

FOOD *in* CANADA

Canada's food & beverage processing magazine

Feeding a *happy,* *healthy* gut

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prebiotics PG.42

THE DAIRY REPORT

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RESEARCH *CHEFS* IN CANADA

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SPECIAL REPORT Filling the growing labour gap PG. 46

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PG.31

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FOOD in CANADA

Canada's food & beverage processing magazine



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Forged in fire

Some people are described as “born leaders.” But truly meaningful leadership often comes through having the strength and initiative to face difficult situations as they occur, and then learn from the experience.

In business, it’s during tough times that industry-leading companies rise to the top, usually because their owners and management realize that victory depends on being prepared with the R&D, staff and investments needed to face ongoing challenges. As a result they’re less afraid to take risks, to collaborate with competitors, and to invest in new processes and products. They plan for the future rather than lurching from crisis to crisis, and are consequently ready to seize opportunities when they appear.

When I asked Blair Hyslop, co-owner with his wife Rosalyn of Sussex, N.B.-based Mrs. Dunster’s bakery, what drove them to take on a leadership role in their community and the baking sector in their region, his answer was a reminder of what true altruistic leadership looked like. “We waited our whole lives to get into business for ourselves and we wanted to create the kind of company that we would want to work for, and help create the kind of community we want to live in,” he explained. “Rosalyn has an expression that she tells people to use their superpowers for good.

Leadership is a lot about using your superpowers for good, whatever they are.”

That’s one reason Mrs. Dunster’s was chosen to receive the Community & Industry Leadership Award, part of our 2017 Leadership Awards series. It’s also a key ingredient in the recipe that has made Mrs. Dunster’s a widely admired and successful commercial bakery in Atlantic Canada.

Although their path wasn’t an easy one, the Hyslops never strayed from their vision for the company. It’s something that is true of all our 2017 Leadership Award winners, which also include Vaughan, Ont.-based Riverside Natural Foods (Growth Award); Bracebridge, Ont.’s Muskoka Brewery (Innovation Award); Chilliwack, B.C.-based Petcurean (Stewardship Award); and Portage la Prairie, Man.-based Canadian Prairie Garden Purees (Health & Wellness Award).

The stories of these inspiring companies begin on page 31. As you read them, consider the ways in which you and your business can become leaders in your community and your sector of the food and beverage industry. You never know where it will take you. ●

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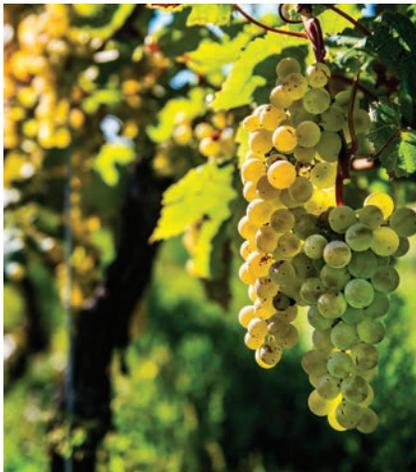
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From farm to rubber

As Ohio State University reports, tomorrow's tires could come from the farm as much as the factory. That's because researchers at the university have discovered that food waste can partially replace petroleum-based filler that is used to manufacture tires. In fact, they found that rubber made with food waste fillers exceeds industrial standards for performance. The researchers looked at two popular items processed in the U.S.: eggs and tomatoes. By using combinations of ground eggshells and tomato peels, provided by local food producers, the researchers found strong rubber retained flexibility. Katrina Cornish, an Ohio research scholar and endowed chair in Biomaterials at Ohio State, says the technology will make the manufacture of rubber more sustainable and reduce waste that goes into landfills.



News > file



Cin cin, Canada!

An independent research study has found that the economic impact of Canada's wine and grape industry is up 33 per cent from \$6.8 billion to \$9 billion, over the period 2011 to 2015.

The study, called *Canada's Wine Economy — Ripe Robust Remarkable*, confirms that the wine industry has become a large and significant contributor to the overall economy, especially in Ontario, B.C., Quebec and Nova Scotia. The Canadian Vintners Association, the Winery & Grower Alliance of Ontario, the British Columbia Wine Institute and the Winery Association of Nova Scotia commissioned the report, which was conducted by Frank, Rimerman + Co., a leading international accounting and research firm in the wine industry.

Dan Paszkowski, the president and CEO of the Canadian Vintners

Association, says "Our 671 wineries, largely small, family-owned businesses, create jobs, pay significant taxes and boost regional, provincial and national economies alike." Canadian winemakers support a broad network of related industries in rural and regional centres across Canada through significant investments, long-term jobs and market opportunities in rural communities.

Key findings of the report include:

- » For an average bottle of wine sold in Canada there is \$36.54 of domestic economic impact generated in the country.
- » The Ontario wine and grape industry generates \$4.4 billion in economic impact, B.C. \$2.8 billion, Quebec \$1.1 billion, and \$218 million in Nova Scotia.
- » The wine and grape industry is responsible for more than 37,000 jobs in Canada in the manufacturing, agriculture, tourism, transportation, research, restaurants and retail industries.
- » Wine-related tourism welcomes more than 3.7 million visitors each year, generating more than \$1.5 billion annually in tourism revenue and employment.
- » The wine industry generates \$1.7 billion in federal and provincial tax revenue and liquor board mark up.
- » For every \$1 spent on Canadian wine sold in Canada, \$3.42 in Gross Domestic Product (GDP) is generated across the country.

SPONSORS PULL SUPPORT

Two major sponsors of the annual Canadian Brewing Awards & Conference (CBAC) have withdrawn their support for this year's edition due to new eligibility rules, reports MomandHops.ca.

CanadianBeerNews.com reported earlier this year that entry into the 2017 CBAs is limited to beers and ciders produced by "Canadian-owned commercial brewers and cider makers," a change from previous years where any beer or cider produced in Canada could be entered regardless of company ownership. As a result of this change, national brewery trade group Beer Canada and Ontario-based retail chain The Beer Store have stepped down as sponsors of the CBAC. Several foreign-owned and foreign-partnered breweries are key members of Beer Canada, including Labatt Breweries, Molson Coors, and Sleeman Breweries. Labatt and Molson Coors are the majority owners of The Beer Store.



Q&A with SIAL's cheese ambassador



Gurth Pretty

SIAL Canada takes place in Toronto from May 2 to 4. This year the show is enlisting the help of industry experts to act as ambassadors for various markets. Here we speak with Gurth Pretty, the cheese ambassador who is also senior specialist, Deli Cheese, for the Market division at Loblaw Co. Ltd.

Q: What's hot in cheese right now?

A: "Definitely Canadian artisanal

cheese. There are so many wonderful artisanal cheese makers across the country, it's a pleasure to discover them and see what kind of cheese they're going to make. Going from one province to another, the appreciation of cheese is different. In Ontario Cheddar is still king, while in Quebec it's more brie and Camembert or Oka. Each province has its niche, depending on its cultures and backgrounds. And the cheesemakers make according to the market and their business plans. More artisanal cheesemakers are becoming federally licensed so their cheeses are available right across the country. It's really showing how much the Canadian industry has grown. For many decades we were known as the land of Cheddar. Now we have cheese made from milk

from cows, goats, sheep and water buffalo. And they're made in the style of European, Latin American or South American cheese but made here."

