its 11th year of business, Red Dog Deli has invested a lot of time, effort and money into making sure it’s processing its products safely and properly, says Shekhtman. “[Our belief] is that the food our pets eat should be [processed] at the same standards as what people eat,” she says. “Everything is done in a temperature-controlled environment with the same standards and food-safety procedures you would see in a human food plant.”

One of the biggest concerns to raw pet food manufacturers is that the industry — and indeed the entire pet food industry — is unregulated in Canada. “We have some bad actors in the raw pet food industry that are not doing a good job in processing the product and preparing it for the marketplace,” says Mountain Dog’s Ricard. “They are sourcing proteins from less than credible places and those of us that do a good job are lumped into the same group.”



Photos: Red Dog Deli Raw Food Company

The concern is that there is going to be an outbreak attached to raw pet food, and the industry will be damaged as a whole, rather than going after the unsavoury players. “If we had a regulatory framework that raised everybody to at least the minimal level of capability, it would get rid of a lot of these guys,” says Ricard.

Raw pet food manufacturers have been trying to work with the federal government to get pet food legislation in place for the past 10 years, but progress has been slow. To help mitigate production and ingredient problems, as well as establish safety criteria for production, the Canadian Association of Raw Pet Food Manufacturers created a set of safety guidelines. But Ricard says the association will continually lobby the government and “talk to anyone who will listen” about the need for regulations.

The association is also looking at doing feeding trials on raw pet food, so the industry will have scientific data to support the benefits of the diet. One of the criticisms about raw pet food from the veterinary community is there is no scientific evidence to support the diet — just anecdotal evidence. “We know that it works. We know what the results are going to be. It’s just a matter of putting it into a climate where it can be monitored and documented and shown to be true,” says Ricard.

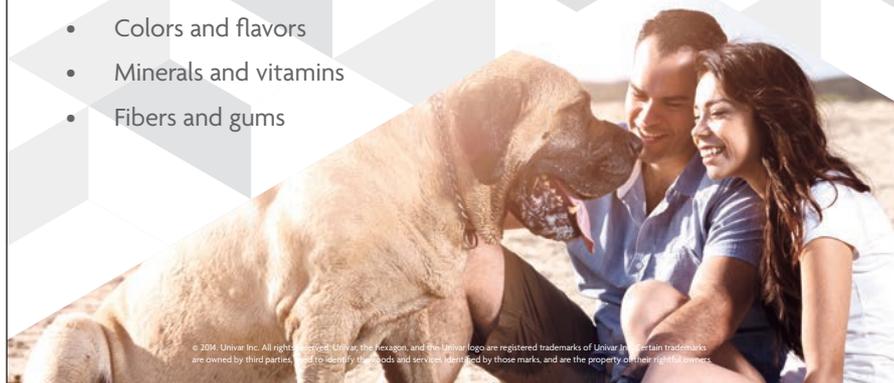
The reason there hasn’t been any studies is financial: raw pet food manufacturers simply don’t have the deep pockets of multinational pet food companies that can pay for more research. “I don’t have the money for advertising, I don’t have the money for testing,” says Fellnermayr. “The money goes into good ingredients. Testing will get done at some point, but it’s going to have to be a collaborative effort.”

For now, the proof is in the pets themselves. “There’s no scientific documented evidence, but there’s physical evidence,” says Fellnermayr. “Look at the dog. You’ll see the difference.” 🐾

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*Manitoba Harvest Hemp Foods* – **Health & Wellness Award**

**FOOD**<sub>in</sub>**CANADA**  
Canada's food & beverage processing magazine

# Healthy **TREATS,** healthy **PUP**

BY CAROL  
NESHEVICH



THE OWNERS OF  
SLOBBERS ORGANIC  
DOG TREATS ARE  
FINDING SUCCESS  
WITH A SIMPLE  
PHILOSOPHY:  
*DON'T FEED YOUR  
DOG ANYTHING  
THAT YOU WOULDN'T  
EAT YOURSELF*

Jason and Emily Hunnensen are, in their own words, “dog crazy.” They currently have three boxers who they love more than anything in the world.

Several years ago, however, they had another dog who unfortunately had to be put down at the age of two after a battle with lymphoma. “We started asking ourselves, why did this happen?” says Jason Hunnensen. Their dog’s illness really got the couple thinking about factors that could affect the health and wellness of dogs, including food and nutrition.

Their drive to learn more about food content and its impact on dog health became even more intense after they got a new puppy, and that dog suffered from severe allergies right from the start. “So we said now we really have to do something about this — let’s investigate what’s going on and try to find out what’s the matter,” says Hunnensen. “We took him to specialists, and finally found out what was the matter: it was an allergy to grains.”

Following their pup’s allergy diagnosis, they continued researching and learned that food allergies and intolerances appear to be on the rise among North American dogs, and that grains are an increasingly common dog allergy.

