# 24 THE BELLY & 30 MUCH ADO ABOUT GINGER 53 RESOURCE GUIDE

# Ancient

Food producers look to the past as they add the benefits of ancient grains to more baked goods, snacks and sides PG.26



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#### 

# contents



### features

#### 26 Ancient additions

Food producers look to the past as they add the benefits of ancient grains to more baked goods, snacks and sides.

33 Turning up the dial on taste

Heat meets tang and sweet gets savoury in 2016's flavour forecast.

### 36 Alberta regional roundtable

*Food in Canada*'s Alberta regional roundtable, sponsored by MNP LLP and presented in partnership with the Alberta Food Processing Association, discusses "Opportunities for Growth, Challenges in the Future."



### in this issue

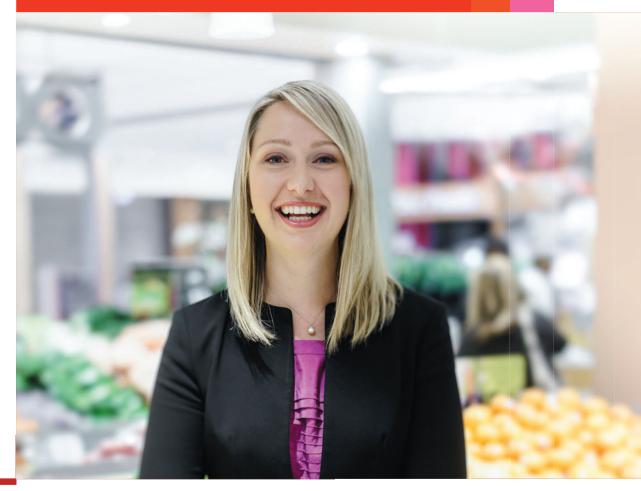
Resea 46	arch Chefs in Canada N <sup>ews</sup>
47	News A Culinary Odyssey: The forecast of deliciousness.
49	Recipe to Retail: What can a marketing plan do for you?
53	The 2016 Resource Guide Book Our annual listing of industry-related associations, government resources and educational institutions.

### departments

6	Editorial
8	News File
19	<b>Market Trends</b> Market outlook and highlights from Dr. Larry Martin and Associates.
20	<b>Focus on Food Safety</b> The Community Food Analysis Laboratory.
22	<b>Food Law</b> Do we need to separate science and politics?
24	<b>Regulatory Affairs</b> The belly and brain.
30	<b>Ingredient Spotlight</b> Much ado about ginger.
32	<b>Sensory Trends</b> Dipping in with tortilla chips.
42	<b>Packaging</b> Coverage of the 2015 Pentawards.
44	<b>Rethinking Innovation</b> Eco-food will be more than a mega-trend — Part 2.
45	<b>Ask the Expert</b> Overlooked avenues for growth in the Canadian food industry.
50	<b>Operations</b> Catching the U.S. wave.
52	<b>Product Showcase</b> Post-show coverage of the Ontario CIFST Suppliers' Night Table Top.
54	Industry Insider Barrie, Ontbased Mettrum Originals.

57 Index

## Farm to fork, coast to coast and around the world



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Carolyn Cooper



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### **Connectivity now**

There's a lot of buzz out there right now about the Internet of Things, and how connected devices are increasingly touching our daily lives. The growth of this nebulous Internet of Things will also impact how the food and beverage industry operates, as the capture and transfer of different types of information becomes easier.

If you're like me, you might find the concept slightly confusing. After all, the term is used to describe processes we take for granted today — like wireless network connectivity between office equipment — or it can refer to technology that even a decade ago would have still been considered sci-fi material. Consider, for example, business automation systems that allow an operator to monitor and control heating, lighting, security, processing equipment and much more all from their smart phone.

In an article for foodincanada.com, Eric Simmons, general manager of IoT & Wireless at Rogers Communications, describes the Internet of Things simply as "the connection of devices to send and receive information." As more devices are equipped with sensors, software and network connectivity, says Simmons, the food and beverage industry will see significant benefits throughout the supply chain, from farm to fork. For food and beverage manufacturers, the ability to monitor operations and capture data quickly and seamlessly should translate into more efficiency, reduced costs, greater traceability, less food waste and more accurate food safety monitoring.

On the consumer side, the "connected kitchen" is already becoming a reality. Think about "smart" refrigerators that tell you when you're low on certain foods, then email you a grocery list as a reminder. Or consider kitchen scales that can track the nutrition of different ingredients, as well as provide you with recipe instructions. Conceivably any kitchen appliance could be enhanced with software and network connectivity. In the future, connected kitchens could even be a direct point of contact between manufacturers and consumers, especially as the latter continues to demand greater transparency in the food system.

According to IT research and advisory company Gartner, Inc., there were 4.9 billion connected things in use in 2015. That number is predicted to jump to 25 billion by 2020. It's not too early to consider how this type of rapidly changing technology will affect your business.

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#### Vancouver teens invent smart cutlery

Two teenagers from Vancouver have invented cutlery that can detect calories, sugars, proteins and even allergens and toxins by using infrared waves to analyze the molecular breakdown of food. Calling their company "Culitech," the West Point Grey Academy students Angela Wang and Madeleine Liu are just 16 years old. Their smart cutlery comes in the form of chopsticks, forks and spoons, and has detachable components for easy cleaning.



### News>file



#### Have your pot and eat it too

As the Trudeau government steamrolls into power with a Liberal majority, one of its policies making daily news in Canada and around the world is the plan to legalize marijuana and sell it at authorized retailers for recreational and medicinal consumption. This will no doubt bring a deluge of bud-related products that have showered the marketplace in other legal hotspots like Colorado, Washington State and most recently Oregon.

For those in the know about weed, one of the most common ways to ingest it would be to cook or infuse it into food and eat it. This has spurred the creation of food producers eager to make marijuana infused products to cater to the existing and no doubt rapidly growing industry. These aren't your traditional "space" brownies and cookies either. Over the last couple of decades, lovers of food and pot have come up with ingenious ways to combine these two soulmates and create products that will do well in the marketplace, provided the marketplace had legalized, which is now becoming a reality in many places.

Toronto-based David Posner is CEO of Nutritional High, a company currently trading on the Canadian Stock Exchange. Nutritional High describes itself on the website as being focused on "developing, acquiring and designing products and brands in the marijuanainfused edible products and oil-extract sectors for medicinal and adult recreational use."

The company is about to launch in the U.S. marketplace for the first time and getting everything ready for a roll out next year. "We're building out our facility right now in Pueblo, Colo. and we're testing our products and they are set to be sold in Colorado retail stores in and around April," says Posner, noting that Nutritional High produces mainly marijuana-infused candy. "We have a depositor that makes chocolate, hard candies, gummies and caramel type products. We don't bake as we wanted to create a semi-automated system to give the product consistency, but more importantly to give it shelf life."

The process of turning marijuana into food involves turning the plant into an



That familiar smell of vanilla often evokes childhood memories of fresh cookies baking in the oven - but vanilla really is so much more than that. In her book Vanilla Table: The essence of exquisite cooking from the world's best chefs. Natasha MacAller offers more than 100 original recipes that showcase the versatility of vanilla. With contributions from a number of renowned international chefs (including Jonathan Waxman, Jim Dodge, Duff Goldman, Yotam Ottolenghi, Sherry Yard, Nancy Silverton and Gina DePalma), Vanilla Table is being touted as a complete course in how to use this tasty and adaptable spice — whether it's in savoury appetizers, main courses, decadent drinks or indulgent desserts. The book features practical advice, ranging from how to recognize good vanilla to the best way to store it. It also contains an array of diverse and unexpected recipes, such as: Island Crabcakes with Vanilla-Grapefruit Remoulade; Slow-roasted Oxtail Pot

Pies with Vanilla-Shiraz Gravy; Vanilla Panna Cotta with Mixed Berry Compote; Labneh with Vanilla-Roasted Rhubarb and Pistachios; Vanilla Lacquer Duck Leg; and Rum & Vanilla Cured Salmon.

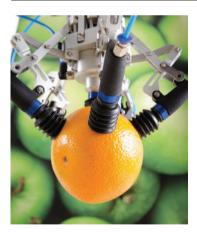


oil. "It's a combination of marijuana and 'trim,' which are the scraps from the marijuana. It goes into a large extractor, very similar to a juicer and that comes out as an oil. The oils then get infused with your batch of chocolate or your batch of gummies."

Jeff Maser is CEO of Tinley, a functional beverage company. "Our initial products will contain hemp extract [which is] made from the entire hemp plant and seed, whereas commonly found products in grocery stores today are made purely from the seeds," says Maser. Tinley began offering samples of its product in November in California and Nevada, with the commercial rollout planned for January throughout California. The product will be available in various independent vitamin stores and online nationwide shortly after that.

Maser believes that legalization of marijuana and related products will take some time in Canada, but that the Trudeau government will act quickly to at least allow medical producers to sell marijuana in edible, drinkable and various other formats so people are not forced to smoke or vaporize it. "Consumers in developed marijuana markets have proven to choose edible, topical, sublingual and drinkable formats over dried leaf products a majority of the time," says Maser.

— Jonathan Hiltz



#### Robot fruit picker knows fresh from foul

It's an amazing time for food science, and one of the more memorable recent innovations comes from Cambridge, England.

Cambridge Consultants recently introduced a farm worker who requires no food or drink, wages, or

breaks in the workday. This worker can sort fruit continuously for more than 24 hours at a time. Made of metal and rubber, the robotic worker is a "picker" which can discern what fruit it is holding, and sort it into a bin of alike or identical fruit.

The team at Cambridge Consultants wanted to see if they could design a robot to recognize objects, sort into a certain order, pick them up, and transfer them to a new location in a small space. Using rubber-tipped "fingers" along with a bit of suction for stability, the picker functions as the hand of a hu-

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man worker might — just enough grip to hold the product but not enough to damage it.

Chris Roberts, head of industrial robots for Cambridge, says that various team members possess different expertise that enabled them to create a robot able to use programming commands in a more adaptable way rather than exact code such as "move green ball two mm left." The picker has been calibrated to sense differences and adjust for those differences. The robot runs on machine vision and specialty software.

In the future, the team at Cambridge Consultants believes that a robotic picker such as this could be taken from the indoor manufacturing industry to an orchard for use on commercial farms. Back inside the warehouse, they hope that one of their next prototype pickers will be able to assess more individual de-



<section-header>**Display SupportDisplay SupportDisplay SupportDisplay SupportDisplay Support**Moliday shoppers looking for a unique<br/>gift to give a Nutella lover were in luck<br/>this year: Nutella and Holt Renfrew<br/>teamed up to offer customers in<br/>Toronto, Calgary and Montreal the chance to take home a jar of Nutella<br/>personalized with someone's name on it. During the holiday season, shoppers<br/>were able to purchase a 725-g jar of Nutella with a personalized label on it at select<br/>Holt Renfrew stores for \$12.99. Each shopper was able to request up to four<br/>personalized labels per visit, and each label could fit up to nine characters on it.

tails such as firmness, ripeness, and any defects, before manipulating the fruit into bins or bags for retail.

— Yvonne Dick

#### North America's two largest hemp producers merge

In mid-December, Manitoba Harvest, North America's largest retail hemp producer, announced its acquisition of Manitoba-based Hemp Oil Company Ltd. (HOC), North America's largest hemp bulk ingredient provider. Together the companies account for about 65 per cent of the North American market in

their fields. Manitoba Harvest paid \$42 million for HOC. "We are really excited about this merger," says Shaun Crew, one of the founders of HOC, who will

#### **CHEF MICHAEL SMITH PROMOTES INTERNATIONAL YEAR OF PULSES**

As the world begins to celebrate 2016 as the United Nations' International Year of Pulses (IYP), Canada's dry beans, dry peas, lentils and chickpeas are stepping into the spotlight. And to

kick off the IYP, renowned Canadian chef and TV personality Michael Smith publicly took the pledge to eat more pulses in 2016.

"Many Canadians are familiar with lentils, peas, chickpeas and beans, even if they don't know the term pulses, which are edible seeds of plants in the legume family," says Smith, Canada's International Year of Pulses (IYP) ambassador. "Canada can be proud of the pulses we grow here. They are nutritional superstars, affordable and easy to prepare, and they are sustainably grown, meaning they are good for the planet, too."

A Pulse Pledge campaign was launched as part of the kick-off of the IYP, with a goal of getting North Americans to eat more



homegrown pulses. Those who took the Pulse Pledge made a 10-week commitment to eat pulses each and every week. "I took the Pulse Pledge because it is an easy way to boost nutrition in almost any meal, from tacos to burgers to desserts. And, my family loves them," says Smith.

Pulses are a low-fat source of protein, fibre, vitamins and

minerals. And according to a press release from Pulse Canada, by eating pulses Canadians are also helping the environment and contributing to the future of sustainablefood production, since pulses are a low-carbon, water-efficient source of protein that enriches the soil where they are grown.

The United Nations declared 2016 the International Year of Pulses (IYP) to celebrate pulses' contribution to health, nutrition and environmental sustainability, as well as to demonstrate the contribution pulses can make toward global food security.

remain president. "Both of our companies were founded at the same time (in 1998) and we have been friendly competitors for years. "This deal will make both of our companies more efficient and move the hemp industry forward." Manitoba Harvest CEO Mike Fata notes that the deal has been in the works for some time.

Manitoba Harvest has a customer base of about 7,000 stores for its hemp hearts, bars, oil and protein powders. Last summer, Connecticut-based Compass Diversified Holdings acquired an 87-per-cent share of the Manitoba hemp producer for \$132.5 million.

HOC sells its products — oil, powders, proteins, seeds, flour and coffee to about 400 customers. The company recently completed construction of a new 35,000-sq.-ft. processing plant in a community just to the southeast of Winnipeg, which will increase production by as much as 600 per cent.

Crew reports that the combined revenues of the two companies should be about \$75 million. "This merger will allow for increased capacity, more innovation in product development and some efficiencies in production," says Kelly Saunderson, speaking for Manitoba Harvest. The combined workforce will be about 150 people. — Myron Love

#### Canadian Food Safety Forum Presents Industry Awards

The NSF-GFTC Canadian Food Safety Forum & Award Recognition Event is coming to Brampton, Ont.'s Pearson Convention Centre on Feb. 25, 2016. In addition to delivering interesting and informative updates on food safety issues, the event will feature an awards presentation, with categories recognizing excellence, leadership and companies that support the food and beverage industry in achieving food safety goals.

The keynote speaker will be Dr. John

Spink, director and assistant professor of the Food Fraud Initiative at Michigan State University. His influential works in the area of food fraud have been widely published in leading academic journals. Attendees at the event will get to hear about Spink's fascinating academic research, and will learn about useful industry examples that include vulner-ability assessments to detect food fraud and economically motivated adulteration in food.



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#### **Cheers! George Brown** student creates signature **Toronto cocktail**

Earlier this winter, George Brown College hosted the Toronto Winning Ways cocktail competition in partnership with the Toronto Region Board of Trade. Students were invited to create cocktails that capture the spirit of what makes Toronto "a great place to live, work and play."

The winning cocktail was created by Claire Freel, a student in George Brown's School of Hospitality and Tourism Management. Her creation was called the Toronto Wise Guy — a concoction featuring rye whisky, ginger ale, ginger beer, soda water, fresh mint and lime.