Q: What are the biggest trends in cheese in Canada?

A: "Making cheese with multiple kinds of milk such as with cow's milk and goat's milk in it. Each type of milk brings different properties and characteristics to a cheese. The other trend I see is more ethnic-style cheeses, rather than French or Italian. We're seeing more Mediterranean-style cheeses that our Syrian refugees will recognize and know. Or cheese in the style of those made in South America. And paneer. We must expand production into other styles of cheese outside the traditional European cheeses. You also hear that a lot of ↪



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people are lactose-intolerant. Can you make a cheese that has less lactose or is theoretically lactose free? Or is vegetarian friendly, halal or kosher?”



Q: How will CETA affect Canadian cheese producers?

A: “It depends on who you talk to. Some Canadian cheese makers say they have nothing to worry about. Others realize that more European cheese will be entering into Canada, so they’re looking to prepare themselves. How can we differentiate our products? Or do we establish another company and obtain quota for European cheese and start selling that cheese to subsidize our losses? The Canadian cheese industry has to prepare itself and promote its cheese in Canada. They could become federally licensed and sell their cheese across the country. The big question regarding



Spring clean foods

This spring Clover Leaf Seafoods launched a reformulation of its lineup of products. Beginning last month all Clover Leaf tuna in water products will contain only three ingredients: tuna, water and sea salt. The reformulated products are gluten-free, have no preservatives or additives, and will bear Clover Leaf All Natural branding and the non-GMO project verified seal on cans. And every can, which are BPA-free, is fully traceable through the Clover Leaf’s Trace My Catch initiative. The All Natural tuna in water line is available in three varieties: skipjack, yellowfin and albacore.

CETA is what cheese will be brought in. Will it be more Parmesan, Grana Padano, Stilton, French brie? Or will importers bring in new products we’ve never seen, such as cheese from Croatia or Malta or from an obscure cheesemaker in France? Canadian cheesemakers can’t stand idly by. They need to create a strategic plan and marketing for distribution.”

Tackling food loss and waste: A Canadian approach

Food loss and waste is a challenge we can all relate to, whether it is happening at retail, in the processing facility or in our own refrigerators. We also know it is a complex global issue with serious economic, environmental and food security implications that need to be addressed, and require collaboration across the entire supply chain.

According to the Food and Agriculture Organization of the United Nations, roughly one third, or approximately 1.3 billion tonnes, of the food produced in the world for human consumption every year gets lost or wasted. In the U.S., 30 to 40 per cent of the food supply is wasted, and organic waste is the second-highest component of landfills.

The numbers in Canada are similar, with approximately 40 per cent of the food we produce being wasted. In fact, Canadians waste \$31 billion worth of food annually, suggesting there is opportunity for the supply chain to optimize operations, reduce costs, and reduce overall environmental impact, including the reduction of greenhouse gas emissions from organics in landfill. Not surprisingly, the brunt of the issue occurs at the household level with around 47 per cent of waste due to the consumer. The processing and packaging sector is responsible for about 20 per cent of loss or waste, and this is where Provision Coalition is focused on finding solutions.

Provision Coalition — Canada’s premier organization on sustainability issues for the food and beverage manufacturing sector — partnered with Campbell Company of Canada, Marsan Foods Ltd., Ippolito Fruit & Produce, EarthFresh Foods, Byblos Bakery and Calgary Italian Bakery Ltd. to pilot a new online tool custom built for Canada’s 6,500 manufacturers. The Food Loss + Waste Reduction Toolkit, which is part of Provision’s online Sustainability Management System, is the only online resource accessible [↗](#)

CANADA BREAD VENTURES INTO CRAFT BREADS

Canada Bread Company has acquired Stonemill Bakehouse Limited in Toronto. Canada Bread, a subsidiary of Grupo Bimbo S.A.B. de C.V., completed the acquisition in March. The financial details were not disclosed.

Stonemill Bakehouse is a producer of slow fermented craft breads baked in stone ovens using 100-per-cent natural, non-GMO certified and organic ingredients. The company is partnered with several farmers in Prince Edward County, Ont. for locally grown rye and spelt. Stonemill’s approach is to ferment the dough for as long as 24 hours, which means no chemical additives, sugar or fats are needed. Breads are also baked in small, 200-kg batches. Some of Stonemill’s breads include Authentic Sourdough Rye, Organic Live Sprouts (sprouted grains), Honest Wellness (breads are fermented for four hours), and Truly Original.





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by all food and beverage manufacturers to assist in quantifying in-plant food waste, calculating its dollar value, identifying root causes and developing cost-effective reduction strategies.

This tool, which is available to manufacturers at no cost, will assist plant managers and operations staff to understand how much and where food waste is generated within a facility. With that information in hand, reduction strategies and solutions can then be developed.

“The Food Loss + Waste Reduction Toolkit, with Provision Coalition’s guidance, provides a valuable resource to food and beverage manufacturers, enabling them to ask the right questions when attempting to identify and quantify their waste streams. Manufacturers can then use the data internally or tap into Provision Coalition’s vast network of sustainability professionals to uncover potential solutions to mitigate loss, allowing for cost avoidance and real savings for the business,” says John Lillard, Research & Development, Campbell Company of Canada.

Recognizing that food waste is a supply chain issue, Provision Coalition, with Canada’s National Zero Waste Council and PAC Packaging Consortium, is hosting the first Canadian Food Loss + Waste Forum | Finding Solutions on April 12. This event, sponsored by Walmart, Loblaw, and other supporters, will be of interest to professionals in the food and beverage industry. The day promises keynote presentations, food loss and waste solutions, best practices and new technologies to support reduction strategies. It will also be an opportunity for industry peers to network and learn from each other.

This initiative is funded in part through Growing Forward 2, a federal-provincial-territorial initiative.

Meena Hassanali is director of Industry Programs, Provision Coalition. Contact her at mhassanali@provisioncoalition.com



TALKING SOCIAL MEDIA

As a food producer and/or manufacturer, why should I bother with social media when it doesn’t directly impact my sales?

Real talk time: social media is not a fad. It’s here to stay. While you don’t need to go all-in with a budget-busting social media team, you should be participating in the online conversations about you, your product, and your industry. Here are three reasons why you need to get engaged, and tips on wading into the world of social media.

1. Even if you don’t sell to or deal directly with the public, your clients (and future ones) certainly do. Being engaged on social media could be the difference between a choice for you over your competitor. When you spend dollars on the promotion of your industry, you’re demonstrating your commitment to the success of your customers too.

Tip — To be active and successful on every social media platform involves a lot of effort and resources. Dip your toe into the water with one to start. Give that one all your attention, and start building an active engaged fan base before expanding to others.

2. Directly or indirectly, your products are finding their way into home kitchens. Today’s consumer is going to social media to comment, praise and complain. Being accessible on social media helps them speak directly to you, and gives you the chance to listen, respond (to the good and bad), and to educate, if necessary.

Tip — If you’re serious about social media, be ready to take the good with the bad. That shouldn’t



scare you away. With a plan in place, even a bad comment can be a positive engagement opportunity.