“So we started looking for food that we felt 100-per-cent comfortable feeding him. We started him on a raw food diet — mainly raw meat,” says Hunnensen. “The condition of the dog did a complete 180 after that. So that was a catalyst for us. That said to us, there’s clearly something to be said for what you’re feeding your dog and the result that you’ll get in terms of health.”

The Hunnensens figured that if they were having these sorts of issues, there must be countless other people out there looking for healthier food for their own pups. So despite having no experience in the pet food business, the Hunnensens decided to dive into the world of making and selling organic dog treats by starting their own company: St. Catharines, Ont.-based Slobbers Organic Dog Treats.

It turned out to be a wise decision. They incorporated their company in 2011, went to market with the first product offerings in 2012, and they’ve doubled their sales numbers every year since. “This year, we’re actually on track to quadruple last year’s sales,” says Hunnensen proudly.



All Slobbers Organic Dog Treats are completely organic, grain free and made with all-natural ingredients — a quality that’s clearly resonating with customers. “Our customers are people who would typically eat organic foods themselves, or those who have dogs with certain allergies or health problems,” says Hunnensen, who believes that the growing focus on pet food quality and nutrition all goes hand in hand with the “humanization” of dogs. “We don’t put sweaters on our dogs or anything like that, but our dogs are absolutely members of our family, so we wouldn’t feed them anything that we wouldn’t eat ourselves,” he explains. “So that’s the philosophy we follow in our business.”

Slobbers first went to market in 2012 with three treat varieties, which of course included “Original Recipe,” a biscuit-type treat featuring an ingredients list comprised of “organic buckwheat flour, organic apples, organic carrots, organic coconut flour, organic palm shortening, organic molasses, organic blueberries, baking soda (aluminum-free), and mixed tocopherols (a natural preservative).”

After that initial launch, they began introducing a new product every six months or so. Slobbers’ treat ➔





varieties now include Peanut Butter & Jam, Apple Pie, Coconut Bananza, Pumpkin Love and Peanut Butter Bananza (\$9.99 per bag online, weighing between 200 and 235 g depending on the variety). They also sell Organic Virgin Coconut Oil, as well as three varieties of a snack called Bakin' strips: Smokey Bakin', Smooth Bakin' and Sizzlin' Bakin' (all \$10.99 online for a 95-g bag). All products are available for order via the Slobbers website, as well as at a wide range of pet food and specialty food stores across the country, including big-name chains like Whole Foods Market.

While Hunnensen admits his products are priced

a little higher than some of the mainstream dog treats out there, due to the fact that the organic and all-natural ingredients that go into making them are just much more expensive, he says his company employs a lower margin structure to make up some of the difference. "If we took the same margin structure as some of the older treat companies, we wouldn't get anywhere, because we would have to sell a product at \$20 where they're selling it for \$8," he says. "So we've found a structure that works well for us — a price that customers are willing to pay because they know that we have that [organic] certification, and they can pronounce and recognize every ingredient on that package."

Their organic certification is a bit complicated at the moment, as Canadian regulations currently don't allow the official "certified organic" status to be granted to pet foods. Instead, Slobbers gets all its products "verified organic" by Ecocert Canada. And although the Ecocert Canada verification process is a meaningful one, the Hunnensens really wanted to be able to add a "certified organic" logo to their products, so they now get Ecocert in the U.S. to certify their products. This way, they can have a "USDA Organic" logo on their products to signify that official certification.

As with any thriving business, plans are in the works for growth and expansion. "We're coming out with a new product line soon, which is also going to require a new process so it will require some new machines," says Hunnensen. "And we're planning on moving, probably before Q2 of next year, because right now we're in just over 2,500 sq. ft. of space. That includes everything: shipping, storage, ingredients, freezer, fridge, machinery, the prepping, the production — everything is in that 2,500-sq.-ft. space — so we're looking into at least doubling that square footage within the first half of next year." In terms of product lines, they're aiming to expand from dog treats to offering a full line of dog food as well. "Food is the next logical progression," he says, "so that will likely happen around the same time as the move."

No matter which direction they take in their growth plans, however, Hunnensen stresses that they won't ever lose sight of their focus on quality. Whenever they've been tempted to cut corners in the past, he says, they remind themselves of why they got into the business in the first place, and opt against shortcuts.

"There have been times when we said, 'we're having trouble making this product go through our depositor machine, and if we could just add vegetable glycerin, that might make it a lot easier.' But we won't do that. Sure it would cut our costs, and it would make the process a lot easier, but I have to look my customers in the eye and say, 'We believe these are truly the best products on the market,'" Hunnensen explains. "And that's never going to change. At the end of the day, we always decide against the cheaper road or the easier road, because that's not why we started. That's not what we want to be known for. What sets us apart from the others is our ingredients and our certification — and our absolute love of dogs." 🐕

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sur le Québec

## NOUVELLES



### Le programme de récupération alimentaire de Montréal obtient d'excellents résultats

La banque alimentaire à but non lucratif Moisson Montréal considère son “Programme de récupération en supermarchés (PRS)” comme un succès, à la lumière des résultats obtenus depuis sa création en 2013.