"The cocktail is a play on the flair of a classic mojito, the smooth simplicity of a rye and ginger blended with the flavours of a dark 'n' stormy, all with a Canadian twist," says Freel. "I was inspired by Toronto's diversity. People in this city are from all over the world and it makes sense to blend cocktails that were just as international into something delicious."

Freel is a student in the Advanced Wine and Beverage Business Management postgraduate program, which explores all the key sectors of alcoholic beverages, wine, beer and spirits, with a major focus on the business skills needed by the industry.

#### **Canadian food prices** rising in 2016

Canadian consumers will likely pay more at the grocery store checkout this year, according to a new report from the University of Guelph.

Overall, the University of Guelph's 2016 Food Price

*Report* predicts that food price increases will average two to four per cent, which is higher than the general rate of inflation. The weak Canadian dollar, climate factors and various consumer trends will all play important roles in food pricing for 2016, according to Sylvain Charlebois, the lead author of the report.

"This means the average household will likely spend \$345 more than in 2015 for the same exact food," says Charlebois, a professor with Guelph's Marketing & Consumer Studies department. "The biggest factor could be the Canadian dollar. For every cent the dollar drops, foods that are imported

likely increase one per cent or more. For fruits and vegetables, unlike with meats, it's more challenging to find substitutes in Canada, so shoppers will have to cope with higher prices."

\$\$\$

This pattern began in 2015, when the sudden currency drop led to fruits, vegetables and nuts

increasing in price by nine to 10 per cent, and the Guelph researchers are predicting that those items could increase in price in 2016 by up to 4.5 per cent. They also predicted that meat prices, which rose five per cent in 2015, could rise by up to 4.5 per cent in 2016.

In addition to Charlebois, other Guelph professors involved in putting together the 2016 Food Price Report were Michael von Massow and Erna van Duren (Hospitality, Food and Tourism Management); Evan Fraser (Geography); Francis Tapon (Economics & Finance); Paul Uys and Maggie McCormick (The Food Institute), and graduate students Leila Kamal Abyaneh and Amit Summan.

#### **ICEWINE FESTIVAL HITS NIAGARA**

For a period of three weeks this January, locals and visitors from around the world flocked to Niagara, Ont.'s wine-growing region for the annual Icewine Festival.

The Icewine Festival gives visitors the opportunity to enjoy and celebrate a uniquely



Canadian kind of wine. At this year's festival, which began on Jan. 15, wine enthusiasts, cocktail fans, foodies and music lovers alike gathered for a wide array of icewine-related events.

"The Icewine Festival in Niagara is one of Wine Country Ontario's signature celebrations," says Sylvia Augaitis, executive director of Marketing at the Wine Marketing Association of Ontario. "During this magical time, our wine region welcomes thousands of wine-loving visitors to celebrate something that is quintessentially Canadian."



#### Special K urges healthy New Year's resolutions, launches Nourish line

Did you make any New Year's resolutions for 2016? This January, a Kellogg's Special K marketing campaign urged all women to make just one resolution: "More Doing. Less Doubting." As part of its New Year-

themed marketing, this proposed resolution was a continuation of Special K's focus on body confidence and inner strength, which began with the Special K #OwnIt anthem video and campaign from the past fall. A key component of the #OwnIt program is focusing on the important role of food choices in women's quests to be their "best selves."

"Studies have shown that 97 per cent of women have an





'I hate my body' moment every single day," says Natasha Millar, senior director, Ready-to-Eat Cereals & Beverages, Kellogg Canada Inc. "The Kellogg's Special K #OwnIt program is intended to counter that negativity...When Canadian women are able to take control of self-doubt, they are stronger, more confident, healthier and ultimately empowered. And that's the start of a truly happy new year."

To build on their #OwnIt commitment, the company is launching the new Kellogg's Special K Nourish line of products, featuring two varieties of

cereal and two varieties of bars. The two Special K Nourish cereal varieties are Coconut, Cranberries & Almonds and Apples, Raspberries & Almonds; while Special K Nourish bars are available in either Cranberries & Almonds or Dark Chocolate Chunks & Almonds.

#### MAPLE LEAF TEAMS UP WITH WICKENHEISER TO PROMOTE PROTEIN

At a time when red and processed meats are struggling with a bit of an image problem, Mississauga, Ont.-based Maple Leaf Foods Inc. is working hard to promote the

benefits of meat and other proteins through a new series of short videos, the first of which features Olympic gold medalist Hayley Wickenheiser.

Maple Leaf has launched its video series called "Protein Builds" as a way to



inform Canadians about the important role of high-quality protein, including meat and alternative proteins, in maintaining good overall health.

The first two videos in the series, featuring Canadian hockey star Wickenheiser and Mary Anne Binnie, a nutritionist and manager of nutrition and food industry relations at the Canadian Pork Council, are already available online.



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### NEWSFILE



In December Mississauga, Ont.-based Maple Leaf Foods strengthened its commitment to improving animal welfare by issuing new guidelines for its pork and poultry facilities. Citing the "five freedoms," a set of ethical imperatives for farmed animal welfare, Maple Leaf Foods Commitment to Animal Care states that the company will advocate for improved federal animal transportation regulations, mandate annual independent auditing, and implement video monitoring to deter future animal abuse. > The Ontario government is investing in a



major Ontario flour milling company to build the first greenfield site flour mill in Ontario in 75 years. Through the Jobs and Prosperity Fund — Food and Beverage Growth Fund, the province will invest \$5 million to help **P&H Milling Group** (a division of **Parrish & Heimbecker Limited**) build a new bulk mill in Hamilton Harbour, with access to railway.truck and vessel transportation.

> Vaughan, Ont.-based Magnotta Winery is celebrating its 25th anniversary this year. The company is marking the milestone with a special collection of 25th anniversary wines that will be released throughout the year.

#### Beer now available in Ontario grocery stores

In a big "shake-up" for alcohol sales in Ontario, beer is now available for sale in Ontario grocery stores, starting with 58 stores announced on Dec. 15.

Of those initial 58 stores, 13 were independent grocery stores and 45 were stores owned by large grocers. Ultimately, beer will be available at up to 450 grocery stores provincewide — roughly the same number of locations The Beer Store currently operates in Ontario.

The Alcohol and Gaming Commission of Ontario, which visited all 58 locations as part of the authorization process, will now monitor the locations to ensure that they adhere to laws on the safe retail of alcohol. These include designated sales areas and hours of sale, limitations to package sizes and alcohol content by volume, and social responsibility training for staff.



> Quebec-based organic cranberry producer and processor Fruit d'Or has unveiled its new retail brand. Called Patience Fruit & Co., the new brand

of cranberry products is available across Canada and the U.S.

> Richmond, B.C.-based Nature's Path Foods, Inc. was the only food company to make it on to the *Financial Post's* Ten Best

> Manitoba's **Bothwell Cheese** claimed first prize in the Marbled Cheddar category at the 88th Annual British Empire Cheese Show, winning first place for the ninth time in the past 10 years. The company also took first place with its Monterey Jack and second place with its medium coloured Cheddar.

(Left to right) Rob Hiebert, Gil Dueck and Nathan Dueck of Bothwell Cheese.

Companies to Work For (2016) list. Other companies on this year's list included CIBC, Bayer, Enbridge Inc. and Ford Motor Company of Canada.

> Lot No. 40, a whisky distilled in Windsor, Ont., was named the best Canadian whisky of 2015 at the sixth annual Canadian Whisky Awards. The results of the annual blind tasting competition were announced on Jan. 14, 2016, at the Victoria Whisky Festival in Victoria, B.C. > Rivière-du-Loup, Que.-based Les Viandes du Breton won the Prix de reconnaissance award in the Processing and Marketing category at the Pork Show, the annual gathering of Quebec's pork industry leaders, in December.



(Left to right) Jean Larose, president of the Pork Show and general manager of Éleveurs de Porcs du Québec; Vincent Breton, president, Les Viandes du Breton; and Pierre Paradis, the Quebec Minister of Agriculture, Fisheries and Food.

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### NEWSFILE

#### PEOPLE ON THE MOVE

> Murray Porteous has been appointed chair of the board of directors at Agricorp (an agency of the government of Ontario) for a three-year term.

> Vancouver's Village Farms International Inc., a producer, marketer and distributor of premium-quality greenhouse-grown fruits and vegetables, has announced that **Dr**.

**Roberta Cook** will serve as a director of the company.



> Cary, N.C.-based Bühler Aeroglide, a thermal process engineering and technology company for food, feed and industrial materials, has appointed

**Joe Tordella** as area sales manager for North America.

> Seattle, Wash.-based
 Hinds-Bock has announced
 that John Bostwick will
 now be heading up its
 Southeastern sales division.
 > Winston-Salem, N.C.-



based Champion Industries, manufacturer of premier commercial warewashing systems, has named **Scott Cherevaty** as the new vicepresident and general manager for Moyer Diebel Ltd., which includes the Champion Moyer Diebel and Bi-Line brands for the Canadian market.



> Ryan A. Spencer has been appointed product specialist — Compact Equipment for MULTIVAC, Inc.

> Van de Water-Raymond,

a family-owned 3PL logistics and management services company, has appointed **Claude Hardy** to the role of vice-president and general manager, Sales & Marketing for the Quebec market.



 > NSF-GFTC, part of the NSF International family of companies, has added a new member to its global food safety leadership team.
 Paul Medeiros has been

appointed managing director, Consulting and Technical Services, North America and Canadian Agriculture Certification Services.
> HT Griffin has appointed **Ed Pimentel** as its new key account manager in Ontario, and

**Cynthia Bédard** as key account manager for Québec and Maritimes.

> Jon Tutuncu is now senior director, Commercial Operations and Strategy, for Ohio-based Intelligrated.

> Des Moines, Iowa-based Kemin, which

specializes in customized shelf life extension solutions for the meat and food industries, has added three new members to its recently developed protein focused sales team: **Travis Krause** has been named Protein Business manager, a newly created position; while **John Wallace** and **Doug Mitchell** have joined Kemin as Technical Sales managers for the upper Midwest and Southeast regions of North America, respectively.



> Filmquest Group Inc., the largest North American merchant converter and supplier of packaging and specialty Questar polyester films, has announced the appointment

of **Fred Race** as senior account manager. > Kalenborn Abresist Corporation has named **Mark Jones** as Supply Chain manager. > Vancouver's Organto Foods Inc. has hired **Cristian Marin** as head of Greenhouse Operations.

> Moffat USA has appointed **Kristian Kuh** as its new general manager

> Dr. Cormac O'Cleirigh, formerly head of business development and innovation for AB Mauri's global bakery ingredients division, has moved to join global yeast technology company Renaissance BioScience of Vancouver as chief business development officer.



> The boards of directors of **DuPont** and **The Dow Chemical Company** unanimously approved a definitive agreement in December to create a combined company called **DowDuPont**.

> Oakville, Ont.'s Cambrian Solutions Inc. has acquired N2 Ingredients Inc., a leading distributor of natural, organic and nutritional food ingredients.

> New York-based International Flavors & Fragrances Inc. (IFF) has launched an extensive new branding initiative based on the company's 126-year legacy and commitment to discovery and innovation. As part of the corporate rebrand, the company unveiled a new website, purpose statement, visual identity and tone of voice.

> Fargo, N.D.-based Healthy Food Ingredients, LLC, the parent company of SK Food International and Hesco/Dakota Organic Products, recently acquired Afton, Minn.-based Suntava Corporation. The Suntava team will operate as a division of Healthy Foods Ingredients, continuing to use the Suntava name.

> Bas-Saint-Laurent, Que.'s **Groupe Morneau** has acquired **Total Cold Storage**, located in Anjou, Que. > DDW, The Color House, recently acquired the KleurCraft portfolio of colouring foods, custom formulations and related technology from SVZ International B.V.

> Sethness Products Company has announced that two of its Caramel Color products have been verified by the Non-GMO Project: Class I CS1 Caramelized Sugar Syrup and Class I CS5 Caramelized Sugar Syrup. While these two products are the first Sethness Caramel Color products to receive Non-GMO Project verification, the company is planning to earn verification on more of its Caramel Colors in the near future.

#### Food safety-related genomics research

The Canadian government has announced a new investment in genomics research that is expected to help improve plant protection and food safety regulation.

The funding will allow the University of Guelph-based Biodiversity Institute of Ontario (BIO) and the Canadian Food Inspection Agency (CFIA) to jointly create genomics and DNA barcoding tools to improve species identification for early detection of plant pests and mislabelled seafood.

The federal investment is also expected to help strengthen ties between CFIA and BIO scientists, as well as update regulatory programs and prevent entry of invasive plant pests into Canada. Over a course of 18 months, the CFIA will contribute \$323,000 to support this initiative.

#### "HEALTHY" PERCEPTION LEADS TO LARGER PORTIONS, SAYS STUDY

In a new study published in the Journal of the Association for Consumer Research, researchers found that when people eat what they consider to be healthy food, they eat more than the recommended serving size because they associate "healthy" with less filling.

The researchers from the University of Texas, Austin used a multimethod approach to investigate the "healthy = less filling" association.

They demonstrated that portraying a food as healthy (as opposed to unhealthy) using a front-of-package nutritional scale affects consumer judgment and behaviour. When a food is portrayed as healthy, consumers report lower hunger levels after consumption, order greater portion sizes of the food, and consume greater amounts of the food. Surprisingly, even consumers who said they disagree with the idea that healthy foods are less filling than unhealthy foods were subject to the same biases.

Interestingly, these findings suggest an ironic twist, according to a press release on the study: the recent proliferation of healthy food labels may in fact be contributing to the obesity epidemic rather than reducing it.

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### NEWSFILE

#### ADL and Gay Lea launch Co-operative Dairy Alliance



(*Left to right*) Paul Vickers, Chair of the Board, Gay Lea Foods, and Garnet Schellen, president, Amalgamated Dairies Limited.

In a move to strengthen co-operation between two of Canada's leading dairy cooperatives, Amalgamated Dairies Limited (ADL) and Gay Lea Foods Co-operative Limited have come together to launch the Co-operative Dairy Alliance (CDA).

According to a press release from the CDA, the goal is to strengthen dairy co-operative leadership in the Canadian dairy industry by growing the market for Canadian milk, as well as building on the current variety of value-added dairy products offered by the two co-operatives.

"The nature of this new relationship will allow each respective co-operative to maintain their independence while at the same time leveraging the strengths, assets, and resources of the combined business to work towards a collective goal to grow and sustain a strong, dynamic and innovative dairy industry for the benefit of their members," says Garnet Schellen, president of ADL.

ADL and Gay Lea Foods plan to work collectively by sharing process excellence and collaborating on market distribution, delegate and leadership training, research and development and procurement.

"As a proudly Canadian dairy co-operative, we aspire to apply the co-operative principles in our daily business practices with industry partners and customers and the Alliance is another way we can strengthen both the Canadian dairy industry and the co-operative movement," says Paul Vickers, Chair of the Board at Gay Lea Foods.

### MARKETTRENDS

Larry Martin



#### COMMENTARY

The popular press did a wonderful job of overreacting to the recent *Food Price Report 2016* by the University of Guelph's Food Institute. That's largely because of the report itself.