3. Build goodwill by listening, starting conversations and creating a loyal following. It’s called social media for a reason, so be social. Let the public be your champions. Comment on their meals, provide recipe suggestions, share your product news/updates and ask for their input. It may not directly impact your bottom line, but it will pay off!

Tip — If you’re not ready to engage in social media, secure your usernames or “@” handles so you have them when you’re ready to get going on Instagram, Twitter, Facebook, Pinterest or Snapchat.

Finally, there isn’t one way to “be social” or “do social.” You’ll have to find your own voice, but being authentic to your brand is the best way to get started. 🍎

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IN BRIEF

> **DuBreton**, a Riviere-du-Loup, Que.-based producer of Certified Humane Raised and Handled (Certified Humane) and organic pork, has been recognized with a **DUX Improved Product — Food Production of Processing Company Award**, part of the DUX Eat Better, Live Better program, for its nitrate-free sliced hams. DuBreton's unique method for producing sliced ham protects the product from harmful bacteria, while preserving the desired colour and flavour. There are no added preservatives, natural or artificial nitrites, or ingredients that contain naturally occurring nitrites, resulting in ham that contains no detectable trace of nitrites.



> **Honey Nut Cheerios** is calling on Canadians to plant another 100 million wildflowers across the country to help restore natural habitat for bees. General Mills and Honey Nut Cheerios gave away more than three times their original seed goal target last year, and so is bringing the program back. This time there will also be a temporary pop-up location in Toronto where consumers can meet a bee expert and a bee activist. For more information visit bringbackthebees.ca

> The federal government has recognized **JBS Food Canada** for going above and beyond in hiring immigrants and refugees and facilitating their integration into the workplace and Canadian society by connecting them with community resources. The Brooks, Alta.-based business was congratulated by Immigration, Refugees and Citizenship Minister Ahmed Hussen as one of the winners of the 2017 Employer Awards for Newcomer Employment for its exemplary work to help newcomers to Canada find and retain jobs and enhance their employment skills.

branding for the product, which includes new, more vibrant product labels. The beverage comes in a 240-mL and 750-mL size, and now feature a new one-and-a-half round screw cap. In other news, the company recently met with Eric Walsh, the Canadian ambassador to South Korea, to discuss the advantages of Ontario-produced maple sap beverages and the importance of increasing trade with South Korea.

> Richmond, B.C.-based **Premium Brands Holdings Corporation** has acquired Interprovincial **Meat Sales Ltd.** of Dartmouth, N.S. The financial details were not disclosed. Interprovincial is a meat trader and distributor of beef, poultry and pork products serving Eastern Canada. Premium Brands owns a range of specialty food manufacturing and differentiated food distribution businesses.

> **Troll Bridge Creek Inc.**, the makers of KiKi Maple Sweet Water, has unveiled new



> **Mars Canada** has officially opened its expanded Newmarket, Ont.-based facility. The expansion was done to accommodate the manufacturing of the Maltesers brand for the first time in North America. The \$70-million, 60,000-sq.-ft. expansion will create up to 30 full-time jobs. The company already manufactures Mars, Milky Way and Musketeers at the same facility, which is peanut-free.



> **Deloitte** has announced the winners of the **2017 Canada's Best Managed Companies awards program**. The awards recognize privately owned and managed companies

that demonstrate exceptional business performance. This year's winners included food industry companies such as **Giraffe Foods Inc.**, Ont. (supplier); **Vince's Market**, Ont. (retail); **Agrocorp Exports Ltd.**, Ont. (supply chain management); **Tap & Barrel**, B.C. (foodservice); **Quail's Gate Winery**, B.C.; and **Backerhaus Veit Ltd.**, Ont. (artisan bakery).



Angela Bernoski

> **NSF International** has announced the winners of its **2017 Food Safety Recognition Awards**, celebrating Canadian food and beverage companies and individuals that have made great contributions to food safety. This year's winners are:

Angela Bernoski, director of Quality Assurance and Food Safety at Pillar's Fine Foods in Waterloo, Ont. (Food Safety Leadership Award); **The Original Cakerie** in London, Ont. (Food Safety Excellence Award); and Toronto-based **TrainCan** (Allied Trades Food Safety Award). NSF will honour the winners at a ceremony on Nov. 9, 2017.



The Original Cakerie team



TrainCan team

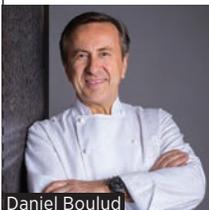
> The **Ontario Farm Fresh Marketing Association** (OFFMA) gave its 2017 Food Innovation Award to **Katan Kitchens'** brand **Quinta Quinoa**. OFFMA presented the award at the 2017 Awards of Excellence Banquet in Niagara Falls, Ont. on Feb. 21, 2017. Quinta Quinoa joined OFFMA in early 2016 after launching its Ontario-grown quinoa product in February 2016. Quinta Quinoa is the first high-nutrient quinoa to be grown and processed in Ontario.



> If you purchased **Polar Ice Vodka** recently, you might have noticed something missing. As a tribute to International Polar Bear Day, Feb. 27, the company removed its iconic polar bear from

the label. The limited-edition bottles asked the question: Where's the bear? The company is hoping to help increase awareness about the declining polar bear population in arctic Canada. The Limited Edition "Bearless" Bottles for Polar Ice Vodka and Polar Ice 90° North Vodka are currently available across Canada, excluding Quebec and Saskatchewan. > **CanadaGAP** (Good Agricultural Practices) has received full government recognition. The timing is ideal since new food safety regulations are on the way, meaning CanadaGAP is now positioned to be a "model system" for participants. In other news, CanadaGAP has updated its Audit Checklist and the Self-Declaration and Self-Assessment checklist for 2017.

> Between March 1, 2017 and the end of February 2018, passengers travelling business class on **Air France** and departing from Montreal, Toronto and Vancouver will be treated to meals created by Michelin-starred chef **Daniel Boulud**. The meals include salmon with fennel, chickpea and sumac; braised chicken Basquaise with chorizo, peppers and saffron rice; and braised lamb with spring root vegetables.



Daniel Boulud



> **Lay's Canada** wants to spread some smiles. The company is launching a campaign that turns the Lay's pack into a smile mask, superimposing an animated smile when held up to your face. The Lay's Smiles are featured on Lay's core flavours, including Classic, BBQ, Salt and Vinegar, Dill Pickle, Sour Cream and Onion, and Ketchup. ➔



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- > Tillsonburg, Ont.-based **Otter Valley Foods Inc.**, part of **Inovata Food Group**, received a \$975,000 investment from the federal government to help the company add a new production line and install a second freezer system. Otter Valley provides private-label frozen entrées to grocery chains across Canada.
- > **A&W Food Services of Canada Inc.**, whose animal welfare standards exceed industry guidelines, is committing to even



higher standards for farm-raised broiler chickens. Some guidelines include larger barns, six hours of darkness for better rest, proper barn density levels, humane euthanasia, and raising birds to a healthy weight.

PEOPLE ON THE MOVE



> **Jeff Mains** is now CEO of Ottawa-based HoneyBar Products International.