Selon l'organisation, ce programme a permis de récupérer près de 855 tonnes de nourriture, dont 370 tonnes de viande, ce qui représente une économie de près de 8 millions \$ pour les organismes accrédités de Moisson Montréal.

“Notre réseau de supermarchés partenaires s'élargit; maintenant plus de 90 supermarchés de l'île de Montréal et de la Rive-Sud donnent leurs invendus à notre organisme au lieu de les envoyer pour être détruits ou compostés. Moisson Montréal est donc en mesure de distribuer cette nourriture saine à plus de 70 organismes communautaires qui viennent en aide à près de 34 500 personnes par mois”, a indiqué Julie Bourbonnière, directrice des communications, du marketing et du financement chez Moisson Montréal.

En partenariat avec les supermarchés Loblaws, Provigo, Maxi, Super C et

Metro, Moisson Montréal prévoit intégrer quatre autres membres Moisson au Programme de récupération en supermarchés d'ici Noël. Comptant déjà quatre régions participantes au PRS (Moisson Montréal, Moisson Rive-Sud, Moisson Québec et le Comptoir alimentaire de Sept-Îles), un projet pilote sera mis en place dans quatre Moisson supplémentaires, soit Moisson Sud-Ouest, Moisson Mauricie, Moisson Outaouais et Moisson Beauce.

### Ice River Springs ouvre une nouvelle usine au Québec

Ice River Springs, située à Shelburne en Ontario, ouvre une nouvelle usine d'embouteillage à Lachute dans les Basses-Laurentides. Cette usine sera la treizième de la compagnie en Amérique du Nord, et ses activités refléteront son orientation générale en matière de responsabilité environnementale.

“Nous sommes ravis d'ouvrir une nouvelle usine à Lachute. Elle nous permettra de fournir de l'eau en bouteille de haute qualité à nos clients du Québec et des Maritimes, en empruntant des routes de transport plus courtes, ce qui nous aidera à réduire davantage notre empreinte carbone,” a expliqué Sandy Gott, vice-présidente principale d'Ice River Springs. “Nous sommes également heureux de faire désormais partie de la communauté locale et de créer 21 nouveaux emplois à Lachute.”

Selon le communiqué de presse émis par l'entreprise, cet investissement de plusieurs millions de dollars s'aligne directement avec la vision d'entreprise

d'Ice River Springs, qui se lit comme suit: “Dans tout ce que nous faisons, nous sommes passionnés par la santé et la protection de l'environnement”. ↪

### SAPUTO ACHÈTE WOOLWICH DAIRY

Le géant montréalais Saputo a fait l'acquisition de Woolwich Dairy inc. située à Orangeville en Ontario, pour une somme de 80 millions\$.

Dairy Woolwich est un fabricant de fromage de chèvre de marques maison et de marques privées destiné au marché nord-américain, qui emploie environ 190 personnes. Ses marques comprennent le Woolwich Dairy, le Chevrai et le Wholesome Goat. L'entreprise génère des revenus annuels d'environ 70 millions\$.

La compagnie Saputo de Montréal est un producteur, commerçant et distributeur majeur d'une vaste gamme de produits laitiers. Selon un communiqué de presse émis par Saputo, l'acquisition de Woolwich va lui permettre d'accroître sa présence dans la catégorie des fromages de spécialité en Amérique du Nord.

L'exploitation de Woolwich est constituée de trois usines de fabrication — une au Québec, une en Ontario et une dans le Wisconsin — et d'un centre de distribution situé à Amaranth en Ontario.



Carl Péloquin, le maire de Lachute, s'est dit enchanté par l'arrivée de cette nouvelle usine. "Je suis extrêmement fier d'accueillir à Lachute une entreprise écoresponsable comme Ice River Springs, créant des emplois locaux et occupant un bâtiment devenu vacant depuis quelques années," a-t-il déclaré. "Il est évident que Lachute représente maintenant une plaque tournante pour les entreprises désirant développer leur marché par le biais de l'axe est-ouest au Québec et en Ontario".

Ice River Springs fabrique ses propres bouteilles dans un système de recyclage en boucle fermée. Cela signifie qu'elle utilise des emballages en polyéthylène téréphtalate (PET) des programmes de recyclage des municipalités, les trie et les purifie pour finalement produire un plastique de qualité alimentaire prêt à réutiliser dans ses bouteilles d'eau à 100% recyclées.