It forecast Canadian food prices would rise by between two and four per cent. Call it three per cent, then add the perspective that since food is 10 per cent of Canadian household expenditure, that's 0.3 per cent. The report's senior author focuses on a \$345 increased expenditure, and most of the blame is placed on the declining loonie. I've saved almost that much in the past two months on gasoline, despite the lower loonie.

That's the problem with the report. It focuses on a single changing factor, the exchange rate, and implies that everything else stays the same. Markets don't work like that. Its forecasts are based on a mathematical model with little perspective on what's actually happening in markets. The rising U.S. dollar, and a host of other factors, have led to lower U.S. prices, as this column shows: wheat averaged about US\$5.30 last year and is now \$4.70, corn was US\$4.20 and is now around \$3.60. Beef cattle averaged around US\$150 last year and are currently up to \$130, while hogs averaged about US\$75 and are currently \$62. Do the math — they aren't higher in Canadian funds. That's why I write "buy hand to mouth" on the commodities every month, but "hold your \$0.815 Puts" on the loonie.

One area of the report that does have perspective is horticulture, where some U.S. prices have risen. But is there a chance that other producing areas could be expanding to take advantage? Interestingly, the report does note that weather patterns are forecast to improve in California, then ignores the likely implication. While it may not be representative, greenhouse cucumber prices, as of early December, were 22-per-cent lower than a year earlier in Canadian funds.

Of course there's no guarantee that those prices will stay where they are, just as there's no guarantee the loonie will stay where it is. Maybe journalists can be forgiven for oversimplifying, but can researchers who supposedly work with these industries?  $\bullet$ 

Market Trends is prepared by Dr. Larry Martin, who offers a course on managing risk with futures and options, in Guelph, Ont. through agrifoodtraining.com. Contact him at DLM@explornet.com or at (519) 841-1698.

#### MARKET HIGHLIGHTS

Another month of declining commodity prices with, as yet, no end in sight.

> Grains - Three market factors continue to weigh on grain prices: a huge U.S. crop; another potential record crop in Brazil and Argentina; and flagging export demand. Argentina's new government immediately abolished punitive export taxes on corn and wheat and reduced them on soybeans, sparking a major expansion, especially of corn. Brazil's drought in Mato Grosso abated and crops improved. Latin currency devaluation keeps grain prices (and input costs) at or near record highs, so expansion can be profitable. China's faltering economy is depressing the price of everything. Funds had very large net short positions going into USDA's January report, which had a couple of bullish surprises, so prices stopped declining, at least for now. > Corn - March futures moved sideways in December in the \$3.70 area, then dropped as low as \$3.48. USDA lowered its domestic production estimate by 50 million bushels.

> Prices immediately rallied, especially because of those funds covering their short positions. Now traders, at \$3.60, are realizing that USDA also lowered

exports by 50 million bushels, leaving essentially the same onerous inventory forecast. Major support is around \$3.46. We continue to buy hand to mouth.

> Soy oil - Prices are affected by both the large supply of soybeans and palm oil prices. The latter are currently under pressure by declining crude oil prices. Bean oil rallied with palm again in December breaking through resistance, but moved back down to it again at \$0.2958 on the March. Major resistance is \$0.32. Breaking support could lead to a move toward \$0.26. We continue to buy hand to mouth with at most some protection above \$0.32 on the March. > Wheat - Wheat stocks continue huge with little indication of a decline, though there is concern about the Indian crop and a USDA forecast of the lowest winter wheat acreage since 2010. Most other indicators remain bearish. March futures are drifting downward, currently at \$4.70 with some support around \$4.55 and lots at \$4.25. Protect above resistance at \$5.40, but buy hand to mouth and consider price protection near one of the support levels. > Sugar - Sugar peaked in December at \$0.1585 on the March because of Brazil's weather issues, then declined when rains came there. It is rallying again currently because of water issues in India, currently at \$0.1488.

We would protect above \$0.1585.

> Natural gas – Natural gas prices hit a low of 1.91 cents on the March contract before a little weather rally took them back to \$0.0218. We've suggested for some time that it would be prudent to lock up supplies on pull backs toward support. This is way below support. We continue to say protect against \$0.03. But under \$0.03 is inexpensive energy.

> Crude oil - The media is making everyone aware that oil prices dropped like a rock. March Brent crude at \$31 plunged through massive pre-2008 recession support at \$36.20. Lost in the bear run is the fact that China had record crude imports in 2015, perhaps setting the stage for economic recovery. In the near term, the producing countries continue to play chicken. If prices continue to fall there's little technical support until \$25.05. As with other commodities, buy hand to mouth and protect against new resistance in the \$36.20 area. > Canadian dollar - Oil's fellow traveller fell out of bed in the past month with March futures at \$0.697, the lowest since 2003. With the federal government considering massive infrastructure investments, the loonie, like oil could come back with a bang. If it continues to fall, we continue to say, hold your \$.815 Puts, or roll them.

### FOODSAFETY

Ron Wasik



### The Community Food **Analysis Laboratory**

he farming community of Lopez Island within San Juan Island Archipelago, situated in the northwestern part of the state of Washington, has a rich and venerable agricultural history that dates back to the 1860s. Despite the challenges that the changing times have brought upon this community, 40 farms have managed to survive.

Today, the Lopezian farmers and food processors face a different kind of challenge than those overcome in the past. The recent changes in food safety regulations in the U.S. have ushered in the need for food producers to periodically generate objective evidence that their food products are not contaminated and that such food products are not being manufactured, packaged or stored in a contaminated environment. As there is no food analysis laboratory in Lopez Island, the local farmers and food processors would have had to send their samples to the mainland for analysis at a cost too prohibitive for this farming community. As they have done in the past, the island united to find a solution.

In June 2015, after intensive discussions and planning, an agreement was reached between the Lopez Community Land Trust (LCLT) and BioMedix, a Californiabased biotechnology company that provides food safety testing systems to food companies and government agencies around the world, to establish a co-operative food analysis laboratory. The concept is a revolutionary departure from BioMedix's conventional model of establishing an in-house laboratory that will be used exclusively by the company that owns it. But to the Lopezians, the idea is a new application of a time-tested island tradition of co-operation and resource sharing.

Housed in the facilities of the LCLT, the laboratory has been equipped by BioMedix with state-of-the-art rapid testing systems that could be used to perform screening tests for common

#### The idea is a new application of a time-tested island tradition of co-operation and resource sharing.

foodborne pathogens and organisms that are common indicators of unsanitary food production. This community laboratory can be used by a farmer or a food processor in Lopez Island after completing three to four days of training in the use and management of the rapid testing systems. Users cover the cost of the testing materials and pay a nominal maintenance fee for using the facilities and equipment. The testing systems are validated methods that are currently being used in USDA and FDA inspected facilities. Test results are confidentially recorded through a secure web-based laboratory information management system that is password-protected. The entire program is managed by Food Metrics, a division of BioMedix.

With this unique approach three

significant hurdles are overcome: access to convenient and cost-effective food analysis services; the upfront cost of equipment and hardware needed to run the system; and the cost of running the lab and maintaining an inventory of testing materials which are most likely not to be completely used up before their expiration dates due to the lower frequency of testing that is expected of a small producer as compared to a large food company.

In August 2015, Candice Appleby, executive director of the Small Scale Food Processor Association (SSFPA) and Dr. Claver Bundac, founder and CEO of BioMedix, met to discuss establishing a similar communal food analysis for the food producers and processors on Vancouver Island. The imminent changes in Canadian food safety regulations are also expected to require a more definitive on-going food safety verification system on the part of small food producers in Canada. Judging by the initial response from the target communities, expectation is high that this shall be a reality in the very near future. Others could soon follow.

Food safety regulations remain dynamic because they need to be constantly calibrated against current public health trends and national food safety objectives. It is therefore imperative for small food producers in rural communities to have access to economically realistic pathways of compliance. Having a communal food analysis laboratory could be a practical and viable option.

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

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Ronald L. Doering



### Think we need to separate science and politics?

#### Think again

ere's a little true story I've used with my students to show that non-science considerations are always necessary and appropriate in science-based regulation. It illustrates how shallow and misleading is the current discussion about the need for greater separation between science and politics, an argument currently advanced by many academics and public sector scientists.

Once upon a time about 20 years ago when I was still a food regulator, a considerable body of research began to show that neural tube defects (NTDs) in newborns, such as spina bifida and anencephaly, could be significantly reduced if women took folic acid supplements in the months before and just after conception. But this is before most women know they are pregnant, and in the U.S. more than half of pregnancies were unplanned. So regulators there decided to require the fortification of a common food and proposed to require the mandatory fortification of flour with folic acid.

Health Canada, concerned about the health hazard to the general population and citing the precautionary principle, wrote the U.S. Food and Drug Administration (FDA) urging it not to act until the science was clearer. Aware of the growing evidence of the effectiveness of folic acid, the FDA decided it could

not wait for all the science, applied the precautionary principle and made fortification of flour mandatory (proving, once again, that the precautionary principle is never helpful as an aid to decision-making but always useful to justify decisions arrived at for other reasons — but that's a topic for another day).

This is where the story gets interesting. Under Canadian law, once the American regulation came into effect, Canada would have to ban the importation of all products containing the fortified flour and we could no longer export flour products to the U.S. That's a lot of food. Under trade laws, Canada would have to have a science-based risk assessment to show that the fortification was unsafe. We had no such science. Scientists conduct science-based risk assessments, then elected politicians and their senior advisors take the science and weigh it with economic, political, environmental, legal and ethical factors (this is not politicization of science; this is evidence-based policy making.) Appropriately applying non-science considerations, Health Canada rushed through a regulation matching the U.S. law, coming into effect the month before the American change. This continues to be our law today: see B.13.001, Food and Drug Regulations (FDR).

Now, 17 years later, 76 countries have followed Canada and the U.S. and require mandatory folic acid fortification of at least one major cereal, with nearly all fortifying at least wheat flour. Studies show a significant reduction in NTDs in

those countries with fortification. In Canada the reduction is estimated to be as much as 46 per cent.

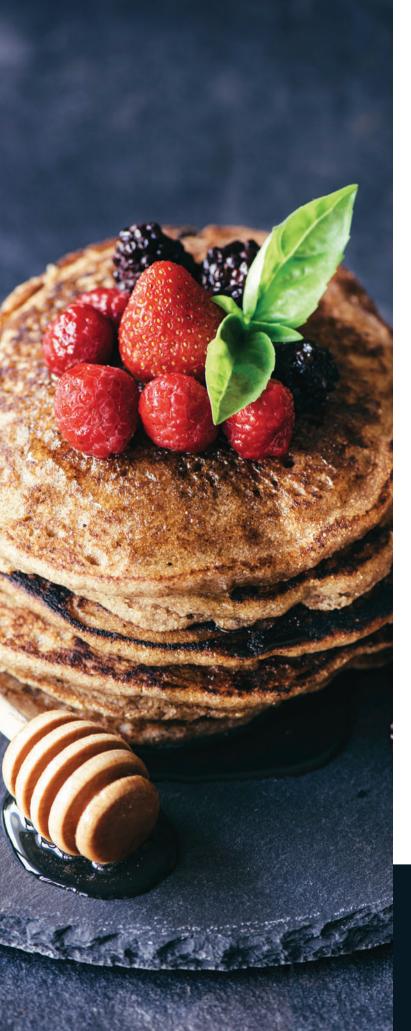
But mandatory fortification is still a controversial public policy option. Citing safety concerns, no European Union country has mandated fortification. In New Zealand the issue is still hotly debated, with an interesting alliance between the Green Party and the Association of Bakers describing mandatory fortification as "mass medication" of the food supply, and insisting that the argument for fortification is not "science based."

In the U.K., the Food Standards Agency has recommended fortification, but the debate continues: both sides insist that the position of the other is "not backed by science." In Canada, the department that initially fought fortification now highlights that "the decline in rates of NTDs in Canada is a tremendous public health success story." A major science journal recently described folic acid fortification as "one of the most successful public health initiatives in the past 50 to 75 years."

What's the moral of our story? Policy considerations enter into every stage of the process of science risk assessment. You can't take policy out of science yet much of our public discourse is still dominated by the quaint Utopian view that science and policy can, and should, be strictly separated. We urgently need to engender a broad debate about the role of science and scientists in policy making. 单

Ronald L. Doering, BA, LL.B., MA, LL.D., is a past president of the Canadian Food Inspection Agency. He is counsel in the Ottawa offices of Gowling WLG. Contact him at Ronald.doering@gowlings.com







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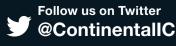


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### REGULATORYAFFAIRS

**Gary Gnirss** 

The **belly** 

and brain



to the second mark on a line used to measure the depth of the Mississippi River. It relates to 12 ft., a safe depth for passage of a steamboat.

This is fascinating stuff, but how does this relate to food? For one, the fight over food has shifted from the belly (inside) to the brain (outside). This then begs the question as to whether the brain is actually better at understanding food than the belly. Which in turn brings up the second important question, are we feeding our brains with the right kind of information for it to be smart about food?

Being smart about food involves eating healthy and sustainably. If those goals are to be achieved, it means the brain has to digest quite a bit of information. That can be overwhelming and conflicting at times. For example, what do consumers know about "best before" dates (BBD)? A BBD is defined in the *Food and Drug Regulations* as the durable life of the food, which in the case of a prepackaged food means, "the period, commencing on the day on which a prepackaged product is packaged for retail sale, during which the product, when it is stored under conditions appropriate to that product, will retain, without any appreciable deterioration, its normal wholesomeness, palatability, nutritional value and any other qualities claimed for it by the manufacturer." Obviously, it is a measure of the qualitative aspect of food, not its safety!

One reason consumers might not fully appreciate BBD is the lack of consistent messaging. On the Canadian Food Inspection Agency (CFIA) website, for example, the agency notes that, "You can buy and eat foods after the 'best before' date has passed." In contrast, "Health Canada recommends that you not consume unopened food products that have passed their best before date." So what is a consumer to believe? For the brain to relate to BBD it also requires a better understanding of the food itself. Bread past its BBD might be stale but safe to consume or repurpose into bread crumbs, whereas other foods of neutral acidity, high water activity or without barriers like preservatives, might prompt a more conservative approach. Achieving the goal of sustainability also means not unnecessarily disposing of food.

Nutrition information has been a mandatory feature on most Canadian food labels since 2005. Calorie and sugar information is part of the core list of information. The June 2015 proposed regulations would, if finalized, enhance the display of calories and require a per cent daily value for sugar. Consumers



have been exposed to nutrition information for at least the past decade. Yet in Canada the obesity rate as per Statistics Canada has increased 17.5 per cent since 2003. Current food labelling modernization philosophies suggest we need even more information, such as the greater prominence of calorie information in a nutrition facts table. Is this alone going to reduce the trend? Based on past experience, information alone without understanding is not going to make consumers smart about foods.

The Mark Twain story illustrates that to gain a better appreciation and context requires an investment in understanding. There is a whole congregation of other food labelling-related topics that the brain has been struggling with, mainly because there is so much misinformation, particularly online and in social media. The brain is easily overtaken by emotions like fear, despite clear evidence on the contrary. Perhaps the belly, not the brain after all, should decide food matters.

Food labelling modernization will continue to evolve in 2016. A great deal of effort is being made to provide relevant and understandable information on food labels, yet the biggest challenge to being smart about foods is the abundance of misinformation clouding good decision making. If governments are serious about achieving healthy and sustainable food goals through food information, they will need to mark their twain to effectively address this misinformation phenomenon.