> Ippolito Fruit & Produce has hired **Sean McCauley** in the newly created role of director of Sales. McCauley will be responsible for maintaining and growing the company's sales within the Canadian and Eastern U.S. markets.

> **Zachary Freed** has joined the AAK USA Confectionery Innovation Team.

> The Canadian Meat Council has named **Christopher White** as its new CEO.



(L - R) Councillor Jason Coady, chairperson of Charlottetown's Protective and Emergency Services Committee; Jeff Squires, president and CEO, PEI Brewing Company; fire chief Randy MacDonald; and Chris O'Keefe, PEI sales manager, PEI Brewing Company.

New brew in PEI

The PEI Brewing Company has announced a new limited-edition Coffee Belgian Blonde Ale, available now at the PEIBC Taproom and select PEILCC locations. With every beer sold, the company is donating 50 cents to the Charlottetown Fire Department. Brewers worked with the city's Receiver Coffee Company to select a bean variety and roast that accentuates the fruity and spicy aromas of the brew, while adding citrusy and chocolatey flavours to the finish.

SUPPLIER NEWS

> **SGS** has acquired Toronto-based **ILC Micro-Chem Inc.**, an independent laboratory that specializes in microbiology and food chemistry testing services. This includes analyzing raw food materials, finished food products, pet food and environmental swabs for the food manufacturing industry. The company generated more than \$1.3 million in revenue in 2016.

> **IOI Loders Croklaan**, a manufacturer of specialty fats and oils for bakery, confectionery, dairy and foodservice, has expanded its production facility in Rexdale, Ont. The expansion, which includes new deodorization capacity to complement recent additions in bleaching and oil processing, will allow the company to meet the growing needs of customers in Canada and the northeast U.S.



> Toronto-based **VersaCold Logistics Services** announced that 11 of its refrigerated warehousing facilities have received approval to export fish to China and six more have been approved to export fish

to the European Union as of January 2017. The facilities are located across Canada.

> **Edlong Dairy Technologies** has introduced a new tagline: The Scientific Art of Authentic Taste. The aim is to define the company's broad capabilities at blending flavour science and culinary artistry to create authentic taste in food and beverages.

> **JBT Corporation** has acquired **Avure Technologies Inc.** for US\$57 million. Avure provides food-processing technologies and also creates HPP systems for food manufacturers around the world.

> **PMMI**, the Association for Packaging and Processing Technologies, has announced the formation of an industry council focused on the advancement of High Pressure Processing (HPP) as a critical technology in the food and beverage industry. The council will address questions about the technology while developing and formalizing industry best practices.

> **Cargill Inc.** has launched an identity preservation process — called Known Origins — and several additional non-GMO Project Verified food ingredients. The objective is to help manufacturers easily source ingredients needed to create non-GMO products.

> **Hygiena**, a **Warburg Pincus** portfolio company based in California that specializes in rapid food safety and environmental sanitation testing, has acquired **DuPont Diagnostics**, the global food safety diagnostics business of DuPont. Hygiena will now sell the former DuPont Diagnostics products under the Hygiena brand through its entity Qualicon Diagnostics LLC.

Working with new suppliers

Keeping your inventory new and interesting is a good way of ensuring a consistent draw of customers. In the food industry, things change at a rapid pace, and it can be important to honour the requests of existing clients by maintaining a number of staple items. Food and beverage manufacturers can accommodate retail customers and add extra value by guiding them toward upcoming product trends and categories. One way to achieve maximum success in your role in the supply chain is by adding a new ingredient supplier.

The quality of your supplied ingredients must remain consistent. Should your supplier suddenly change the way an ingredient is processed, you may want to consider bringing in an additional supplier whose products and processing methods are more consistent with your clients' individual needs, or whose product quality is superior. New suppliers may open up locally sourced opportunities, including organic products.

Costs of ingredients change a great deal depending upon world food supplies, economic conditions in originating countries, and trade tariffs and regulations, a near-endless list of factors which contribute to the type of mandatory price changes food and beverage businesses undergo as part of daily operations. Having a variety of suppliers may help retain a level of pricing consistency that would otherwise be unavailable.

Incentives and value-added extras may come to you as part of acquiring a new supplier. For example, you may find better discounts for bulk purchases, or loyalty programs that can earn your company rewards, deals and free items. Upon signing up, some suppliers may even give you first-time purchase deals. After you have been a regular customer, you may find a new level of discount is available to you. Some potential perks may include reduced or free shipping or access to private purchasing lists.

—Yvonne Dick

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MARKET TRENDS

Larry Martin

COMMENTARY: The Engine of Growth

The recent trend toward more local food has been welcome for many in Canadian agriculture and has been promoted by various government programs. But the same governments that promote it seem to be driving production out of the country, none more effectively than Ontario.

Most recently the Wynne government fired the producer-elected negotiating board for processing vegetables and put a negotiating process in place ending in processing tomato prices lower than in the Central Valley of California. This not only invites retaliation, it also sends the message to Ontario growers to produce something else. One grower's calculation is that, with his several million dollars of investment in land and equipment, he'll make almost as much this year as the guy who fixes things at the processing plant.

Then there's the greenhouse industry, which like the vegetable processing industry has been whacked by Wynne's

"green energy" plan and the highest minimum wages on the continent, and which has also seen another increase of 20 per cent in natural gas prices because of the new cap and trade tax grab. Other jurisdictions have given a rebate to greenhouses because they understand basic grade school chemistry: greenhouses produce carbon dioxide to feed plants that, in turn, produce oxygen. New greenhouses are growing rapidly in Ohio and Michigan.

A recent report strongly (and correctly) recommends to the federal government that agriculture and food should be an engine of growth for the Canadian economy.

Not as long as stupidity determines policy. ●

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 (519) 841-1698.

MARKET HIGHLIGHTS

With few exceptions, markets took a hit in March, as underlying supply and demand conditions came clear. Also, Managed Money's optimistically long positions became unprofitable, with the ensuing sell-off adding downward pressure, as anticipated in our last column.

> Grains: With harvest more than half finished in Brazil and Argentina, forecasts of the soybean and corn crops increase almost daily. Most recent estimates are for a combined 34-per-cent increase in corn over last year, and a whopping 163.5 mt soybean crop. Also, both countries' improvements in transportation and infrastructure are becoming obvious. While those variables become clearer, traders' eyes focus on U.S. exports and the 2017 U.S. crop. Export numbers compared to USDA forecasts will be key, though concerns are already being expressed about negative soybean crush margins in China. Conversely, markets tend to "kill the crop" several times before or just after it's planted. The risk management challenge for commodity buyers is to protect against a real crop shortfall, while benefiting from lower prices with a large crop. That's why we like Call options.

> Corn: July futures tested \$3.95 before falling back to \$3.70 currently. Strength comes from

good export numbers and record U.S. ethanol production. The recent decline is fuelled by South American production and fund selling. There is potential support in the \$3.55 and \$3.40 areas. We would use bottoming action there to signal timing of protection, and/or protect against a breakout above \$3.95.

> Wheat: July Chicago wheat rallied to \$4.90 before dropping to the current \$4.40 area. Some in the market tried to "kill" the wheat crop (again), because of lack of rain in the plains. Then it rained and broke through a small support plane. Support at \$4.25 is a good place to purchase, and \$4.90 is upside protection.