"Il existe assez de plastique dans le monde aujourd'hui. Il faut juste trouver de nouvelles façons de le réutiliser," a commenté Jamie Gott, PDG de Ice River Springs. "Cette nouvelle usine nous permettra de remplir notre mission, qui est de développer des produits meilleurs pour les gens et pour la planète."

**50**  
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## DuBreton s'engage à élever plus de porcs sans cage

L'éleveur de porc duBreton de Rivière-du-Loup a annoncé son intention d'élever 300 000 porcs de plus sans cage d'ici 2018.

Représentant un investissement de 30 millions \$, cette décision fait partie des efforts déployés par duBreton pour devenir un chef de file mondial en matière d'élevage biologique et certifié sans cruauté du porc. Il vise également devenir un modèle international de protection des animaux et de pratiques biologiques, sans OGM.

"Sans cage" signifie que les porcs peuvent se déplacer librement dans un environnement commun avec leurs congénères, plutôt que d'être confiné seul dans une cage de parturition, ce qui est une pratique courante dans la majorité de l'industrie porcine en ce moment.

## BIENS DE CONSOMMATION

> **Clif Bar & Company** lance de nouvelles délicieuses saveurs de saison pour ses Clif Bars. Cette année, la compagnie propose la saveur pain d'épice glacé, qui se joint à la saveur préférée tarte à la citrouille épicée. Fabriquées avec 70%



ingrédients biologiques, tels que flocons d'avoine et mélasse, ces barres énergétiques offrent une nutrition inspirée des vacances sur la route. Elles sont composées de fibres et d'un mélange de vitamines et de minéraux. [www.clifbar.ca](http://www.clifbar.ca)

> Les **barres santé Meta** de **P&G**: une collation riche en fibres qui contient des fibres de psyllium de source 100% naturelle — la même fibre qui se retrouve dans le Metamucil. Les barres peuvent aider les consommateurs à augmenter leur apport quotidien en fibres tout en les aidant à réduire leur taux de cholestérol LDL: un facteur de risque pour les maladies cardiovasculaires. Ces barres savoureuses sont disponibles en deux essences: gruau à la cannelle et raisins; et canneberges et citron. Elles sont offertes entre 1,99 \$ et 2,99 \$ chez les principaux détaillants du Canada. [www.metaeffect.ca](http://www.metaeffect.ca)

> La gamme **Thé mince d'Hyleys** est maintenant offerte au Canada. Ces thés verts 100% naturels sont fabriqués avec des feuilles de séné et un arôme de fruit favorisant la purification du corps, la désintoxication et le maintien d'un système digestif sain. Avec leur goût et leur texture légers et rafraîchissants, ces thés utilisent seulement des ingrédients de la plus haute qualité. La gamme Thé mince est offerte en cinq arômes — baie d'acai, bleuet, baie de goji, grenade et framboise — et cinq assortiments de saveurs. Un emballage de 25 sachets métallisés de thé est offert au coût de détail suggéré de 5,99 \$. [www.hyleys.com](http://www.hyleys.com)



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# De l'or Liquide

Le producteur de miel Les Ruchers Promiel de la région de Québec continue de voir ses produits s'envoler des tablettes



Redmond  
Hayes

photo: Manon Dumas

**R** PAR MARK CARDWELL

edmond Hayes n'est pas étranger aux jeux de mots et aux métaphores sur les abeilles et le miel. Prenez ceux que l'on retrouve dans un récent article paru dans un journal francophone annonçant que le producteur de miel de la région de Québec bénéficierait d'une augmentation de 75% de son chiffre d'affaires cette année, pour atteindre près de 12 millions\$. "Ça bourdonne à Château-Richer!", pouvait-on lire en titre de l'article, lequel comparait l'exploitation de l'usine de transformation à une ruche en activité. "Nous sommes habitués à ces tournures de phrase", commente l'homme de 63 ans esquissant un sourire jamais bien loin des lèvres. "Les abeilles et le miel sont un sujet d'amusement pour les gens."

Les abeilles ont été rentables aussi, au moins pour M. Hayes. Portés par une croissance à deux chiffres

des exportations vers l'Asie, notamment au Japon et en Chine, et par une expansion dans l'Ouest canadien en tant que fournisseur de Costco, les produits de Promiel s'envolent comme des abeilles, justement, ces derniers temps. Ces insectes infatigables ont d'ailleurs été le véritable élément qui a transformé le miel en or liquide pour M. Hayes et ses deux fils aînés, qui déploient maintenant leurs ailes dans l'entreprise familiale.

Situés à Château-Richer — un village pittoresque de la côte de Beaupré sur les rives du fleuve Saint-Laurent, à 20 minutes de route à l'est de la ville de Québec — Les Ruchers Promiel inc. s'avère en fait trois entreprises logées dans un même bâtiment en bois vert et blanc en expansion.