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



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FOOD-MAKERS LOOK TO THE PAST AS THEY ADD THE BENEFITS OF ANCIENT GRAINS TO MORE BAKED GOODS, SNACKS AND SIDES

> t's not news that more and more consumers are looking for GMOfree and gluten-free products, and these are important factors in why ancient grains are becoming so popular in baked goods, side dishes and more. But both consumers and food companies have noticed they have other important attributes

as well. High in fibre, protein and micronutrients, Packaged Facts notes that the ability of ancient grains "to add visual, flavour and textural appeal, must also not be overlooked."

Ancient grains are loosely defined as grains, pseudograins and seeds that have remained unchanged over hundreds or thousands of years. Chia and quinoa are most popular in new product launches, followed by spelt, sorghum and amaranth, freekah, teff, millet and a few others. With their long history of genetic stability, Baking Association of Canada president Paul Hetherington describes ancient grains as "the most natural you can get." He believes they are "an opportunity for the industry to present something new, to broaden their product offerings. I think we'll continue to see strength in ancient grain interest. There's no pullback expected in consumer desire for healthier products. Everything is driven by that now."

# Ancient additions







Information from the research firm Datamonitor indicates ancient grain food product launches almost tripled in the United States from 2008 to 2014. But who are the main purchasers of these products? Results from a 2015 Packaged Facts survey show that millennials in particular have a strong interest in ancient grains, with over half of survey participants between 18 and 39 stating they had purchased ancient grains over the previous 30 days in restaurants, or in prepared or bulk forms.

#### **Roundup of products**

In Canada, ancient grains are being used by companies of all sizes. "Many smaller bakeries such as Abbotsford, B.C.-based Silver Hills Sprouted Bakery introduced baked goods containing ancient grains," stated research firm Euromonitor International in an October 2015 report. These Silver Hills offerings include Big Red's Bread (with organic sprouted brown flax, purple corn, emmer, spelt, amaranth, quinoa, chia seeds, sorghum and more), and a nutty high-fibre bread called Queen's Khorasan, containing organic sprouted khorasan wheat, flax, millet and more. Stonemill Bakehouse in Scarborough, Ont. offers a Sprouted Grains bread, as well as ancient grains loaves called Chia and Hemp & Quinoa. It also offers two Healthy Artisan breads with ancient grains: Flax & Honey and Spelt.

Large players in the food industry have also introduced ancient grains products or are further expanding their selections. Dempster's, for example, has launched Ancient Grains Tortillas, packed with a blend of flax seed, millet, spelt flakes, barley, poppy seeds, amaranth and quinoa. In the cereal aisle, General Mills offers Cheerios + Ancient Grains and Kellogg offers Special K Origins. Kashi (owned by Kellogg) now has four ancient grains granola bars on the market: Seven Grain with Quinoa bars (in either Dark Chocolate & Chia or Honey, Oats & Flax) and Chia Granola Bars (in Lemon & Cranberry or Dark Chocolate Almond varieties).

PepsiCo Foods Canada considers ancient and whole grains to be "great nutritious alternatives that do not compromise taste." For some time now, the company has offered its Quaker Harvest Granola Bars with ancient grains in four varieties (Quinoa Chocolate Nut Medley; Quinoa Yogurt, Fruit & Nut; Ancient Grains Cinnamon Apple Almond; and Ancient Grains Honey Cranberry Almond) and this February it will release Quaker Chewy Super Grains Granola Bars. Two varieties will be available, Oats & Honey and Oats & Chocolate, both containing quinoa and sorghum.



#### .....

MILLENNIALS IN

PARTICULAR HAVE A STRONG INTEREST IN ANCIENT GRAINS, WITH OVER HALF OF SURVEY **PARTICIPANTS BETWEEN 18 AND 39** STATING THEY HAD PURCHASED ANCIENT GRAINS OVER THE

PREVIOUS **30 DAYS** IN RESTAURANTS, OR IN PREPARED OR BULK FORMS.



"We really listened to our consumers, specifically our Canadian moms, when developing this product," says Kathryn Matheson, vice-president of Research and Development and Innovation, "and we believe it will really resonate with them and their families."

Biscuits LeClerc of Saint-Augustin-de-Desmaures, Que. has several products in the development pipeline that will contain ancient and alternative grains, including quinoa, amaranth, millet, buckwheat and also sprouted grains. However, the company's Go Pure Ancient Grains wellness bars are being discontinued for now, says media manager Marie-Josée Massicotte, as the bars are being transitioned to organic (and either organic ancient grains are perhaps too hard to source or are too expensive at this time).

Nature's Path of Richmond, B.C. offers an extensive selection of ancient grain cereals and other products. They include the Qi'a Superfood Hot Oatmeal, packed with buckwheat groats, chia and hemp seeds. It comes in Cinnamon Pumpkin Seed, Creamy Coconut and Superseeds & Grains varieties (with this last flavour also containing amaranth, sorghum and quinoa). The company has also launched new Qi'a Superfood Snack Bars in five varieties: Mocha Cocoa Hazelnut, Blueberry Cashew Pumpkin Seed, Nuts & Seeds & Sea Salt, Roasted Peanut Dark Chocolate and Dark Chocolate Cranberry Almond. Their Chia Plus product line includes Coconut Chia Granola, Chia Plus Frozen Waffle (with brown rice flour, quinoa and amaranth in addition to chia) and Apple Pie Crunch granola bars.

Dare Foods has expanded its famous Breton crackers

lineup with an Artisanal ancient grains version containing spelt and amaranth. The crackers come in Cranberry and Ancient Grains and Sweet Potato and Ancient Grains. At the same time, Unilever is looking to work with home cooks who want to try out ancient grains. "Knorr chefs have developed dozens of recipes focused on transforming traditional sides into quick and delicious main courses with just a handful of fresh ingredients," says Suzanne Barr, Unilever's principal savoury chef. "New ancient grains are an easy way to impress guests and family. Whether it's quinoa, farro, freekeh or forbidden black rice, stocks, broths and bouillons are the perfect ways to season these grains and add layers of flavour to an otherwise simple dish." Knorr Alfredo Pasta Sauce Mix, for example, is used in a Unilever recipe called Mini Quinoa Crab Cakes.

#### Growing ancient grains in Canada

Daybreak Farm in Estevan, Sask. has been farming and milling organic grains such as spelt, einkorn wheat and kamut for decades. It provides large and small amounts of ancient grains to a range of customers and demand is strong.

Meanwhile in Ontario, Katan Kitchens is continuing to move forward with its quest to provide the highest-quality quinoa in the marketplace, produced and processed in the province and branded under the name Quinta Quinoa. The company has developed a small-scale processing facility, and is in the final stages of securing funding to construct a commercial-scale, state-of-the-art facility for processing quinoa and perhaps other gluten-free cereal crops. Jamie Draves, Katan Kitchens president and CEO, says their "identity preservation" system will allow for traceability of very high-quality product from seed production through harvest, storage, cleaning, packaging and distribution to the end market. He believes processing the quinoa and other crops locally will provide an advantage over competitors, especially international ones who must ship over long distances and which he says are known for issues in delivering consistent quality. Quinta Quinoa will be available in 2016 through online sales and special orders, and Katan is still looking for 2016 growers.



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### INGREDIENT**SPOTLIGHT**

**Carol Neshevich** 

### Much ado about **ginger**

Ginger's star has been on the rise for a couple of years now, and its popularity as an ingredient is showing no signs of waning

#### .....

**S** inger certainly isn't a new ingredient — in fact, it's quite the opposite. Those famous gingerbread man cookies have actually been in existence for several centuries, for instance. And who among us didn't drink a glass of good old ginger ale to soothe a tummy ache as a child?

But make no mistake about it: despite its ancient status, ginger is currently experiencing a renaissance as a rising star in the ingredient/flavour world, with new and innovative uses for ginger showing up in food products with increasing frequency for the past couple of years.

#### Why is ginger so big right now?

"I think there are a number of reasons why ginger is so popular," says Anton Angelich, group vice-president — Marketing, at Virginia Dare in New York. "One reason is that North Americans are getting much more adventurous in their eating, thanks to the Food Network and all these cooking shows...People are looking for things beyond the ordinary."

So, as Chinese North American cooking moves beyond Egg Foo Young and Sweet and Sour Chicken Balls, he says, people are becoming more exposed to ginger as an ingredient in some of the more adventurous Chinese recipes they're



trying, and are finding they really like it. "I also think that ginger showing up with sushi has brought the taste of ginger to a lot more people," adds Angelich.

He notes that the current trend toward clean eating also favours ginger as an ingredient. "People are looking for clean labels, simple ingredients; it's all the Michael Pollan stuff — 'Don't eat anything your grandmother wouldn't recognize," says Angelich.

#### What is ginger?

In its basic form, ginger is a perennial flowering plant, with a history that stretches back more than 5,000 years. It originated in Southeast Asia, but eventually spread throughout the world. From early on in its history, it's been considered a tonic root for treating a variety of common ailments, especially digestive ones.

Today, it's still considered to have various medicinal properties, from preventing colds and flu, to aiding in digestion. "Probably the one that's best known to a wide array of consumers is as an anti-nausea treatment," says Angelich. "But ginger's got so many benefits, health-wise."

While the health benefits may be one driver for the growing popularity of ginger, the flavour itself is clearly appealing to consumers, and becoming increasingly so as more people become exposed to ginger in a variety of new ways. With its uniquely spicy "bite," the addition of ginger to a food or beverage can add an



unmistakable flavour kick. "And there's a certain amount of earthiness to the taste of ginger, I think, that makes it very natural," says Angelich.

#### Where are we seeing ginger?

The use of ginger in beverages is on the rise. According to Innova research, ginger as a flavour and/or ingredient in beverages has grown continuously on an international scale since 2009. "Craft sodas are one place where you definitely see it," says Angelich. And ginger beer — a traditional non-alcoholic beverage that's long been popular in England, Australia and the West Indies — is now finding popularity in North America as a cool and trendy soft drink.

On the alcoholic beverage side, ginger is increasingly being used as an ingredient in craft cocktails by creative bartenders and mixologists. And ginger in tea particularly herbal teas and green teas is something we're seeing on store shelves more and more these days. We're seeing a lot of green teas that mix ginger and some sort of fruity flavour, for instance, such as Tazo's Green Ginger tea (which incorporates "a sweet note of pear" into the blend), or Stash's Organic Lemon Ginger Green Tea.

Interestingly, it's also becoming an ingredient in snack foods — Virginia Dare was handing out ginger fruit and nut bars to attendees at a couple of recent trade shows, and they were very well received, according to Angelich. "We've also seen it pop up in things like gourmet craft ice creams and sorbets," he adds. "And ginger also gets involved in these fusion mixtures, like Korean tacos or Mexican ice cream — things where they're combining culinary traditions of various cuisines." THE RIGHT WEIGHT

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### SENSORYTRENDS

Daniel Scholes

## Dipping in with **tortilla chips**

#### 

S nack foods have been one of the fastest-growing product categories in the food market and competition is fierce. Tortilla chips are no exception.

Not too long ago, tortilla chips were mainly associated with Mexican restaurants. But nowadays they are practically a staple in the family pantry and account for a good chunk of the salty snack category — and why not? Whether the base for a heaping plate of nachos on game day, or eaten plain out of the bag, tortilla chips are as versatile as they are delicious!

We recently dove into this category to take a closer look at the sensory profiles of six popular brands of tortilla chips.

#### Taking the plunge

We asked 50 females from the Greater Toronto Area to taste six brands of tortilla chips including both national and private-label brands, with an even sample of both round and triangular shaped chips. The unbranded products were presented in varied order with a three-digit code and were first evaluated plain, followed by a shorter evaluation of attributes with salsa.

#### Making a splash

Two of our six samples emerged as distinct winners in our brand array. Both brands achieved all performance hurdles for the salty snack category, with very impressive scores for overall liking, purchase intent and quality.

Diagnostically, these winning brands

stood apart as having both the best overall flavour and the best overall texture. From a flavour standpoint, close to a third of our respondents awarded these brands with top ratings on our flavour scales. They were also the most natural tasting and had a more pleasant aftertaste than the rest. These two winners also stood apart for having the ideal crispness, even though they differed slightly on thickness, with one being slightly too thin, and the other slightly too thick.

The shape of the chip, whether round or triangle, did not have any obvious bearing on overall performance of our six products. In fact, we had one of each in our winning pair. However, there was one aspect that was clearly tied to shape — round chips were significantly easier to dip into the salsa than triangle shapes.

#### Sinking chips

Our runner-up brands three, four and five may not have reached the heights of our two winning brands but they still performed fairly well, with few significant differences between them. However, there was one brand in our mix that posted lacklustre scores on all key measures. It's fair to say that this brand was the lone bottom feeder of the bunch and was desperately in need of a facelift. And although this chip had many problems, the main culprit was oiliness. The very oily feel of this chip also lent itself to a very unpleasant aftertaste and more "unnatural" flavour.

#### Salty waters

Our six samples were fairly close in declared sodium levels, ranging from seven to 10 per cent of recommended daily sodium (per 50 g). But despite this narrow range, our two saltiest samples



were both accurately identified by our respondents to have the saltiest flavour, and these were in fact the two brands

they loved the most. Consumers are typically very good discriminators on this aspect of flavour, and this product test was no exception. And while sodium may not be the most popular word in our food culture these days, in this test, very moderate differences in saltiness actually separated the good from the mediocre in terms of flavour delivery.

#### Sink or swim

Decisions in the snack food aisles are often made quickly, and price is certainly a big driver of brand choice. In fact, close to 40 per cent of our tortilla chip consumers admitted to having little brand loyalty and usually choose a brand that's on sale. On the other hand, over half of our testers claim to be loyal to one or two specific brands, mainly because these brands have a taste they prefer. Even in a highly impulsive and price-driven category, product credentials are top of mind. So why not ensure that consumers have no reason to rule you out of their purchase decision?

We may just be skimming the surface, but our results show that within our pool of regular, full-flavoured tortilla chip brands, when it comes to product performance a couple are making a splash, a few are treading water, and one is clearly sinking... product renovation could be the answer to help keep this brand afloat.

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

# **TURNING** up the dial on **IOSTED**

Heat meets tang and sweet gets savoury in 2016's flavour forecast

#### **BY REBECCA HARRIS**

ast year's flavour forecast was all about fermented food, "Asian 2.0" and the hunt for the new sriracha (it's harissa, but it's not quite there yet). But what will 2016 bring to consumers' plates? Think Peruvian chilies, Chinese

pork sandwiches, Hawaiian poké and Malaysian rendang curry, as the trend toward international flavours gets even more adventurous.

"Consumers continue to explore the globe looking for new flavours and food styles, which is something that's been going on for a while, but they just keep digging in," says Kara Nielsen, culinary director at Sterling-Rice Group, a Boulder, Colo.-based marketing firm that works with top food and beverage brands.

Here's a look at some of the food and flavour trends set to surge in 2016:



### FOODTRENDS Elar

Peruvian chicken

#### The evolution of hot & spicy

For the past few years, hot and spicy foods have dominated the dinner table. But in 2016, heat and spice will get a refreshing twist.