> Soy oil: July soy oil continues downward on rising supplies of both soy and palm. Price declined from the recent high of \$0.385 to the current \$0.335. Potential support is in the current area and major support at \$0.31. We would consider pricing at the latter and protect against \$0.355 or \$0.38.

> Sugar: July sugar is breaking through support at \$0.177 as supplies in Brazil and elsewhere continue to swell. The next area of support is \$0.15 to \$0.155. We would consider pricing there and/or move our protection down to \$0.175 if the breakout holds.

> Natural gas: Natural gas' lower domestic sales from a mild winter are somewhat offset by brisk export demand. Support remains in the \$2.80 area on the June. We suggested

protecting at the \$3.05 resistance last month. The market is currently at \$3.17. Pricing more on another pullback to \$2.80 is advisable, and we would take profits on paper above \$3.50.

> Crude oil: June crude broke out of its \$58 to \$60 channel with increased OPEC production and increasing U.S. inventory, currently at \$50.95. There is potential support at \$47.30 and \$45.20. We suggested protecting against \$55+ oil and continue to support that notion. Hold your positions if you bought Calls. Be prepared to lock prices on a break down toward one of the support areas.

> Canadian dollar: The loonie chopped between US\$0.74 and \$0.77 since October, recently near the top at \$0.763. The increase in U.S. interest rates was already factored into the market and the U.S. Fed's talk about going slow with further rate increases actually resulted in a small increase in the loonie. Then oil prices tanked and the loonie dove. More recently, Trump's continued erratic behaviour has caused a lack of confidence in the U.S. and a lower U.S. dollar. The loonie is at \$0.75. Watch for more erratic behaviour and more volatility. We have said for some time that commodity buyers should protect the downside with Calls. Hold the \$0.755 or \$0.75 June Puts recommended some time ago and/or buy \$0.74s.



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SFCR and food safety – Part II

Ron Wasik

This month I'll continue to look at some of the benefits and costs to be expected from the introduction of the *Safe Foods for Canadians Regulations* (SFCR).

Benefits

1. Reduced food safety risk – The *Canada Gazette Part I* (CG1) states that it is “reasonable to assume” that the SFCR will reduce the yearly 11,600 hospitalizations, 238 deaths and the \$2.8 billion in cost due to bad food. But CG1 stops short of quantifying any improvement. Unless mandated, a business would never undertake such a paradigm shift in operations like this without setting quantifiable goals. This needs to be addressed.

2. Increased trade opportunities – CG1 predicts that more trade opportunities will open up for our agri-food industry after SFCR is implemented. I hope so, but I believe foreign buyers will first want to see quantifiable improvements on an array of food safety and good-manufacturing measurables. The SFCR should make the move to GFSI certification a little easier, and those that get there will reap the benefits.

3. Level playing field – Replacing 13 different regulatory programs across many agri-food sectors with one regulation for all, requiring importers to ensure that imported products meet the same level of compliance that domestic producers and processors are required to meet, and licensing most of the food producers and processors in the country will, in time, prove to be one of the most significant benefits of the SFCR.

4. Improved CFIA knowledge base

– The SFCR should put the Canadian Food Inspection Agency (CFIA) in a better position to monitor the entire Canadian agri-food sector. However, it is a well-known fact that the CFIA is currently suffering from a lack of experienced personnel in many sectors. It will be interesting to see what the agency will do with this data.

5. Outcome-based vs prescriptive-based approaches

– An outcomes-based approach provides industry with the opportunity to come up with unique solutions provided that the outcome is equal to or compliant with established standards. This approach will benefit a business that can afford the cost of developing a novel solution. My view is that this is a huge step in the right direction and opens the door to innovation.

6. Reduced recall costs – All licensed firms will be required to have robust traceability programs in place when the SFCR comes into effect. The CG1 estimates that this will reduce the cost of a recall by 25 per cent for firms that did not have a traceability program, and 12.5 per cent for companies currently required to have a traceability program. I fail to see how businesses with an existing traceability program will reap any cost savings.

Costs

1. Industry's costs – According to the CG1, the estimated annual costs are: \$260 to develop and document a PCP; between \$3,826 and \$6,370 to implement a PCP; and \$464 to maintain



a PCP. As a result, the real cost to industry to develop, implement and manage PCPs is seriously underestimated in CG1.

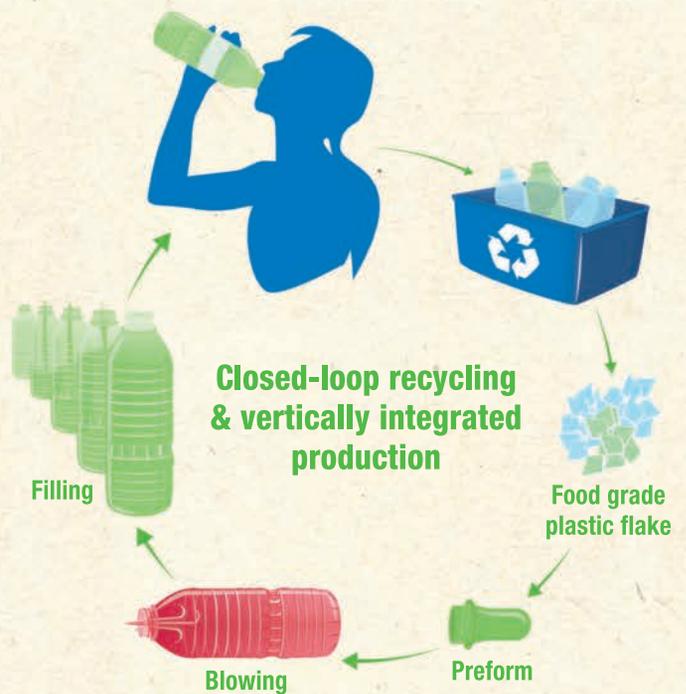
2. CFIA costs – I was surprised to read that the agency “would not require any additional food safety program or inspection funding or resources from current levels” except for “promotion and industry engagement.” Where will the money come from to hire and train inspection staff? If there will be no additional funding for the CFIA, what implications will this have on the implementation of the SFCR?

3. CFIA cost recovery – The fact that the CFIA, which has thousands of agents in the field monitoring PCPs, got the costs of PCPs so terribly wrong shakes your confidence in the agency's ability to do financial analysis. This also doesn't fill you with confidence about the agency's ability to develop a fair cost recovery program.

Despite my concerns, I strongly believe that there is far more upside to the SFCR than downside. However, the CFIA needs to proceed slowly and carefully to ensure that Canada's agri-food industry, as well as consumers, benefit from these regulations. 🍷

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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Ready or not, recalls come

Laura Gomez & Katrina Coughlin

Are we ready for a recall? In the unfortunate circumstance that a recall is required, a well-executed recall plan can minimize regulatory and business risks, and play a vital role in maintaining goodwill with key partners.

The Canadian Food Inspection Agency (CFIA) currently expects businesses to report food recalls and has published guidance for industry on recall plans. The proposed *Safe Food for Canadians Regulations* (SFCR), published for consultation in January, impose new legal obligations with respect to preparing for, reporting and managing recalls. For many in the industry, these changes necessitate a fresh look at whether your business is adequately prepared.