Sa façade donne sur une boutique thématique et un musée récemment rénovés, que le site Internet de la compagnie ([www.musee-abeille.com](http://www.musee-abeille.com)) décrit comme "une halte gourmande incontournable pour les amoureux du miel", lesquels peuvent déguster/acheter des douceurs au miel telles que crème glacée, chocolats, bonbons et grignotines, ainsi que d'autres produits de la ruche, notamment du miel, de la gelée royale, du pollen et de la cire d'abeille. Les visiteurs peuvent aussi apprendre à reconnaître les différents types de ➔

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Tous les produits de la compagnie sont fabriqués sur la même chaîne de production — laquelle est en fonction 10 heures par jour, 4 jours par semaine — et mobilisent le temps de 7 des 21 employés à temps plein de l'entreprise.

miel et découvrir comment les abeilles font du miel de façon très naturelle et durable. D'autres expositions expliquent l'utilisation des alvéoles et de la cire d'abeille à travers les âges depuis les temps bibliques, et proposent des recettes modernes; beaucoup d'entre elles renfermant des propriétés antioxydantes et autres bienfaits, réels et présumés, du miel sur la santé.

L'action commerciale réelle, cependant, réside dans l'usine derrière les murs du musée/boutique. Elle commence dans l'entrepôt non chauffé à l'arrière, où 2 millions\$ de miel ou plus est stocké à l'année dans des barils marqués d'un code à barres, lequel permet d'identifier la région des fleurs qui ont été butinées par les abeilles, afin d'assurer une traçabilité du producteur au pot. "Le froid est bon pour garder le miel cristallisé, ce qui contribue à le préserver", explique M. Hayes. À ce propos, il ajoute que les rudes hivers et le climat relativement frais du Québec représentent un avantage concurrentiel sur les régions chaudes qui fabriquent du miel, comme le Brésil, où les producteurs doivent climatiser leurs entrepôts.

De l'entrepôt, les barils de miel de M. Hayes sont acheminés dans l'usine où ils sont chauffés afin de liquéfier leur contenu. Le miel est ensuite pasteurisé (pour le miel classique) ou non (pour le miel biologique). Chaque type représente environ la moitié de la production annuelle de la compagnie, qui s'élève à 2000 tonnes métriques. Cette production fait de Promiel l'un des plus grands fabricants de miel classique au Canada et le plus grand producteur de miel biologique au pays. Il vend notamment sa marque biologique Naturoney presque exclusivement aux magasins Costco à travers le Canada.

La plupart de ce miel biologique est importé du Brésil, qui se révèle le plus grand producteur et exportateur au monde. "Il y a des dizaines de producteurs biologiques certifiés au Brésil, qui comporte encore de vastes régions pratiquement vierges où les abeilles peuvent se nourrir du nectar de plantes et de fleurs naturelles," précise M. Hayes. "Vous pouvez compter le nombre de producteurs canadiens certifiés sur les doigts d'une seule main."

La plupart du temps, M. Hayes mélange et emballe le miel biologique brésilien au goût plus prononcé avec les miels plus doux d'origine canadienne, provenant principalement de producteurs de l'Ouest, où les abeilles font principalement le miel à partir du nectar des fleurs de canola et de trèfle. L'entreprise produit également une demi-douzaine de variétés de miel classique

**“L’apiculture est sensiblement la même chose que l’élevage. Par contre, c’est beaucoup moins cher et il est plus facile à se lancer dans l’aventure des abeilles et du miel que dans celle de tenir une ferme.”**

— dont de trèfle, crémeux, de pissenlit, de verge d'or, de bleuet et de sarrasin — lesquels sont vendus sous l'étiquette Musée de l'abeille. Ils sont offerts dans les épiceries Loblaws et Maxi à travers le Québec (et à deux Maxi dans l'est de l'Ontario), ainsi que dans certains magasins d'aliments de spécialité.

Tous les produits de la compagnie sont fabriqués sur la même chaîne de production — laquelle est en fonction 10 heures par jour, 4 jours par semaine — et mobilisent le temps de 7 des 21 employés à temps plein de l'entreprise. La chaîne comporte quatre étapes: le remplissage liquide (à partir d'un appareil fabriqué localement), l'étiquetage des lots, l'application de manchons et l'emballage dans un tunnel chauffé. Une fois emballés, les produits sont palettisés par un bras robotique et sont préparés pour l'expédition par camions et trains à travers le Canada et par bateaux vers l'Asie. "Voilà notre seul marché d'exportation," commente M. Hayes. "Nous y expédions une couple de conteneurs par mois, et il faut environ deux mois pour que le produit se retrouve sur les tablettes des magasins au Japon et en Chine, particulièrement à Hong Kong."

M. Hayes souligne qu'il envisage bientôt ajouter une deuxième chaîne de production pour augmenter le volume et soutenir l'expansion à venir.