"People have a real love affair with spicy foods and they've gone from wanting things that are super-hot and set your mouth on fire to wanting to appreciate that spiciness with flavour," says Kevan Vetter, executive chef and director of culinary development at McCormick.

On its 2016 Flavour Forecast, McCormick identifies this trend as "heat plus tang," whereby spice is contrasted with tangy accents such as lime, rice vinegar, yuzu, Meyer lemon and cranberry. Examples of tangy heat include Peruvian chilies like rocoto, ají amarillo and ají panca paired with lime; and sambal sauce, a flavourful condiment from Southeast Asian made with chilies, rice vinegar and garlic.

"The cool thing about this trend is that the tang component helps balance out some of the heat and brings in a different flavour element," says Vetter.

Michigan-based flavour and colour company Kalsec has been tracking hot and spicy flavours for the past few years. While the heat levels consumers want have continuously gone up, it's starting to level off, says Gary Augustine, executive director of Market Development at Kalsec. "We're now seeing a complexity to heat that we haven't before," he says. "We're seeing the layering of flavours, such as combining spiciness with saltiness, sweetness, sourness or citrus." For example, honey chipotle and mango habanero are showing up in prepared meals, snacks and sauces.



#### The next wave of ethnic foods

According to Technomic, a Chicago-based consulting firm, ethnic food is trending toward the more adventurous. Restaurant-goers are now seeking lesser-known specialties found at the food carts, kiosks, pubs and food halls of far-away destinations. Some foodie favourites are Hong Kong egg waffles; Rou jia mo, a Chinese sandwich made with pork that's stewed with around 20 spices and seasonings; and Hawaiian poké, a raw fish salad.

"We're seeing ethnic obviously continue to be a big player, but the difference now is there's more of a focus on authenticity," says Kristin Menas, associate editor, Canada & Adult Beverage at Technomic. "A lot of consumers are surprisingly ambivalent about the fusion of flavours within dishes."

McCormick's Flavour Forecast identifies Tropical Asian as an emerging trend, in particular the vibrant cuisine and distinctive flavours of Malaysia and the Philippines. Some examples are pinoy BBQ, pork skewers marinated with soy sauce, lemon, garlic, sugar, pepper and banana ketchup; and rendang curry, a Malaysian spice paste that delivers mild heat and is made from chilies, lemongrass, garlic, ginger, tamarind, coriander and turmeric.



"People are starting to eat more adventurously and they are looking to other global cuisines," says Vetter. "Particularly as millennials are getting older and evolving, the expectation for adventurous food is being enhanced."

#### Sweet makes way for savoury

Another key trend for 2016 is savoury alternatives to typically sweet foods like yogurt and desserts. Sterling-Rice Group sees a rise in popularity of labneh, the thick, salted Middle Eastern yogurt. Labneh, which is often served with olive oil, spices and seeds, has all the health benefits of yogurt, but with less sugar and a rich, savoury taste.

"It's great for dips and flatbreads, and is a terrific foil for a lot of sweet vegetables like carrots, tomatoes and butternut squash," says Nielsen. "For manufacturers, there are a lot of opportunities on the dip side, the salad dressing side, and the yogurt case itself."

Savoury flavours are also turning up in desserts. According to Sterling-Rice Group, pastry chefs, ice cream makers and candy manufacturers are tapping into flavourful ingredients such as dairy whey, malt and umami-rich miso paste to add new dimensions to desserts and treats. Gearharts Fine Chocolates, for example, launched Miso Caramels made from cream, butter, toasted and sesame seed, and accented with miso.

Introducing more savoury ingredients to baked goods can include us-

### RESTAURANT-GOERS

ARE NOW SEEKING LESSER-KNOWN SPECIALTIES FOUND AT THE **FOOD CARTS**, **KIOSKS**, **PUBS** AND **FOOD HALLS** OF FAR-AWAY DESTINATIONS. ing rye flavour or ancient grains in a brownie mix, says Nielsen. "We're seeing that in the gluten-free space, but they can add a lot of flavour and nutrition to other baked goods." Nielsen also sees a lot of opportunities for ice cream manufacturers to play with more intense, smoky umami flavours.

McCormick's "blends with benefits" trend herbs and spices combined with good-for-you ingredients — also ties into the move toward the less sweet side of things. "We know that herbs and spices are a great way to introduce flavour if you're trying to take out the fat, sugar or salt," says Vetter. "And when you pair them up with ingredients such as chia seeds, matcha and flax, they are a dynamic combination."

#### **Crafty beverages**

The trend toward more interesting flavours and healthier ingredients is spilling into the beverage category. "There is a continued interest in finding convenient, accessible beverages that fit consumers' lifestyles, have less sugar, and are alternatives to some of the things they may have been drinking in the past," says Nielsen. "There are really interesting new beverages that offer the consumer a much wider choice set. [Beverage makers] are building off the excitement in the cocktail space and craft beer space."

Sterling-Rice Group sees the emergence of switchels, a traditional New England drink that's a blend of water, apple cider vinegar, ginger and either honey, maple syrup or molasses. New Jersey-based CideRo-

#### We know that herbs and spices are a great way to introduce flavour if you're trying to take out the fat, sugar or salt.

ad for example, makes CideRoad Organic Switchel in original, cherry and blueberry flavours; and New York-based (but Vermont-born) Up Mountain makes switchel in original, lemon and yerba maté. "It goes back to that sophisticated taste profile that's showing more sour notes like vinegars," says Nielsen.

The company also notes the emergence of a trend it calls "coffee's new guises." Coffee "mocktails" are being sold in foodservice, and beverage makers are launching creative brews in bottles and cans. For example, Colorado-based Pixán makes a line of cold coffee fruit-infused beverages, and last spring, Albuquerque, N.M.-based Caveman Coffee launched nitrogen-infused cold brew in a single-serving can.

In the foodservice arena, Technomic sees the rise of the slow-coffee movement, which focuses on quality, single-origin coffees, limited bean batches and "pour over" techniques. The trend is making its way to packaged goods, with coffee chains and independents starting to bottle their cold-pressed coffees. "Even though people want high-quality slow coffee, they're still interested in having that option at home, whether it's through bottled coffees or packaged coffees," says Menas.

### ALBERTA REGIONAL > ROUNDTABLE

#### THE PARTICIPANTS:

(Back row, left to right) Greg Mohr, vice-president, Business Growth, Bee Maid Honey; Dwaine Grynke, Partner, MNP; Jason Yohemas, CFO, Inovata Foods; Eric Haak, senior managing director, Sunrise Bakery; Jerry Bigam, CEO, Kinnikinnick Foods; Marilynn Boehm, president, Alberta Food Processors Association; Lori Schmaltz, Partner, MNP; and Glenn Fraser, Partner, MNP. (Front row, left to right) Joe Makowecki, president, Heritage Frozen Foods; Renata Berlingo, Prepared Food manager, Italian Centre Shop; and Dietrich Kuhlmann, president, Kuhlmann's Market Gardens and Greenhouses. Photography by Techno Monkey Media Inc.

### Opportunities for Growth, Challenges in the Future

NP is proud to once again have the opportunity to sit down with the Alberta Food Processors Association and *Food in Canada* and hear thoughts and ideas about the food and beverage industry today and in the future. The 2015 Alberta Regional Roundtable discussion focused on global opportunities in the marketplace, the growth that companies are achieving, and the challenges facing food and beverage companies.

Food and beverage processors are looking to expand both interprovincially and globally and are using new mediums for achieving growth. Amazon and other online organizations are helping companies reach the global market and take advantage of Canada's brand for producing food that is both safe and of a high quality. While there are challenges involved in expanding to other markets, such as having to change packaging or adjust sizes, there is so much opportunity that the challenges are worthwhile.

Developing a niche is becoming increasingly critical, especially as provincial and federal governments enter into new trade agreements. As competition increases and consumers educate themselves regarding health and the quality of food, processors are finding that they need to find a niche and honestly communicate



their story to the marketplace. Focusing on fresh, healthy, organic food continues to be very important but in the current economy affordability is also an issue. Food and beverage companies with higher-priced commodities need to carefully target the right consumers and are looking at markets like China, where there is a growing middle class, for expansion.

Food consumption is increasing rapidly and will continue to do so, presenting a huge opportunity and a number of challenges for industry. Keeping costs low and having government programs that support innovation will allow food processors to help meet demand and take advantage of new opportunities. Alberta's food and beverage sector needs to educate government at both the federal and provincial level as to how it can support this thriving industry for the benefit of all.

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



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



LORI SCHMALTZ > Welcome, everyone. Could everybody please do a quick introduction of themselves and their organizations?

**JERRY BIGAM >** I'm the family owner of Kinnikinnick Foods, one of the largest gluten-free companies in the world. And, actually, one of the leading free-from companies — we're expanding from gluten-free into dairy-free, nut-free, soy-free to position ourselves in the global market. We're also non-GMO so that we're now in a position that we can open up other markets beyond North America.

**ERIC HAAK >** I'm with Sunrise Bakery. Sunrise Bakery started in 1963 and we've grown the business from a local little community bakery to servicing across North America. We've moved twice now into newer facilities and continue to grow mostly through our foodservice business.



—Jerry Bigam

**GREG MOHR >** I'm with Bee Maid Honey. Bee Maid Honey is a co-operative structure that represents the Alberta Honey Producers Co-op and Manitoba Honey Producers Co-op. We sell in the market probably 35 per cent of the total intake of honey in Canada. We market that to 16 countries around the world. We've been in operation for 78 years, the co-op in Manitoba, 75 years here in Alberta. The Bee Maid brand has been in the marketplace for 61 years. We're the 🥕

### ALBERTA REGIONAL>ROUNDTABLE

largest packer of honey in Canada. As a matter of fact, our largest customer in Canada is bigger than our competitor in total volume. And we're looking to diversify our portfolio outside of Canada because we're now doing about 97 per cent of our total business in the Canadian market. So we're looking internationally. And, even though we're in 16 countries, the bulk of our business is in Canada.

**RENATA BERLINGO I**'m with the Italian Centre Shop as the prepared foods manager, which is essentially a product development role. I oversee a new brand called Massimo's Cucina Italiana, a prepared foods line. We're starting with an HMR model and hopefully, eventually we'll get into a frozen food line. We just don't want to throw all our eggs in one basket vet. We just want to make sure the market is out there. The Italian Centre Shop has been around for about 55 years. About 10 years ago we expanded in Edmonton and we're happy to celebrate our first location in Calgary this summer. The prepared foods line has been launched in Calgary and in some parts of Edmonton already.

**DIETRICH KUHLMANN** S My family and I own and operate Kuhlmann's Market Gardens and Greenhouses. We started 53 years ago as a pick-your-own farm and have now consolidated into selling retail only.

JASON YOHEMAS > I'm the CFO for Inovata Foods. We're a frozen food manufacturer in northwest Edmonton. And as well we have a plant in Tillsonburg, Ont. Inovata Foods has been in business for about 26 years now. We got the second plant about five years ago so now we have national manufacturing.

**SCHMALTZ** We'll start out by talking about growth. Did your business grow during the last year? And, if so, in which markets? What were the main factors that supported this growth?

**BIGAM** S We survived last year. That's the good news because we had a huge recall last year after a major company gave us contaminated eggs and we had to do a national recall in the U.S. and Canada. So the good news is we got through it, and sales were up about 15 per cent this year. We lost some customers and

"If you're not a niche company then you're playing into the hands of all the large multi-nationals."



—Joe Makowecki

JOE MAKOWECKI Impresident of Heritage Frozen Foods. It's a familyowned company. My dad started it back in 1972. Primarily what we make is perogies — we now sell half a billion perogies to Canadians every year. And as it turns out, we're one of the largest frozen food companies in Canada. So we've been very successful in carving out a little niche for us, that's turned out to be a pretty successful niche for Alberta and for our company. now we're in the process of getting them back. This year has turned out to be excellent. This is a complete recovery. The markets that we serve in the U.S. and Canada are expanding. We're looking forward, next year, to probably 30-percent growth. We just signed a distribution agreement in the U.K. Hopefully, that's the beachhead for the European Union market. By the time we get to that stage the CETA deal will drop tariffs by

about nine per cent, which will certainly not hurt us. And so the European market is interesting. There are huge challenges though — we have to re-label a lot of our products, the sizes are all wrong and the packaging is too bright. So it's an interesting market. Our first shipments are actually going out by air to supply Amazon, so we're sort of using that as a test. There's also lots of good possibilities in our niche market. Niche markets are growing. If you're going to have a project in Alberta, outside of the province, you better have a niche market or else you just don't have any legs. But, for those of us who have some unique opportunities that focus on new products and entering some of these specialty markets, the opportunities exist. And they exist not only in North America, but globally, too.

**MAKOWECKI** > The last several years have been good for us. But it wasn't by accident or luck. As Jerry mentioned, if you're not a niche company then you're playing into the hands of all the large multi-nationals. So, in order to be competitive, we actually create markets. Our company created an entire market all to ourselves, frankly. You've got to find that niche. But if you're looking for the roots of our success, I'd have to go back and consider questions such as how affordable is the food in the first place? The reality is that there's only so many dollars in people's pockets. So there's lots of things you can choose to put in your grocery basket, and affordability has to be there. And we make a very affordable food. Our boxes of perogies basically sell for between \$2 and \$4, and for the vast majority of people out there, that's what they can afford. The other side of that is that the food has to be good, and it has to be good for you. And if you can have those elements, it sounds very simple, but you'll be very competitive and you'll have an opportunity to grow. And we're always looking at costs. For us growth is continuing in all our core markets

here in Western Canada. But in Central Canada and the Eastern markets in the United States, we're growing with some of our customers between 25 and 40 per cent annually. And that translates into more shelf space, which builds presence **HAAK** > In our boardrooms we've talked about the aspect of moving to some place that is much more reasonable in that regard. And sometimes it's almost starting more and more to make sense to look at other options, if it wasn't



"In our whole industry things are changing. It's not as feasible to do the little stuff. In the long run it's the bottom line." –Eric Haak

and momentum. As for challenges that are limiting for Albertans, we have to remember that we're a long ways away from markets, and logistics have to be excellent. And there have to be, then, other competitive features in Alberta that allow us to offset those logistics. So Alberta has to be mindful that as you move costs that those costs don't upset the apple cart to where processors begin to look elsewhere. Things like electricity costs, for instance, labour costs, taxes. So the reality is that we're probably one of the most disadvantaged places in North America from a logistical point of view. That means that rail has to get better. If you want to build an industry you have to think about all the downstream things that allow us to grow.

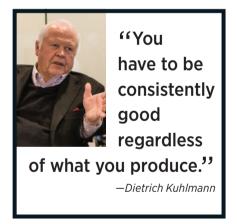
**BIGAM** There's a point I wouldn't mind emphasizing around electricity. In 2005 we bought our large plant in Edmonton. It used to be the largest private-label cookie manufacturing plant in North America. And that was at the time Alberta had just deregulated electricity rates and we'd seen electricity go up to 10, 12, 14 cents. And we bought the plant because the company closed it down due to the extra cost of power — it was the last thing that pushed them over the edge. So what I'm saying is we've already been through it once. for home and family and roots. Because you're right, we're facing logistics, we're facing a lot of issues. And when it's our money, as you said, Joe, that we're investing, it's very important to be ahead of the game and ahead of the wave coming.