It is important to understand what kind of action is considered a recall. While the term “recall” is not defined in the proposed SFCR, the CFIA provides some relevant definitions in its guidance documents:

- “Product Withdrawal” means a firm’s removal from further sale or use of a marketed product that does not violate legislation administered or enforced by the CFIA. It is not considered to be a recall.
- “Recall” means for a firm to remove from further sale or use, or to correct, a marketed product that poses a risk and/or contravenes a legislation administered or enforced by the CFIA.

Based on these definitions, any removal from the marketplace relating to a contravention of legislation is a recall — even non-safety related label violations. These classifications potentially increase the number of Class III recalls, and can

create a disincentive to industry to take proactive non-safety corrective actions.

With the aim of continuous modernization, the CFIA recently proposed a new type of action called a market withdrawal. This category has been added to enable the classification of proactive actions from companies that do not meet CFIA’s criteria for requesting a recall. A market withdrawal, like a product withdrawal, is not considered a recall and will not be posted on the CFIA’s website.

The CFIA’s proposed definition of a “market withdrawal” is: a company initiated removal or correction of product that is in violation of legislation administered or enforced by the CFIA, but does not represent a level of health risk and/or conditions that meet CFIA’s criteria for requesting a recall. As this new concept has yet to be finalized in guidance, consultation with the CFIA is recommended in order to confirm that an action meets the criteria to be considered market withdrawal and not a recall.

With respect to preparing for and managing recalls, the proposed SFCR requires businesses to document traceability information, and make such information accessible in Canada and available upon the minister’s request within 24 hours, or less if it is considered necessary to identify or respond to a risk of injury to human health. Licence holders are required to prepare and maintain a written recall procedure (including the name of the contact(s) who are responsible for the procedure and for conducting recalls) and to conduct a recall simulation at least once a year. In the event of a recall,



the minister must be immediately notified and recall procedures implemented. Recall details, including information to substantiate its effectiveness, must be kept for two years.

Keep in mind that recalls can occur at any time, so your business may have to manage a recall when the main contact is inaccessible due to health, personal issues, or travel. It is essential to ensure that the business has trained staff who can step in.

As consumers now have access to instantaneous information through technology and social media (CFIA’s Twitter page has a #CFIARECALL), effectively managing market withdrawals and recalls is not only essential to protect consumer health and safety, but to ensure that partners and consumers are properly informed about the steps your business is taking to address an issue. When the SFCR are in force, ensuring that processes are in place to effectively manage a recall in cooperation with the CFIA will become an even more crucial risk reduction measure from a legal perspective. 🍎

Laura Gomez and Katrina Coughlin are associates in the Ottawa offices of Gowling WLG, specializing in food and drug regulatory law. Contact them at Laura.Gomez@gowlingwlg.com and Katrina.Coughlin@gowlingwlg.com. Ron Doering returns next month.

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The **flavour** in food labelling modernization

Gary Gnrss

The flavour of food must be appealing in order to sell a product. But it's not too often we get to sample food before we buy. Instead, the principal means of communicating flavours on a packaged consumer food is via its label.

Current federal labelling rules, *Food and Drug Regulations* (FDR) and *Consumer Packaging and Labelling Regulations* (CPLR), are fairly soft on the matter. The CPLR requires prepackaged consumer food that includes a pictorial representation on its label of meat, fish, poultry, fruits, vegetables, edible yeast, herbs, spices, bark, buds, roots, leaves or other plants that does not contain such natural substances or flavours, but which contains the addition of simulated flavours, to identify the added presence of artificial, simulated or imitation flavours. When these images are included on the main panel, the required information related to the added artificial, simulated or imitation flavours must appear on or adjacent to them. If the image is on another panel, the name of the food on the main panel must be accompanied by that same information.

The trigger under the CPLR hinges on the pictorial representation, and words alone do not trigger the identification of artificial, simulated or imitation flavours. A product that includes the term "cherry" without an image of a cherry, for example, isn't required to identify the presence of artificial, simulated or imitation flavours adjacent to such words. If consumers wouldn't expect real cherries in a product, the term "cherry" alone is

sufficient as an indication that the food is flavoured. For products that consumers would expect to find real cherries in, the phrase "cherry flavour" is sufficient to identify natural and/or artificial flavours. The latter is not actually prescribed by regulations, but is done to avoid the potential for otherwise misrepresenting the nature of the food. In addition, the Canadian Food Inspection Agency (CFIA) has over the years provided specific and general guidance on such matters, such as in its guidelines on Highlighted Ingredients and Flavour.

In January 2017, proposed *Safe Food for Canadians Regulations* (SFCR) were published in *Canada Gazette I*. We might see final regulations by May 2018. The SFCR would trigger provisions within the *Safe Food for Canadians Act* that would withdraw foods from the *Consumer Packaging and Labelling Act*, and thus the CPLR as well. The CPLR would then no longer apply to foods. The proposed SFCR, however, has carried forward in Section 209 the basic requirements related to images as they have generally read in the CPLR, as an interim measure. The CFIA is already engaged in further food labelling modernization initiatives, including enhancements related to flavour representations, and seems to be following the same direction as the U.S. FDA in identifying the characterizing flavour in a food when a label or advertising identifies the primary recognizable flavour by words or images.

This would be a shift from using the image as a key anchor and triggering point, to one where pictures or

words that connote the flavour of the food, but to which natural or artificial flavours have been added, would trigger the appropriate flavour qualification. This could then require the name of the food to be identified as being flavoured with either natural or artificial flavours with every occurrence of the flavour term. Products which contain actual ingredients, like cherries in a cherry pie, wouldn't likely be required to be identified as being flavoured. U.S. requirements for foods with added natural flavour and other natural flavours that simulate or reinforce the primary recognizable flavour are to be labelled as being with "a natural flavour and other natural flavour." Foods that contain natural flavour that does not relate to the primary recognizable flavour would be labelled as "artificially flavoured," or by identifying the names of the added natural flavours.

The scope of change the CFIA will end up proposing is still uncertain. The agency is also looking at requiring the percentage declaration of ingredients when ingredients are identified by words or pictures outside a list of ingredients and which are not identified as being for flavour. And it is looking at regulations to enhance the prominence of label statements. It appears that the next big tsunami of label changes is heading to the shores of Canadian food labelling modernization. ●

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



More cheese, *please*

Flavourful artisanal cheese production continues to improve in Canada, but with import quantities about to rise, how will the industry handle the challenges of CETA?

BY TREENA HEIN

Cheese love is on the rise in Canada. While we drank a little less milk in 2015 compared to 1996, each Canadian on average consumed a whopping 1.8 kg more cheese, according to the Government of Canada's Canadian Dairy Information Centre. And in 2016, cheese sales were higher by more than five per cent compared to 2015, notes Dairy Farmers of Canada (DFC) director of Policy and Trade, Yves Leduc.