“Si la croissance se poursuit, nous allons également construire un entrepôt dans ce qui est actuellement notre stationnement,” dit-il. “Les plans sont déjà approuvés, mais nous mettrons le projet de l’avant uniquement si le besoin le justifie. Nous ne faisons pas d’expansion irréfléchie.”

À bien des égards, cela a toujours été la façon de faire de M. Hayes: un type barbu un peu “granola” de la ville qui est allé suivre des cours d’agriculture au collège en chérissant le rêve de travailler avec la nature. À la place de cela, il a trouvé l’amour, est devenu père et s’est retrouvé technicien pour une firme d’ingénierie environnementale de Québec. Il a été piqué par la passion du rucher en 1978 alors qu’il s’occupait des deux ruches que sa femme possédait par plaisir, pendant le temps où elle était enceinte de leur fils aîné, Gabriel, qui est aujourd’hui son chef de produit. “J’étais fasciné par la vie et l’organisation des abeilles à l’intérieur de la ruche,” se souvient-il. “L’apiculture est sensiblement la même chose que l’élevage. Par contre, c’est beaucoup moins cher et il est plus facile à se lancer dans l’aventure des abeilles et du miel que dans celle de tenir une ferme.”

Quand il est devenu apiculteur professionnel en 1983, M. Hayes a quitté son emploi et a commencé à produire et vendre la livre de miel qu’il récoltait mensuellement de chacune des 350 ruches qu’il entretenait dans les champs des agriculteurs de la région de Portneuf. En 1990, il s’est associé à deux autres producteurs pour ouvrir l’usine, la boutique et le musée de Château-Richer.

La compagnie a continué de croître, dépassant les 2 millions\$ de ventes au début des années 2000. Aux dires de M. Hayes, près de 60% de ces revenus provenaient de la vente directe aux consommateurs dans leur boutique, le reste du volume étant généré par la vente dans les épicerie de la région, desservies par le camion de la compagnie. En 2003, M. Hayes a racheté les parts de ses partenaires et celles de la plupart des investisseurs, et il est devenu le principal actionnaire.

“Je voulais rendre l’entreprise plus commerciale”, fait-il valoir.

Ainsi, M. Hayes a notamment signé un gros contrat pour la production d’une marque privée pour Métro. Ce contrat a constitué la majorité des ventes de la compagnie jusqu’en 2007, quand Métro a commencé à s’approvisionner auprès d’un autre fournisseur à la suite de l’acquisition de A&P (the Great Atlantic & Pacific Company of Canada) au coût de 1,7 milliard\$. “Ce fut une mauvaise journée,” se souvient M. Hayes, “mais ça nous a poussés à élargir nos horizons et à réorienter nos efforts vers le marché de l’exportation, comme le marché canadien était difficile à percer.”

Après la création de la marque maison Naturoney, M. Hayes a commencé à sillonner le plancher des foires alimentaires internationales en 2008, notamment à Dubaï, en France, en Allemagne, aux États-Unis, au Japon et à Hong Kong. Ce sont ces deux derniers marchés qui ont démontré le plus grand intérêt pour le miel du Canada, lequel est réputé pour ses contrôles de qualité rigoureux, relate M. Hayes. “Les gens étaient pris de panique à cause du scandale du lait frelaté à la mélamine qui venait d’éclater en Chine, et ils étaient perplexes sur la sécurité des importations de produits alimentaires chinois”, raconte-t-il. Le nouvel emballage de son principal pot de miel de 375 ml a également aidé. “Nous avons ce nouvel emballage qui avait vraiment de la classe avec son manchon et ses fleurs imprimées. Ça le rendait inviolable, et le peuple japonais aime les fleurs.”

De la première expédition modeste de trois palettes à un distributeur régional, la demande asiatique a rapidement grimpé à un conteneur par mois, totalisant 20 palettes de trois variétés (verge d’or, bleuet et un mélange) de miel canadien pur à 100% issu des Prairies.

En 2008, M. Hayes a signé un contrat pour approvisionner les magasins Costco dans l’est du Canada avec du miel biologique provenant du Brésil, mélangé à certaines variétés de miel canadien. Cette relation a pris de l’ampleur cette année pour inclure tout l’ouest du Canada. “Cela nous a vraiment aidés,” affirme M. Hayes, “qui attribue aux dégustations offertes en magasin et aux autres promotions de produits biologiques par Costco le crédit principal du saut énorme de revenus fait par son entreprise en 2015.”

Le défi pour l’avenir, soutient-il, est de maintenir la croissance dans une industrie secouée par des inquiétudes de qualité et de baisses de prix massives du miel chinois à la grandeur de la planète. “Je pense toutefois que nous traverserons bien cette période, car notre créneau se situe en dehors du marché des marques normalisées,” conclut M. Hayes. “Les gens s’avèrent plus intéressés et mieux informés aujourd’hui sur les nombreux bienfaits du miel sur la santé, et le Canada détient une réputation de classe mondiale quant à la fabrication des meilleurs et des plus sûrs produits issus des ruches.”