**MAKOWECKI** Yeah, I think that the government needs to stop thinking of us as industry and they need to start thinking of us as investors. And that's a big difference. It's a very different paradigm. The good news is that it still has a chance to develop a very serious strategy around what they're going to do to maintain the competitiveness of our industry. Because the reality is that as we enter into more trade agreements, we have more competitors coming into the market as well.

HAAK S We probably had 10- to 15-per-cent growth over the last year, but we've kind of refocused on some of these issues. We did a serious look at our customer base and realized that we had some small customers, some low volume items, and these were things that were just draining us. So we refocused and let go of a number of our smaller customers and products. If it wasn't profitable we just stopped doing it. And that has really worked out well for us because it gave us the impetus to go after some more niche stuff that we realize we're good at, because it's the economy of scale at this point. So I know for our little company things are changing. And in our whole industry things are changing. It's not as feasible to do the little stuff. In the long run it's the bottom line.

### **SCHMALTZ** Senata, you've shown growth recently haven't you?

**BERLINGO** Yes, well, we're new. We actually just started the program in April and we started very small with an HMR program in our inaugural store on 95th Street in Edmonton. And that was very difficult. One challenge has been people. We had, obviously, a change in our foreign worker program, so we lost some people. I'm finding it very difficult to find the right skilled worker. Our key, our niche, is that this is authentic Italian food, and to find someone who can cook



authentic Italian food and provide those recipes, that's been very, very difficult. That's been a real challenge for us. But, other than that...I'm very confident that we're going to knock that part of it out of the park. We just launched our line of tomato sauce, Bolognese sauce and béchamel sauce, which is in the quickto-cook market. That's a real hot market. So I see very positive things coming once the pasta line comes out.

SCHMALTZ Dietrich, you've been seeing growth for some time now.

**KUHLMANN >** Yes, well, we have our own problems to look after too. The thing that I think that you'd probably all agree with right away is the consistency thing. You have to be consistently good regardless of what you produce. If you don't, people are going to leave you. And if you're in the farming end, the market garden end, one year is different than the next year. One year the crop is terrific. The next year it's going to be hard to get. The secret is to present it in such a way, and really do what you say you do. Pick it on Wednesday and sell it by the weekend. The whole movement back to the **MOHR** S Well, we've grown 70 per cent over the last six or seven years. We're a crop like everybody else is. And a couple of years ago, in Alberta, which produces 45 per cent of the honey in Canada, the crop was down 29 per cent. So then you have to make some decisions to exit some markets that aren't giving you margin. But the next year you have a good crop and people say, "Well, grow your business." But the cycle of developing a new business partner relationship, selling to a customer, doesn't happen overnight. So, now, being a co-operative structure we can't run our business based on a



"We're trying to grow a business when our commodity price has more than doubled in the last seven vears."

land, back to local, to fresh, has certainly helped us a lot. We've just decided to stick to our roots — let's do a good job with what we really know. And we have added things. For instance, we make our own sauerkraut and salad and we sell the frozen sauer heads for people who make cabbage rolls. We make carrot pickles and beet pickles, something that people really like. We are just really worried that the advantage that we have been able to use is offshore labour as an agricultural business. Now, government policy is taking a big turn to a direction that we've never had to face. So we're really worried about that. I can see that being something that is going to echo right across our industry, right across the farming industry. So have we seen growth? Yes, we've seen growth but we've also seen our costs rise considerably.

**SCHMALTZ** S Greg, how much can you grow in Canada when you're already 95 per cent of the market?

cycle of not knowing how much honey you're going to get into your system. So our opportunity became to go outside of the co-operative structure and actually be able to buy honey to fulfill the requirements so that we don't have these peaks and valleys to move ahead. We made a strategic decision that we were going to go after private-label business across Canada because we wanted tonnage, we wanted to drive our plants to be as efficient as possible. We've invested a ton of money in our plants, automating. As far as productivity, we employ seven less people on that line than we used to. So, as we go forward, I do 70 per cent of all the private label in Canada. Our growth strategy is we're not going to go in the U.S. because it's a completely different market for us. And we're trying to sell 100-per-cent pure Canadian honey in the marketplace. We're looking at China right now and China's 30 million people a year are moving in the middle class. And, you know, we're trying to

grow a business when our commodity price has more than doubled in the last seven years.

**SCHMALTZ** Seased on your experience could any of you share any winning strategies for success in both the domestic and international markets?

**MAKOWECKI** > We insist on acting like a local market in all the extended markets that we have. It means that our logistics have to be excellent. A buyer may need a pallet of stuff anywhere in North America, and we have to provide that high level of service. I had mentioned earlier selling food is also partly selling a story. So one of our production lines is dedicated to a product we called the Heritage Perogies. Even on the packaging we go back to what inspired me, the days of my family on the farm back when they first arrived in Canada. So we tell that story on the packaging and we actually create a product that doesn't look so perfect. And we look at the ingredients very carefully, and we tell where those ingredients are from. They're from our local farmers. We want to get people back to the land to where their food comes from. And it's been an absolutely outstanding success. So we have to romance food, we have to tell stories, we have to let people know where the food ingredients are from, let them know that it's safe and make it taste good.

**MOHR** > The other thing we need to understand is that 100-mile diets, foodies who want quick prepared food and all that kind of stuff, that's only a portion of the market. We can't have one solution that's going to meet the whole marketplace. So you have to get very focused as to who is your targeted consumer, and can you build your business based off that? In our case, the reality is if we're going to be a low-cost producer we've got to do private label. But who is our targeted consumer? Because the consumer who is going to walk in and buy foreign honey at \$6.98 a bottle while I'm at \$12.98, I'm never going to get them. Because it's all about price. And we've got to recognize that we're not everybody's solution. this is a strategic priority for our government, both governments. They need to come out strongly and say that. Let's have a national strategy that says Canada is going to go out there and lead the world. We have the power to do it and we should do it. It should be strate-



"You can't just have a story that's smoke and mirrors, you absolutely have to live and be that example."

—Renata Berlingo

**KUHLMANN >** I want to share with you a thought that there is some real responsibility when you portray yourself or your family as, say, the gardening family in Edmonton. You have to have that knowledge. I think that is where the rubber hits the road — that you are really local and you really are in sync with what your customer wants. You have to really be on the ball there. It's not easy to do.

**BERLINGO** I couldn't agree more. You can't just have a story that's smoke and mirrors, you absolutely have to live and be that example. One of the things, too, that I see as a huge opportunity, mainly in the prepared food sector, is packaging. But it's not just necessarily the presentation. I mean, again, I'm very small scale, but I made a 75-per-cent increase in sales by switching a package of the salad box from a circle to a cube. So it's also about changing the functionality of that packaging.

#### **SCHMALTZ** E Let's talk about government, partnerships with the industry and challenges.

**MAKOWECKI** Alberta really needs a food strategy. Canada needs a national food strategy. And we have to say that

gic. What we need to be doing is telling the Alberta government to say, "I'm going to hold the hands of my farmer friends." We're only processing 38 per cent of agricultural ingredients. We should be holding hands with our farmers and saying, "Let's move that up to 55 per cent as a realistic goal. Let's move it up." And then everybody is collecting that value along the way. The problem is that the food processing industry doesn't talk as one voice. And agriculture doesn't talk as one voice. It's easy for governments to say, "Go away." What the Alberta Food Processors Association has to do is be very specific - we want the government to take corporate taxes from food processors and not increase them, and to take the carbon fund and reinvest money so that our electricity costs don't go up. I want an innovation fund from them.

**BIGAM** > You mentioned the tax issues and things like the Innovation Fund. I mean, we've all talked about increasing our productivity, getting new products. We talked briefly about the scientific research and development, how it's become less and less relevant to processors. All those issues are really not providing any opportunity for processors to grow their business, to come up with new products. We all have the same constraints on capital sources. And innovation funds, just simply, are the last thing that people want to fund.

**HAAK** > I think we need to find ways that we can partner with government through a fund or whatever else. So they've got skin in the game as well as us, and we can grow it and focus on whatever other alliances and partnerships we can create as an industry, realizing that we're competing against other regions, really, globally, and that we need to be strong as a group.

**MOHR** I think that with this change in the government, there's inexperience, and I think that we have the opportunity to influence, both provincially and federally, the importance of this industry. And if we can show them that in helping our industry be more successful, we diversify our economy, because that's clearly what both the provincial and the federal governments have talked about doing. Previous administrations were not receptive to moving and not receptive to change. And I would argue that in the first mandate of a new government, if there's going to be an opportunity this is the opportunity to do that.

**MAKOWECKI** > Listen, even if we're just speaking specifically to Alberta, we should put away all the old political baggage. We should try to move forward, try to make a better competitive landscape for food processing so that we, as investors, can succeed. And that'll help the entire economy grow. The thing is it's our responsibility to point out to government when they're wrong. And we need to do that. But also, we need to engage them so that they see us as strategic and something worth being a part of. We have a responsibility to make an environment that's going to be competitive for us and allow us to succeed.

### A celebration of **packaging excellence**

#### 

t a ceremony held in late September in London, England, the 2015 Pentawards celebrated the best in packaging design from around the globe.

Awards were given at the Diamond, Platinum, Gold, Silver and Bronze levels, with the singular Diamond award representing the best in show, and a Platinum award going to the top design in each product category.

Every year, Pentaward winners are selected based on their creative quality and marketing relevance and as usual, 2015's winners in the Food and Beverages categories were all impressively innovative.

The 2015 Platinum award in the Beverages category went to the visually striking bottles of Nongfu Spring Chinese mineral water created by Horse (U.K.), while the Platinum award in the Food category went to the Prompt Design agency (Thailand) for its packaging of Signature fruit.

The 2015 Platinum award in the Luxury category went to a beverage product as well. The Luxury Platinum was awarded to Partisan du Sens (France) for the design of the Martell cognac box produced for the tricentenary of Martell, which is the oldest of the great cognac houses of France.

Notably, two Canadian designs were honoured at the 2015 awards: a Silver award went to Mississauga, Ont.-based design agency Davis for its packaging design for J.L. Kraft dairy products, and a Bronze award went to Mississauga, Ont.'s Bridgemark for its Goodtimes Lunchmates design.

While food and beverage products won their fair share of honours at the 2015 Pentawards, the year's top award — the Diamond Pentaward for Best of the Show — went to a beauty-related product: the Marc Jacobs Beauty Line design created by the New York agency Established.







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### **RETHINKINGINNOVATION**

Peter Henderson

### **Eco-food** will be more than a mega-trend — *Part 2*

Envisioning your business model in an ecosystem context can spark new opportunities, and identify potential risks

#### .....

his is Part 2 of an article series designed to encourage you and your colleagues to reframe where there is transformational and collaborative opportunity, while de-risking your business and considering what's right for societies, in Canada and beyond.

Let's start with considering the sustainability of the food supply chain for a moment.

Is the food supply chain at an environmental-sustainability tipping point? It's hard to say precisely, but a growing number of leaders of major corporations have already realized their entire business model (and lack of supply chain ecosystem) is ultimately unsustainable. Could the same be said of the entire food supply chain, and the companies within it?

To consider this, suggested reading is "Model Behaviour II — Strategies to Rewire Business" (released in June 2015 by SustainAbility). The report presents four solid case studies on major corporations that have innovated their business models. In summary, it suggests "in a more complex, resource-constrained world, companies need to move past



merely creating more sustainable products and processes to generate new, fundamentally more sustainable business models. For any one company, such innovation will derive from a confluence of three key elements:

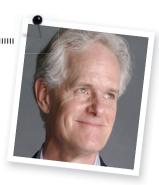
- » evolving external conditions,
- » the company's underlying culture and capacity to innovate, and
- » the actions and intentions of the sustainability innovator."

While the case studies are not for food or beverage companies, lessons can be learned, and this can be a helpful background reading for an envisioning exercise.

#### **Envision this**

Let's say you're CEO of your company at a foresight strategy retreat with your key employees. To spark new business ideas, your facilitator poses some or all of the following questions:

» What if eco-food becomes more than a mega-trend? What would it look like?



- » What if, in 10 to 15 years, Canadian retailers, distributors, foodservice operators, agri-businesses and consumer activists collectively (industry led) impose a new real-cost pricing system? The intent of such an approach would be to enable a healthier and more cost- and eco-conscious supply chain, which serves to dramatically lower the environmental and societal footprint of Canada's entire food system.
- » What if the real cost of carbon/GHG and water intensive products doubles or perhaps triples by 2030? Will some category consumption be cut in half, or more? What other edibles will fill the void?
- » How would this affect your products, and how should you prepare?
- » Would you take a lead role and collaborate with other like-minded Canadian businesses? If yes, why?
- » What are the risks to our business and how could we overcome them? Are there other new business opportunities? Envisioning (foresight) exercises can open the door to new ideas, connections and opportunities. These questions scratch the surface, but can lead to a deeper dive and co-creation with key customers,

suppliers, partners and competitors. The SustainAbility report can be downloaded from www.sustainability.com.

Your feedback and comments are always welcome!

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

### **ASK**THE**EXPERT**

**Robert Coard** 



# The missing **ingredient**

Overlooked avenues for growth in the Canadian food industry

#### .....

onsolidation is a big buzzword in the Canadian food processing industry today. For small and mid-size companies, consolidation often seems like the only option to attract much-needed capital or to win market share in an industry dominated by larger players.

The challenge is that the competition for deals in the Canadian food industry can be fierce. Current multiples are quite high — driving investor interest, not just domestically but from overseas and financial buyers. Small and mediumsize companies can easily get priced out of deals by investors with much deeper pockets.

But, if you're looking to grow or to obtain a new injection of capital to make much-needed business improvements, traditional consolidation isn't your only option.

We often see companies in the food industry overlook significant opportunities either because they aren't aware of them or because they don't think they have the right expertise to make deals outside of their niche markets.

If you don't look outside the box, however, you may miss out on some of the best prospects available to you. That's why we've identified three opportunities we often see companies overlook when it comes to examining their growth options.

### Take advantage of government programs and incentives

When considering ways to raise capital or finance new business activities, one area you should never overlook is the government. Both the federal government and most provincial governments provide programs and incentives to Canadian businesses looking to grow. For example, the federal government offers significant tax incentives to companies investing in new products or innovative



business processes through its Scientific Research and Experimental Development (SR&ED) program.

Other government offerings focus specifically on the agriculture and food processing industries. Here in British Columbia, for example, the Ministry of International Trade has a dedicated Export Development Agri-Foods office to assist businesses; other provinces have similar foreign development units. Some provinces also offer direct funding.

#### **Consider foreign investors**

Over the past several years, Canadian food producers and processors have gained a lot of attention globally. Here in B.C., we've seen increasing interest from Chinese investors attracted to the quality of Canadian food products, the stability of our supply chain and the stringency of our regulatory and food inspection regimes.

Canada's attractiveness is a key reason Canadian food companies should consider foreign investment when looking to raise capital. A foreign investor or strategic partner may be keenly interested in investing in a company that can help them obtain access to specific technologies, address gaps or meet demand in their own local markets.

## Don't let size matter when determining sources of assistance

We often see small agri-food and other food processors' businesses fail to consider certain funding options out of a belief they are too small. The reality is that a number of organizations offer growthfocused advice and financing specifically for small and medium-size businesses — such as Export Development Canada (EDC) and the Business Development Bank of Canada (BDC). Other Canadian banks may also have industry-focused financing priorities. Dismissing any of these options because of your size could limit your potential.