This is due to a variety of factors, says Leduc, including changes in consumption habits that reflect an aging and more diverse population. ➔



photo: Alexandra Grablewski/Thinkstock



photo: goir/Thinkstock

This growth in demand has obviously been positive for Canadian cheese producers, but going forward, Leduc is hopeful sustained growth might alleviate some of the impact of CETA (the Comprehensive Economic and Trade Agreement between the European Union and Canada) as it becomes ratified this year and fully implemented over the next six years. This is the same positive view that DFC held in 2015 when contacted for the *Food in Canada* dairy report that year. “CETA will have a direct impact on our cheese market,” Leduc explains. “We were opposed to the cheese concessions since the start of negotiations, but the Government of Canada found the concessions necessary to conclude an agreement. We believe smaller cheesemakers will be impacted more from CETA than larger ones. Unfortunately, European cheeses will benefit from a comparative advantage with the same types of Canadian cheeses because the dairy industry in European countries is supported by a large amount of government funding and the size of their cheese businesses is typically larger.”

IN YEAR ONE, **2,950** ADDITIONAL TONNES OF EUROPEAN CHEESE WILL BE IMPORTED, WITH AN ADDITIONAL **2,950** TONNES BEING ADDED EACH YEAR OVER SIX YEARS TO REACH **17,700** TONNES ANNUALLY.



Dairy Processors Association of Canada (DPAC-ATLC) spokesperson Andrea Genereau agrees there is concern that Canadian consumers will switch from purchasing European-style Canadian cheeses to similar ones imported under CETA. “European cheeses have a cost advantage over Canadian-made cheeses,” she says, “and cost is a key driver for many consumers.”

According to the DPAC-ATLC, CETA will more than double tariff-free cheese imports from the EU, taking the amount of cheese imported into Canada from four per cent to eight to 10 per cent of domestic cheese consumption. “Under the agreement, an additional 16,000 tonnes of natural cheese and 1,700 tonnes of cheese destined for industrial use (17,700 in total) will enter the Canadian market,” explains Genereau. “Once CETA is fully implemented, tariff-free cheese imports from Europe are expected to account for over 72 per cent of the 44,495 tonnes of imported cheese coming into Canada annually.” Leduc points to the gradual nature of the changes over the six years of CETA implementation: in year one, 2,950 additional tonnes of European cheese will be imported, with an additional 2,950 tonnes being added each year over six years to reach 17,700 tonnes annually.

In terms of types of cheese involved, it’s expected that under CETA European imported cheeses will displace both Canadian-made specialty and traditional cheeses — Cheddar and mozzarella, for example, as well as Swiss types and Havarti. “[It’s expected] that Canadian cheese production will be reduced by approximately four per cent,” says Genereau. “This will affect both Canadian dairy processors and producers.” The expected decline in cheese production will translate into a reduction of approximately two per cent in Canadian farm milk shipments nationwide.

There are, however, two factors that may entice Canadians to keep buying Canadian cheese instead of European imports: significant improvements in quality as well as a desire to support Canadian cheesemakers — “buying local” if you will, on a national scale. ➔

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photos: The Great Canadian Cheese Festival



Top left: Highland Blue, a blue cheese made with raw sheep's milk cheese by Back Forty Artisan Cheese of Mississippi Station, Ont., is always a crowd favourite at The Great Canadian Cheese Festival.

Top right: Cheesemaker Armand Bernard of Cows Creamery in Charlottetown with his Avonlea Clothbound Cheddar, named Cheese of the Year in the 2016 Canadian Cheese Awards organized by The Great Canadian Cheese Festival.

“Canadian cheesemakers today are producing much better — read tastier — cheese,” says Georgs Kolesnikovs, founder of the Great Canadian Cheese Festival, to be held this year on June 3 and 4 in Prince Edward County, Ont. “This has been obvious in judging for the Canadian Cheese Awards. The difference between the first competition in 2014 and the most recent one last year has been amazing. Every one of the 10 judges, experts from across Canada, remarked on the improvement in quality.”

Besides overall general texture and taste improvements, Kolesnikovs adds that there is now a much wider variety of flavoured cheeses being produced by makers large and small, and that the use of water buffalo milk is growing. Five Brothers Artisan Cheese near St. John's, Nfld., for example, makes Smokey Avalon Cheddar lightly smoked over applewood. Sylvan Star Cheese near Red Deer, Alta. makes a wide assortment of Gouda such as Nettle & Celery and Cayenne & Green Peppercorn. Lindsay, Ont.'s Mariposa Dairy offers many goat cheeses, from Fig to Cranberry & Cinnamon. And a “hot seller” at Natural Pastures in Courtenay, B.C. is their Pacific Pepper Verdelait, containing locally grown Paper Lantern habañero peppers.

Natural Pastures also makes a few water buffalo cheeses, as do at least four other cheesemakers in Quebec and Ontario. Water-buffalo cheese is in demand, says Kolesnikovs, because it's a novelty, and it's both generally richer than cow's milk cheeses and noticeably whiter. Those in the industry add that it is nutritionally superior to cow's milk, and can be eaten by many individuals who are lactose intolerant. Nevertheless, cow's milk remains the top milk for the overwhelming majority of cheese Canadians consume, due to

its neutral flavour, availability and ease of handling. Goat's milk is more challenging to work with due to shorter protein strands that result in more delicate cheese that requires gentler handling. Sheep's milk, while rich in fat and protein, is expensive and also requires more cheese-making skill.

Variety and quality aside, Kolesnikovs believes the other way market-savvy Canadian cheesemakers can battle the increasing amount of European imports coming under CETA is to stress the “Made in Canada” aspect of their wares. However, he says “the farther one gets from Quebec, the epicentre of artisan cheese in Canada, the less concern is expressed by cheese producers [over CETA imports]. In British Columbia, for example, it's very much an attitude of let's wait and see. In Quebec, on the other hand, producers have demanded compensation from the Quebec government and it looks like they will get it.”

“The other way market-savvy Canadian cheesemakers can battle the increasing amount of European imports coming under CETA is to stress the ‘Made in Canada’ aspect of their wares.”

Nationally, financial assistance from the federal government is on the way. In November 2016, the feds announced the Dairy Processing Investment Fund: \$100 million to help the sector adapt to the challenges that lie ahead. However, Genereau believes more is needed to help smaller dairy processors adapt. “Both DPAC-ATLC and its colleagues at the Dairy Farmers of Canada have been advocating for the allocation of the CETA cheese tariff rate quotas (TRQ) — the licenses to bring in the 17,700 tonnes of tariff-free European cheese under CETA — to the dairy processing sector, with a portion of the TRQs to be allocated to these smaller cheese processors.” Genereau says this will help offset the impact of the imports on the industry, but will also encourage Canadian importers to bring in new products which complement those already available in Canada. ●

Vitamin D's day in the sun

Deanna Rosolen

For as long as people have been out in the sun, we've been getting vitamin D. And as long as we've been consuming fish oil, we've been getting some there too. But there have been periods when our bodies weren't getting enough at all. In the 1900s, for instance, many children in Canada and the U.S. developed rickets, the softening of bones due to a prolonged vitamin D deficiency. The medical community made a definite connection between vitamin D and bone health, and soon certain products were fortified with the vitamin.