SupplySide West took place from Oct. 5 to 9 in Las Vegas, Nev. The 19th edition of the annual tradeshow and conference was the largest ever, drawing nearly 14,000 visitors and 1,200 exhibitors from more than 66 countries. Next year's show takes place Oct. 4 to 8 in Las Vegas.

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## Spice diversity

As consumer demand for spicy foods continues to grow, consumers are often looking for different degrees of spiciness and more complex flavour varieties. To give developers the ability to respond to that diversity of preferences, Kalsec has created a line of specialty peppers that offers a wide range of flavours and spiciness levels. Ideal for use in seasonings, prepared meals, sauces, soups, dressings, marinades and meat and poultry products, Kalsec's specialty peppers offer consistency, ease-of-use and cost-effectiveness. [www.kalsec.com](http://www.kalsec.com)



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## Powerful peptides

PEPTIPLUS collagen peptides are high in conditional essential amino acids. Easily and rapidly absorbed in the body, PEPTIPLUS can be used in a wide range of foods and supplements, such as near-water concepts and other ready-to-drink beverages, powder formulations and bars. [www.gelita.com](http://www.gelita.com)

## Natural proteins

Wellnex Collagen Peptides, made by Nitta Gelatin NA Inc., are natural proteins derived from collagen, making them beneficial for biological processes such as bone metabolism, joint chondrocyte differentiation and hyaluronic acid production in skin. Wellnex Collagen Peptides are fast-dissolving and have minimal taste and odour, which makes them ideal for use in a wide variety of applications, including functional food and beverages, supplements, enteral nutrition and medical foods.

[www.nitta-gelatin.com](http://www.nitta-gelatin.com)

## Portable and nutritious

The Summit Nutrition Bar from DuPont Nutrition and Health is designed to support the energy and nutrition needs of today's active on-the-go consumer. Don't let the Summit's rich chocolate chip cookie dough flavour fool you into thinking this is just a treat — this portable and nutritious bar is loaded with 20 g of protein and 15 g of fibre. [www.food.dupont.com](http://www.food.dupont.com)



## Delicate crispiness

Homai Rice Panko can be a versatile addition to any recipe that calls for Panko bread crumbs. Used as a breading for poultry, seafood, vegetables or other fried items, it results in a very delicate crispiness when fried. And since it doesn't contain gluten, soy or milk, it can be enjoyed by a wide variety of consumers with allergies and sensitivities. [www.bungeoilexperts.com](http://www.bungeoilexperts.com)

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Prinova's Organic Vegan Protein RTD – Chocolate nutritional beverage combines in-house flavour/sweetener solutions with Socius customized protein/gum blends. Vetted for scalability in aseptic processing, the result

is a cutting-edge formula that's not tied to a contract manufacturer. Organic, vegan, and with 90 per cent of its calories from protein, this plant-based protein RTD beverage has it all. [www.prinovausa.com](http://www.prinovausa.com)

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It has been tested for substances on the World Anti-Doping Agency's list of banned substances and was deemed safe for athletes to use. [www.ksm66ashwagandhaa.com](http://www.ksm66ashwagandhaa.com)

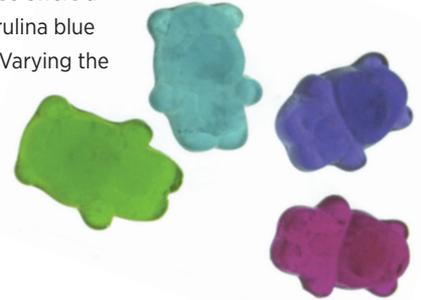
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[www.dsm.com/human-nutrition](http://www.dsm.com/human-nutrition)

### Spirulina blue

Spirulina is a blue-green algae that occurs naturally in freshwater and marine habitats, and it has a long history as a food supplement in many countries. DDW The Color House offers a standard blue powder and a new spirulina blue liquid, stabilized for light protection. Varying the concentration of spirulina blue can broaden the range of blue shades, from a light robin's egg blue to a deep royal blue. DDW Spirulina can be used to colour ice cream, candy, yogurt, frosting and more.