Whether you are focused on technology integration, production expansion, or foreign growth — investigating and evaluating all of your financing options and sources of support can help you find the missing ingredient you need to achieve your business objectives.

Robert Coard is a Partner in the Food & Beverage and Retail practice for PwC Canada and is based in Vancouver. Contact him at robert.r.coard@pwc.com

# RESEARCH CHEFS

## News>file



#### RCA Heads to Mile High City

This year's Research Chefs Association Annual Conference & Culinology Expo takes place in Denver, Colo., March 8 to 11.

As well as its scenic mountains and beautiful views, Denver offers much for foodies, with many chef-owned eateries and gastropubs. Attendees can discover some of these establishments and local trends for themselves during pre-conference tours and workshops, including a Denver food foraging expedition, a session on commercial cannabis creations and another on Asian street food, and a two-hour walking tour of Denver food and beverage hot spots.

The conference itself offers a wide variety of education seminars and networking opportunities, covering far-ranging topics such as school meals, modern science-based cuisine (presented by *Food in Canada* contributor John Placko), pulses, food microbiomics, craft beer and menu innovation. This year's Opening Reception takes place at the Ellie Culkins Opera House.

For more information, or to register, visit www.culinology.org/Conference

#### **Restaurant Inspirations**

"Popaholics" are now craving the popBun, the latest creation from New York's Popbar, makers of handcrafted gelato on a stick.

The popBun, a warm roll filled with rich, creamy chocolate and stuffed with your choice of gelato, makes an ideal winter treat. It sells for US\$5.99 and is currently only available at the chain's flagship location.

Known for its customizable gelato, sorbet and yogurt, as well as its fresh all-natural ingredients, Popbar's products contain no preservatives or artificial colouring, and are kosher certified. The chain plans on opening 10 new locations this year.

#### INBRIEF 🖉 💼

> Canadian teams took first place in two of nine cooking categories in the World Food Championships, held in November in Florida. Nineteen teams in total represented Canada, including two independents and 17 qualifying teams from the Canadian Food Championships. Ten of the Canadian teams made it to the Top 10 rounds in their categories. First-place winners in their categories were **Rusty Johnson** of Port Moody, B.C. (burger category), and **Wayne Shymko** of Winnipeg (chili category).

> Centennial College's School of Hospitality, Tourism and Culinary Arts is hoping to blend education with entertainment in its new eCooking series. The online video series aims at teaching consumers and aspiring chefs how to cook good food at home, and features three members of the school's new culinary team: chefs **James Smith**, **Robert Rainford** and **Mike Ward**. The nine-part series will roll out throughout 2016 leading up to the college's grand

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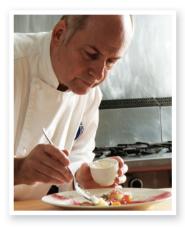
> Michael Christiansen of Pear Tree Restaurant in Burnaby, B.C. is the first place and gold medal winner of the 39th 2015 Concours International des Jeunes Chefs Rôtisseurs Competition, held in Hungary last fall. The competition is open to chefs under age 27, and is hosted by La Chaine des Rôtisseurs.

re-opening of the Centennial Residence and Culinary Arts Centre in Toronto. > Patrick McMurray of The Céilí Cottage

took first place, and **Marcus Monteiro** of Brassaii won the People's Choice award in the 2015 Vancouver Aquarium Ocean Wise Chowder Chowdown. The annual competition helps to raise awareness of sustainable seafood.



### ACULINARYODYSSEY



# The forecast of *deliciousness*

**BY JOHN PLACKO** 

anada's RCA members are growing and are active with regular lunch and learn sessions. The most recent session was at the Bombay Palace in Brampton, Ont. where Lysang Lay, manager, Flavour Insights & Communications for McCormick Canada, walked us through the company's Flavour Forecast presentation. Over 80 representatives from many areas of retail, foodservice, R&D and

education attended this lunch and learn including Embassy Flavours, Grupo Bimbo, Campbell Company, Algonquin College, LV Lomas, Furlanis, McCormick, Caldic Canada and *Food in Canada*. The event was organized by Ellen Powell of Giraffe Foods, who is the regional chair, Ontario Section, Research Chefs Association. Sponsors for the event were the National Sunflower Association, Caldic Canada, Giraffe Foods and Elite Spice.

We also had some special guests from Vietnam who were brought to the event by Amy Proulx of Niagara College. Niagara College is in partnership with the Department of Foreign Affairs, Trade and Development and Agri-team Canada on a project called the Vietnam Skills for Employment Program. Niagara College was selected during a competitive process to be the model post-secondary program for Food Technology education in this five-year partnership. Members of Vinh Long Community College, including their college rector, Trang Thanh Tung, participated in the RCA event as part of their study tour.

Since 2000, the McCormick Flavour Forecast has been on the forefront of identifying top trends, insights and ingredients driving the future of flavour. The annual report features trends that will inspire exploration and innovation around the world — it is a broad, global look at what's next in flavour. The development of the report is a one-year long process of culinary exploration and data discovery involving the McCormick global team of chefs, culinary professionals, trend trackers and food technologists. The process involves tracking data on consumer preferences, marketing research, flavours,



products, cuisines, recipes and restaurant menus from around the globe. Past forecast reports have identified flavours like chipotle, harissa, pumpkin pie spice, coconut water and more.

Lysang captivated the audience with eight flavour trends to watch: liquid revolution; sour and salt; global blends on the move; Middle Eastern mezze; flavours worth the wait; umami veggies; smoked spices; and cookies re-imagined. I have selected a few of these trends and expanded on them.

#### **Liquid Revolution**

Here we're seeing stealth health, where vegetables in a purée form are making their way into crackers, chips,

yogurts, ice cream and desserts. Fresh purées and juices blend with bold spices and herbs to intensify sauces, pasta, dressings and more. Getting more servings of fruits and vegetables into our daily routine can be a challenge and even harder with kids. Clever uses of vegetables in dishes include cauliflower purée in Alfredo sauce, carrot purée in mac 'n cheese and avocado in chocolate chip cookies. In Japan, Haagen-Dazs launched two vegetable inspired ice creams: tomato and cherry, and carrot and orange. Vancouver-based Olympic Dairy recently launched a pumpkin spiced yogurt, and chef Dan Barber's Blue Hill brand of yogurt has six vegetable varieties: carrot, sweet potato, beet, butternut squash, tomato and parsnip.

#### Middle Eastern Mezze

This is very evident in Canada today. Spreads found on mezzo plates include hummus, tzatziki, baba ghanoush and tahini. And we now see a vast variety of flavoured hummus spreads available, like chipotle, red pepper, spinach, artichoke, basil pesto and sun dried tomato. This is aimed at taking the popularity of an existing dip and converting people to a chickpea-based dip, a rich source of dietary fibre and vegetarian-friendly source of protein. Places like Paramount Fine Foods are taking authentic Middle Eastern cuisine to the mass market, with restaurants offering take out and full-service options expanding rapidly in Ontario.

#### **Umami Veggies**

Many foods contain that "fifth taste," including mushrooms, tomatoes, Chinese cabbage, celery, carrots and kabocha squash to name a few. This is the



Chard gnocchi with grilled chard, yogurt sauce, fig jam & garlic parsley granola

final chapter in the other taste sensations of sweet, salty, sour and bitter. Umami can be found in all parts of the world, like fish sauce from Thailand, Vegemite from Australia (my personal favourite), Parmigiano-Reggiano from Italy, kimchi from Korea and miso from Japan. Burger joints are striving to build burgers with as many umami rich elements as they can to create the perfect umami burger.

I recently had the opportunity to dine at the George Brown College Chef's House where Canadian-born Amanda Cohen of Dirt Candy in New York City did an incredible vegetable dinner. Starting with a portobello mousse with pear and fennel compote, then salt roasted beets with green curry sauce, a main course of chard gnocchi with grilled chard, yogurt, fig jam and garlic parsley granola. The dessert of popcorn pudding with salted caramel popcorn was an absolute winner in my books. The texture and flavour combinations of the entire meal were spectacular. I certainly didn't feel like I was missing meat from my dinner, and was very satisfied from a satiety standpoint. The use of ingredients, various preparations and cooking techniques created a well balanced, umami enhanced meal. No wonder Cohen is taking NYC (and the U.S.) by storm. The recipes in her cookbook are worth going out to buy the book. And in her introductory speech to guests she stresses "don't call my restaurant a vegetarian restaurant; it's a vegetable restaurant."

#### **Smoked Spices**

The "smoky" flavour preference is third in popularity behind savoury and spicy in Canada. Smoking non-protein ingredients mainly serves as a way to impart flavour. With the availability of the portable smoking gun, it enables anyone to smoke things like olive oil, butter or dark chocolate. The mild woods are cherry, oak and pecan, whereas the stronger woods are apple, hickory and mesquite, which are mainly known for their flavours imparted into proteins. Smoking is no longer just a cooking method, it's a flavour.

Mixologists are also getting into smoking. Frankie Solarik of Toronto's BarChef offers a Vanilla & Hickory smoked Manhattan with crown royal special reserve, vanilla infused brandy, cherry and vanilla bitter, hickory smoked syrup, smoked hickory and vanilla. This will set you back \$45 but it's totally worth it. The presentation is magnificent.

#### **Cookies Re-imagined**

The traditional cookie with milk has now become something unique, like a cup made out of baked cookie dough with milk inside, made famous by New York pastry chef Dominique Ansel after creating the Cronut. Ice cream sandwiches made with decadent cookies are all the craze with places like Toronto's Bang Bang ice cream parlour getting massive lineups for their ice cream sandwiches. And milk is no longer just milk. We have cashew, coconut, quinoa or almond to go with your favourite cookie. A dessert like gingersnap cookie topped panna cotta was the last slide of the McCormick presentation, which left us all feeling hungry for something sweet.

John Placko johneplacko@gmail.com is culinary director of the Modern Culinary Academy. For more information visit www.ModernCA.ca

### **RECIPE**to**RETAIL**



Birgit Blain

### What can a **marketing plan** do for you?

#### 

eveloping a product, persuading retailers to list it, and motivating consumers to buy it requires sound decision making and a great deal of planning. Therefore, it is highly beneficial to draft a marketing plan before initiating product development.

This article, the fifth in a series about entering the packaged foods arena, explains the concept of a marketing plan.

### What is the purpose of a marketing plan?

As an integral part of a business plan, the marketing plan is a tool for achieving business goals, such as sales, profit and market share. It is a roadmap for your business, describing wellthought-out strategies and plans for taking your product to market, attracting customers and generating sales. Together with the brand strategy, it also provides direction for developing market-ready products.

#### Components of a marketing plan

Aligned with your business objectives and supported by extensive market research and analysis, the marketing plan defines the following:

- **1.** Key marketing objectives to achieve sales targets.
- 2. Target customer demographics, values, needs, what media they use and where they shop. Targeting "everyone" is not an effective strategy. Narrow it



It is a roadmap for your business, describing well-thought-out strategies and plans for taking your product to market.

down by segmenting customers into primary, secondary and tertiary, if the product appeals to a wide audience.

- **3.** Competitors, both direct and indirect, who satisfy the same customer needs. A competitive analysis will reveal how your product compares and the points of difference that are relevant to the target customer.
- **4.** The "unique selling proposition" that is a compelling reason for your target customer to buy.
- **5.** The marketing mix.
- **6.** Promotional activities, advertising plans and annual budgets.

#### Ingredients of the marketing mix

Also referred to as "the four Ps," the marketing mix delves into product, price, place and promotion. These elements impact a myriad of decisions such as ingredient selection, processing methods, certifications, packaging and in which category the product is merchandised, to name a few.

• **Product** – Describe the product characteristics. How is it used and what are the eating occasions? Based on target customer needs and preferences, identify the features and benefits that will resonate the most. And remember the packaging — should it have special features?

• Price – Have a price range in mind to guide product development decisions. Although the cost of goods and overhead are primary factors, what the target customer is willing to pay — the perceived value of the product — ultimately determines how much they buy.

• Place – Based on where your target customer shops, identify the formats where the product will be sold (conventional grocery, specialty, discount, ethnic, natural health, etc.). Also, understanding regional market differences is critical to ensure your products are relevant for the market.

• **Promotion** – What vehicles will be used to get the message out about the product and influence consumers to buy it on an ongoing basis?

A robust marketing plan is an invaluable guide for bringing products to market, and integral to commercial success. In short, it can help your business survive and thrive.

As a packaged foods consultant specializing in strategy, branding and packaging, Birgit Blain makes brands more saleable. Her experience includes 17 years with Loblaw Brands and President's Choice. Learn more at BBandAssoc.com

### **OPERATIONS**

# Catching the **U.S.** wave

**BY JIM MENZIES** ith many Canadian food and beverage companies searching for growth opportunities, it would be remiss to ignore the

massive opportunity that lies just south of the border. Yes, most economists suggest that many western world economies, including Canada's, will experience growth in the next few years — a fairly positive outlook. However, they will also quickly point out that the U.S. economy, which makes up approximately 20 per cent of the global GDP, has expanded, and will continue to expand, more rapidly than most other modern economies. Being as close to the U.S. market as we are and realizing the similarities in consumer tastes and preferences between our two countries makes this an opportunity that Canadian food and beverage companies can't afford to ignore.

Since many Canadian producers have remained in relatively stable business positions — with sufficient funds and positive cash flow through the past several years of worldwide economic decline — they now find themselves in an advantageous position to capitalize on the upturn in the U.S. market. Couple that with a favourable exchange rate, and you're looking at a very attractive market opportunity for our food and beverage companies.

Overlying these economic conditions is the fact that we have a large food and beverage sector here in Canada that knows how to produce food. We produce a lot of food, and we're good at it. Toronto, for example, has the second highest number of food



and beverage industry employees of all cities in North America. When you consider this and bear in mind that the lion's share of Canadian food and beverage producers have not yet ventured south, there is no question that significant opportunities lie ahead.

Our track record does suggest that many Canadian companies have been very cautious in their approach to selling and/or operating internationally in the past. While some have made their mark on the world stage, our footprint is nowhere near what it should be given our size and the breadth and quality of the products we produce. We are viewed by many as being good at maintaining what we've got, but not so good at venturing into larger markets to get all that we can get — an observation that is difficult to disagree with. The number of Canadian companies that have operations in foreign countries or that export to foreign countries pales in comparison to companies based in most other G7 and G20 countries. Why not change this, particularly



when a huge opportunity is staring us right in the face? Many producers who currently don't export to the U.S. should start now. Those who already do should be looking to do more. The opportunities are significant and the relative risks are minimal, certainly compared to the risks of exporting to lesser known emerging markets.

Of course, we can't forget that minimal risk does not mean no risk. Venturing into the U.S. does come with some challenges, but let's not overstate them. The trend toward local sourcing of food and beverages has some U.S. consumers looking for American or regional brands. That has been clearly demonstrated in the beer industry, as U.S. craft beer and distillery products have specifically dampened the demand for Canadian beer and distillery products. However, in spite of the challenges that a "Buy American" sentiment brings, it's widely held that the favourable reputation and price advantages that currently accompany most of our food and beverage products will more than offset the localization trends in most U.S. markets. Food and beverage executives should carefully analyze the potential for American sales of their specific products, realizing that it's not a one-size-fits-all opportunity and that new competitors will emerge daily. These variables should not be entirely new to our Canadian food producers, however, as they have been assessing consumer preferences, product acceptance and competition in our domestic market quite successfully for a long time now.

So what does this all mean for Canadian food and beverage producers? At a macro-economic level, the country continues to wrestle with lower oil prices, as we try to determine the impact they will have on our industry and the rest of our economy. The stock market decline also persists, along with a slowdown in growth in many emerging markets (although slowdown is a relative term when applied to markets such as China and India). But while those are issues that we do need to understand and come to terms with, we cannot lose sight of the opportunity that exists next door, in the largest economy in the world. We produce food and beverage products that American consumers want, and it's been over a decade since those consumers last enjoyed so much purchasing power. Now is not the time to sit idly by and watch others reap the benefits of a strengthening and dynamic U.S. market. Catch that wave and enjoy the ride. Ò

Jim Menzies is National Manufacturing Industry Leader for Grant Thornton LLP. Contact him at Jim.Menzies@ca.gt.com or at (416) 360-5008.



### PRODUCT**SHOWCASE**

The Canadian Institute of Food Science & Technology (CIFST) held its annual Table Top Supplier Night (Ontario section) in November in Mississauga, Ont. This exciting event brought food industry members together for several energy-filled hours of networking and knowledge sharing, as well as viewing and sampling products from a wide variety of food and beverage companies.



#### Fruit & veggie flexibility

Quadra Ingredients offers a full range of fruits and vegetables in evaporated and low moisture, dehydrated, freeze-dried, purée and juice forms. Quadra's technical knowledge and exclusive relationships with world-class manufacturers ensure you have access to a local supply of high-quality fruits and vegetables suitable for your specific application. **www.quadraingredients.com** 

#### Soy to enjoy

Kerry's Soy Proteins all contain non-genetically modified soybeans, and can also be organic. With product offerings that include Soy Protein Isolates and Soy Protein Concentrates, Kerry's soy proteins have a range of applications including beverages, infant formulas and snacks. **www.kerry.com** 

#### **Sunflower goodness**

Did you know that sunflower oil is light in both taste and appearance, and supplies more vitamin E than any other vegetable oil? It offers a combination of monounsaturated and polyunsaturated fats



with low saturated fat levels. Cooks around the world recognize the versatility of this healthy oil — it's valued for its light taste, frying performance and health benefits.

www.sunflowernsa.com

#### Well-seasoned mixes

Continental Ingredients provides full development, formulation and manufacturing consultations on all its Well



Seasoned snack and specialty seasoning systems. The Well Seasoned savoury mixes and snack seasonings are available in a variety of categories, including soup mixes, gravy bases, rubs and marinades, sauces, and dip and cheese shred flavourings. Whether using their formula or yours, Continental assists in developing your products or blend to your exact specification. **www.cic-can.net** 

#### Legendary butters & creams

For high-impact and clean flavour profiles, First Choice Ingredients is known throughout the world for its legendary butters and creams. Butter varieties include sautéed butter, Kosher Parve butter and fortified butter, while cream flavours include sweet cream, heavy cream and cream with vanilla. **www.firstchoiceingredients.com** 



#### **Moonshine versatility**

Mizkan Americas Food Ingredients Division has added Moonshine white whisky to its line of denatured spirits. The 40-per-cent alcohol Moonshine white whisky is 80 Proof and has a 12-month shelf life without refrigeration. Available in 55-gallon drums, Moonshine white whisky can add a distinctive flavour to finished products, ranging from tangy and savoury to sweet. It works well in marinades, dressings, sauces, soups, demi-glazes, food bases and prepackaged meals. **www.mizkan.com** 

#### **Organically nutritious**

RFI's Sourcestainable Organic product line includes the two most popular micro-algae products: Spirulina and Chlorella. These natural algae are nutrient-dense, providing key nutrients including a vast array of vitamins, minerals, essential fatty acids, amino acids, nucleic acids (RNA and DNA) and chlorophyll. **www.rfiingredients.com** 

#### ASSOCIATIONS

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

Groupe Export Agroalimentaire/Agri-Food Export Group Québec-Canada TF: (800) 563-9767 T: (450) 649-6266 www.groupexport.ca

**Agri-Food Trade Service** TF: (855) 773-0241 T: (613) 773-1000 http://bit.ly/9FFAic

The Canadian Trade Commissioner Service http://www.tradecommissioner. gc.ca/eng/home.jsp

Find a Trade Commissioner http://www.tradecommissioner. gc.ca/eng/find-trade-contacts.jsp

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

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

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

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

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

L'Association des brasseurs du Québec/Quebec Brewers Association TF: (800) 854-9199

T: (514) 284-9199 www.brasseurs.qc.ca

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

# 2016 Resource guidebook

Food in Canada's annual guidebook directs you to Canadian food and beverage industry associations and councils, research centres and educational institutions, plus U.S. national associations. To be listed in the 2017 guidebook, please contact Deanna Rosolen at drosolen@foodincanada.com

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

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

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

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

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

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

B.C. Salmon Marketing Council T: (855) 642-3551 www.bcsalmon.ca **B.C. Wine Grape Council** T: (250) 767-2534 www.bcwgc.org

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

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

Canada Beef Inc. T: 403-275-5890 www.canadabeef.ca www.beefinfo.org

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

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

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

Canadian Aquaculture Industry Alliance/Alliance de l'industrie canadienne de l'aquaculture T: (613) 239-0612 www.aquaculture.ca Canadian Association of Importers and Exporters/ Association canadienne des importateurs et exportateurs T: (416) 595-5333 www.iecanada.com

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

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

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

Canadian Centre for Occupational Health and Safety/Centre canadien d'hygiène et de sécurité au travail TF: (800) 572-2981 T: (905) 572-2981 www.ccohs.ca

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

### 2016 Resource guidebook



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

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

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

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

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

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

CFIA Food Labelling and Advertising http://bit.ly/cxAKya

#### CFIA Area and Regional Offices

http://bit.ly/qx6l3l Atlantic: (506) 777-3939 Quebec: (514) 283-8888 Ontario: (226) 217-8555 Western Canada: (587) 230-2200 National Headquarters: (800) 442-2342 or (613) 773-2342

Canadian Hatching Egg Producers/Les Producteurs d'oeufs d'incubation du Canada T: (613) 232-3023 www.chep-poic.ca Canadian Foundation for Dietetic Research T: (416) 357-3022 www.cfdr.ca

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

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

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

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

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

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

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

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

Canadian Poultry and Egg Processors Council/ Conseil canadien des transformateurs d'oeufs et de volailles T: (613) 724-6605 www.cpepc.ca Canadian Produce Marketing Association/Association canadienne de la distribution de fruits et légumes T: (613) 226-4187 www.cpma.ca

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

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

Canadian Soybean Exporters' Association T: (613) 488-9916 www.canadiansoybeans.com

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

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

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

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

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

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

Certified Organic Associations of British Columbia T: (250) 260-4429 www.certifiedorganic.bc.ca Chicken Farmers of Canada T: (613) 241-2800 www.chicken.ca

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

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

**CSA Group (Canadian Standards Association)** TF: (800) 463-6727 T: (416) 747-4000 www.csagroup.org

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

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

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

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

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

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

Fisheries and Oceans Canada/ Pêches et Océans Canada T: (613) 993-0999 www.dfo-mpo.gc.ca Food and Beverage Ontario (formerly Alliance of Ontario Food Processors) T: (519) 826-3741 www.aofp.ca

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

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

#### Food Industry Association of Canada (Golden Pencil Awards)

c/o Bill Sheine, secretary/ treasurer T: (416) 229-0210 E: sheine@rogers.com www.goldenpencilaward.com

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

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

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

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

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

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

Manitoba Pulse Growers Association TF: (866) 226-9442 T: (204) 745-6488 www.manitobapulse.ca Master Brewers' Association of Canada c/o of the Master Brewers Association of the Americas http://www.mbaa.com/districts/

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

Pages/default.aspx

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

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

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

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

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

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

The Ontario Greenhouse Alliance T: (905) 945-6791 www.theontariogreenhousealliance.com

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

Ontario Processing Vegetable Growers T: (519) 681-1875 www.opvg.org **PAC, Packaging Consortium** T: (416) 490-7860 Que. office: (514) 990-0134 www.pac.ca

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

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

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

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

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

Saskatchewan Food Processors Association info@sfipa.ca www.sfpa.sk.ca

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

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

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

**Taste of Nova Scotia** TF: (800) 281-5507 T: (902) 492-9291 www.tasteofnovascotia.com Tea Association of Canada/ Association du Thé du Canada T: (416) 510-8647, ext. 2 www.tea.ca

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

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

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

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

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

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

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

#### RESEARCH CENTRES

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

Atlantic Poultry Research Institute T: (902) 893-6657 http://www.dal.ca/sites/ apri.html

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Bio|Food|Tech – Prince Edward Island Food Technology Centre TF: (877) 368-5548

T: (902) 368-5548 www.gov.pe.ca/ftc

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

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

#### College of Agriculture and Bioresources

University of Saskatchewan T: (306) 966-4024 http://bit.ly/KvY9PQ

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

Food Innovation & Research Studio (FIRSt) George Brown College

T: (416) 415 5000, ext. 6875 www.georgebrown.ca/first

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

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

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

1: (519) 824-4120, ext. 53749 www.uoguelph.ca/hnru

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

Morden Research Station Agriculture and Agri-Food Canada T: (204) 822-7556 http://bit.ly/1zJ2CVq

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

#### POS Bio-Sciences John and Charlotte Cross Bio-Sciences Centre TF: (800) 230-2751

T: (306) 978-2800 www.pos.ca

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

#### EDUCATIONAL CONTACTS

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

### British Columbia Institute of Technology

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

#### Canadian Nutrition Society/ Société canadienne de nutrition

TF: (888) 414-7188 T: (613) 482-8020 www.cns-scn.ca

#### Council of Canadian University Food Science Administrators

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

#### **Dalhousie University**

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

#### **Durham College**

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

#### **George Brown College**

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

#### **Holland College**

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

#### Langara College

Nutrition & Food Service Management Program T: (604) 323-5511 http://www.langara.bc.ca/ departments/nutrition/

#### McGill University – Macdonald Campus

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

#### Memorial University of Newfoundland

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

SAIT Polytechnic – Southern Alberta Institute of Technology TF: (877) 284-7248

T: (403) 284-7248 www.sait.ca

#### University of Alberta

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

#### University of British Columbia

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

#### **University of Guelph**

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

#### University of Guelph

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

#### Université Laval

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

#### University of Manitoba

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

#### **University of Manitoba**

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

#### University of Prince Edward Island

Applied Human Sciences T: (902) 566-0492 http://www.upei.ca/science/ applied-human-sciences

#### University of Saskatchewan

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

#### University of Toronto

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

#### U.S. NATIONAL ASSOCIATIONS

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

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

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

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

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

Food Processing Suppliers Association T: (703) 761-2600 www.fpsa.org Grocery Manufacturers Association T: (202) 639-5900 www.gmaonline.org

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

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

National Dairy Council www.nationaldairycouncil.org

North American Meat Institute (202) 587-4200 www.meatinstitute.org

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

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

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

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

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# Food in Canada Forest Terrar States Forest Terrar S

### AD INDEX

BAKING ASSOCIATION OF CANADAPG. 14
BDOPG. 59
BELL FLAVOURSPG. 9
CANADIAN CORRUGATED CONTAINERBOARD ASSOCIATIONPG. 18
CHISHOLM MACHINERY SOLUTIONSPG. 17
CONTINENTAL INGREDIENTSPG. 23
CROP LIFEPG. 15
ECKERT MACHINESPG. 3
JBTPG. 31
KERRY INGREDIENTSPG. 13
LUBRIPLATEPG. 25
MIZKAN AMERICAS INCPG. 9
MNP LLPPG. 2
PWCPG. 5
QUADRA INGREDIENTSPG. 11
REISERPG. 29
UNIVAR CANADAPG. 7
SENSIENT COLORSPG. 21
WALES MCLELLANDPG. 3
WTIPG. 60

### INDUSTRY**INSIDER**

Carol Neshevich



## **Mettrum Originals** Barrie, Ont.

hen Greg Herriott first got into the hemp-based food business more than 20 years ago, he frequently encountered "the giggle factor." People who weren't familiar with the health benefits of hemp often found the idea of eating something that comes from the cannabis plant pretty amusing, he says.

"When we first did [trade] shows in the mid-1990s, there was this incredible curiosity. Probably nine people out of 10 would ask, 'Am I going to get high from eating this?" says Herriott, now president of Barrie, Ont.-based Mettrum Originals.

So, as part of his business, which was called Hempola at the time, Herriott committed himself to educating the public on hemp: it's packed with essential amino acids, protein, and omega-3 and omega-6 fatty acids — and eating it doesn't, in fact, get you high.

Herriott founded Hempola with his wife Kelly Smith, and they launched their first product — cold-pressed hemp seed oil — in 1995. They invented hemp seed flour for the baking industry in



1999, and launched the first ever omega-3 salad dressing that same year. Over the years, product development and sales continued to grow at a manageable pace.

But these days, with medical marijuana now legal in Canada, attitudes toward cannabis have evolved immensely. So as Herriott began to see the synergies between medical cannabis and hemp-based food products like his, it just started to make sense that his small company should now become a part of a larger picture. That "big picture" turned out to be Mettrum Health Corp., parent company of Mettrum Ltd., a Health Canadalicensed producer of medical cannabis.

"For the last four or five years, I could see the formation of all these points of connection between industrial hemp and hemp foods and medical cannabis," says Herriott. "So the timing was right for Kelly and me to give up our baby of 20 years and move it into a company with incredibly strong resources and superaccelerated growth, and then just watch this thing catapult."

Hempola officially became Mettrum Originals (part of Mettrum Health Corp.) in spring 2015, and it publicly launched the new brand in September. A number of new products have already been added as part of the Mettrum Originals brand.

"We're now actively distributing 29 SKUs," explains Herriott. "We have four different sizes of Raw Shelled Hemp Seeds...And then we have an expanded line of our Protein & Fibre Powders, with four different flavours and two different size formats." Mettrum Originals also recently launched Hemp Break snack bars in Hemp & Quinoa and Hemp & Salba Chia varieties. Other food products include the Cold-Pressed Hemp Oil and Hemp Seed Flour.

Herriott is extremely enthusiastic about the future. "At our peak of success under the old regime, we employed 10 people," he says. "And now, if you look at the overall enterprise, we're 60-plus people in all of Mettrum, and we're adding people constantly. In terms of projected revenues, it's definitely in the multimillions. It's just such an exciting time."



### Q: Why do you see hemp foods and medical cannabis as a good fit?

A: "As new ideas emerge in terms of product development, there will be skill sets and knowledge on the medicine side of the business that can help on the food side of the business. And if you look at it in the other direction, patients who are consuming cannabis medicine can and should be really accentuating their daily diets and including hemp foods."

### Q: Why does the hemp market have such strong growth potential?

A: "The hemp market is pretty darn exciting right now. We're seeing upwards of 20-per-cent annual growth rate for the last few years, but that goes in opposition to a really interesting statistic where hemp has less than four per cent of household penetration in Canada. So, if we're seeing 20-per-cent growth with such a small percentage of household penetration, the opportunities are clearly immense."



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