[www.ddwcolor.com](http://www.ddwcolor.com)

### Complete protein

While at the SupplySide West show, attendees had the opportunity to taste chocolate flavoured beverages containing PROFIL Pro, complete vegetable protein containing all nine essential amino acids, with two different levels of protein, regular and high, by Dealers Ingredients Inc. PROFIL is a GMO-free, label-friendly ingredient that is added as a concentrated vegetable protein and fibre for any product application. [www.dealersingredients.com](http://www.dealersingredients.com)



## Advertisers' index

ALIMENTS ED FOODS.....	PG. 72
CROP LIFE.....	PG. 13
CROSBY'S MOLASSES .....	PG. 9
BDO.....	PG. 31
BUNZL.....	PG. 25
DEALERS INGREDIENTS.....	PG. 5
DUPONT.....	PG. 71
EMBALLAGES MITCHEL-LINCOLN .....	PG. 62
FARM CREDIT CANADA.....	PG. 15, 63
HANDTMANN .....	PG. 65

IESO.....	PG. 19
LUBRIPLATE .....	PG. 29
MNP.....	PG. 7
NITTA GELATIN .....	PG. 60
PRAXAIR.....	PG. 3
PWC.....	PG. 2
REISER .....	PG. 51
SEALED AIR .....	PG. 21
SENSIENT COLORS .....	PG. 17
UNIVAR .....	PG. 35, 56
WISCONSIN CHEESE MAKERS ASSOC.....	PG. 23
WTI.....	PG. 11

Carol Neshevich



*Esther Dockendorff, president,  
PEI Mussel King.*



as a highly successful producer of premium fresh and frozen mussels.

Esther Dockendorff is now president of the company, having taken the helm after her father passed away in 2009 at the age of 82. And the business is very much a family affair — Esther’s younger brother Scott is president and CEO of PEI Mussel King’s sister company, PEI Mussel Farms, while her sister Donna is logistics manager of PEI Mussel King. “I have two older brothers and a sister as well who are shareholders,” says Dockendorff.

Back in the late 1990s, they made the game-changing decision to concentrate their attention on the international marketplace. “We still sell in Canada and the U.S., but the overseas market gets a great deal of our focus now,” says Dockendorff. “We do a lot in Asia and a lot in the Middle East. Japan is our biggest export market.”

Their primary customers and channels tend to vary depending on the product and geographic area. “For the live market we do both retail and distributors, and in the frozen market, it really depends on where you are — in Canada and the U.S., it’s a lot of retail, whereas in Japan they take a lot of frozen product for foodservice as well,” says Dockendorff. PEI Mussel King also produces five varieties of value-added flavoured mussels: Garlic Butter, White Wine & Herb, Marinara, Red Thai Curry and Chipotle.

Dockendorff is also excited about a new value-added product that she expects to launch in the first half of 2016. “It’s live mussels in a two-compartment package. The mussels are put in the bag, there’s a zipper closure, and above the zipper there’s a freeze-dried *mirepoix* mix of onion, celery and carrot. And the top of the package is sealed. It microwaves in 2.5 minutes...and at the two-minute mark, the zipper pops, the vegetables drop in and are hydrated during the last 30 seconds of cooking,” she explains. “And then it goes straight into the serving bowl.”

In all, Dockendorff is very optimistic about the company’s future. “The need for aquaculture products is steadily growing and will continue to grow to feed the world’s population,” she says. “It’s just a great industry to be in right now.”

## PEI Mussel King Morell, Prince Edward Island

When Esther Dockendorff was growing up in P.E.I., her father, Russell Dockendorff, was a lobster fisherman. “He fished May and June, which meant that we ate really well for those two months of the year,” she says, “but the other 10 months were a struggle.” So when Esther’s father saw an opportunity to get into the burgeoning mussel industry in 1978, he jumped at it.

In the late 1970s, mussels weren’t really popular as a food in North America yet, and mussel farming in Canada was quite a new endeavour. But Russell took a gamble that the popularity of mussels would soon rise, and bought a local mussel company from a friend who had started the operation. Russell’s business instincts proved correct, and today — nearly four decades later — Morell, P.E.I.-based PEI Mussel King continues to thrive

### Q&A



**Q: What are the biggest challenges facing your industry at the moment?**

**A:** “Without a doubt, in Eastern Canada our biggest challenge is labour – trying to find people to do the work. People often refer to the workers in our plant as unskilled labourers, but that is definitely not the case. A lot of our processes are automated, so they’re operating machines with computerized equipment...so it does take skill.”

**Q: What do you see as your greatest opportunity?**

**A:** “I think one of the most interesting things is the fact that with our product lines, we can go anywhere in the world. There’s really no limit to where we can travel with our products.”

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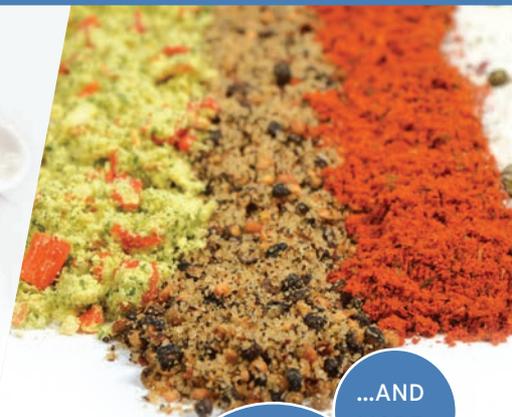
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