Over the following decades vitamin D fortification went on a bit of a roller-coaster ride. "It was really a long history of fortification, doing too much and doing too little," says Dr. Susan Whiting, a professor of nutrition at the University of Saskatchewan in Saskatoon. Finally, says the Canadian Public Health Association, in 1965 regulations were amended for the mandatory addition of vitamin D to fluid milk. Today in Canada, vitamin D is added to milk, yogurt, orange juice, plant-based "milk" beverages, margarine and ready-to-eat cereals. But Whiting doesn't believe the levels are high enough for our current requirements.

What is it?

Vitamin D is a fat-soluble vitamin. The Dietitians of Canada's website says it's important that we get enough vitamin D from our diets because it helps our bodies absorb and use calcium and phosphorous for strong bones and teeth. The Hormone Health Network's website explains that "unlike other vitamins, only about 10 per cent of the vitamin D the body needs comes from food, and the rest the body makes for itself [when



sunlight hits the skin]."

Of course, with what we know today about sun exposure and skin cancer, most people are applying sunscreen with high SPF. As a result our bodies aren't making as much vitamin D anymore. And with the limited number of natural food sources, more people are vitamin D deficient.

Why is it popular?

Over the last 10 years vitamin D has received a lot of attention. Studies before and since have shown that vitamin D's benefits extend much further than bone health. Whiting believes its popularity started to rise with a study that made front-page news in Canada in 2007 called *Vitamin D and calcium supplementation reduces cancer risk: results of a randomized trial*. According to Dr. Michael Holick, professor of medicine, sociology and biophysics at Boston University Medical Center, since 2007 there have been more than 40,000 publications about vitamin D and its health benefits. "It's basically become the nutrient at least of the decade if not the century," he says.

Holick explains that every cell in our body has a vitamin D receptor. The data available show that vitamin D helps to fight infectious diseases, including upper respiratory tract infections and

tuberculosis. He says it's been found to reduce the risk for autoimmune diseases including Type 1 diabetes, multiple sclerosis and rheumatoid arthritis. It helps to reduce the risk for cardiovascular disease, stroke and heart attacks, and it has been associated with decreasing the risk of developing neuro-cognitive dysfunction and Alzheimer's disease. And finally, says Holick, there is some evidence that it also helps to reduce the risk of many deadly cancers.

How to formulate with vitamin D

Holick says vitamin D is easy to formulate with. "What's really amazing," he adds, "if you have salmon and you cook it, are you going to worry about the [vitamin D]? No. Vitamin D is stable to heat up to 200°C." Whiting also says it's technically very simple to add to foods, but that it shouldn't be added indiscriminately. "You might inadvertently, as has happened in the past, add too much or not enough. You need to predict how [fortification] will affect the whole population," she says. In other words, it has to be a thoughtful process. And both Holick and Whiting note that it should be added to foods that have a wide-reaching appeal. In Jordan, for instance, the country is adding vitamin D to breads. 🍞



Say cheese

Daniel Scholes



While they may not appeal to everyone, processed cheese slices are a convenient staple that many of us keep in the fridge as a go-to snack or crowd-pleasing topper. The iconic plastic-wrapped orange squares are part of our childhood memory reels, and continue to be a common fixture in Canadian food culture.

Efforts to “process” cheese for a longer shelf life began in 19th-century Germany, and the first industrially manufactured products came from Switzerland in 1911. In 1928, Kraft introduced its first processed cheese product to the American and Canadian markets. Over the years, numerous innovations were introduced to improve production, including the invention of the individually plastic-wrapped slices in 1956. Although the sale of processed cheese products is on the decline in Canada, we still manage to consume more than five pounds of processed cheese per person each year. We recently took a closer look at the category to see how these slices stack up before the melt.

Cheese please

We recruited 50 females between the ages of 25 and 54 from the Greater Toronto Area who are the primary grocery shoppers in their households, and are regular consumers of processed cheese slices. They tasted and evaluated four brands, and were asked a series of detailed hedonic and “just about right” questions regarding the appearance, flavour, and textural profiles of the cheese slices.

This test focused on the sensory

evaluation of the solid uncooked cheese. While nearly all of our participants claim to commonly use cheese slices for melting, many also claim to use them as a go-to snack right out of the wrapper — with over 80 per cent eating them on crackers, and close to 60 per cent regularly eating slices on their own.

No big cheese

There were no outstanding performances in this category in the cheese slices’ “unmelted” state. None of the four brands achieved big scores on the key measures of overall liking, purchase intent, or flavour. Instead they were all rated as quite mediocre. Three brands were grouped very close on all performance measures, while one stood apart (directionally) as the consistent underdog.

Despite this parity of liking, there were some substantial differences in the sensory profiles. The flavours were all surprisingly different, although none of them seemed to get it quite right. One brand was extremely strong, salty and tangy; two brands had very little presence of Cheddar flavour but just the right amount of salt; and another was oddly polarized on most aspects of the flavour. Three of the four brands seemed to get it right on thickness, while one brand stood apart as much too thin and floppy. And the brand with the lowest overall appeal was perceived to be much less creamy than the rest.

Perhaps not surprisingly, none of our samples had particularly high scores for their naturalness of colour or taste; after all, the idea of a “natural” processed cheese slice is kind of like evaluating the

sweetness of a lemon or the spiciness of a chocolate cookie. But despite the “unnatural” character of this category, naturalness of taste was an attribute which strongly correlated with overall liking, and was a key weakness of the underdog brand. The majority of participants described this sample as “artificial” and not natural tasting. The colour of this slice was also significantly darker than the others, which may have been a visual cue to a more artificial flavour. So as unlikely as it may seem, naturalness of flavour was a hidden driver of performance in this sensory space.

Any way you slice it

Evaluated just out of the wrapper and into the mouth, the outcome for all samples in our test was underwhelming. It is likely that a test of the same array of brands presented in a grilled cheese sandwich would have revealed a much different story, with higher overall appeal. And certainly branding plays a huge role in this category where legacy carries a big advantage. Most consumers may not expect a processed cheese slice to be particularly natural or delicious. But even in this context, the best results were awarded to the most natural...or perhaps the “least unnatural” products, suggesting that increased attention to this hidden driver would help elevate the sensory performance. 🍷

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



The 2017 Leadership Awards

We are very pleased to once again partner with *Food in Canada* in presenting the 2017 Leadership Awards. These awards recognize Canadian food and beverage companies for their achievements in Growth, Innovation, Stewardship, Community & Industry Leadership, and Health & Wellness. It is clear that the companies being recognized this year once again demonstrate qualities that truly exemplify leadership in the industry, an industry we are very proud to be associated with.

Here in Canada and around the world, food and beverage companies continue to invest in new offerings and new markets. Many also focus on how they can provide healthy new products in an environmentally friendly way to positively impact their local economies and communities. Canadian consumers continue to look for improved quality and value in their food and beverage choices, while retailers continue to promote goods that bring consumers into their stores and move product off of their shelves.

The industry leaders recognized this year are exemplary examples of successful Canadian food and beverage producers. Muskoka Brewery's Moonlight Kettle Project exemplifies an innovative program that develops products uniquely and quickly. Canadian Prairie Garden Purees' approach to creating pureed products with "more goodness" has greatly enhanced their customers' health and wellness choices. From a stewardship perspective, Petcurean's partner evaluation and scorecard process serves them very effectively, while Mrs. Dunster's leadership role in bringing independent bakeries together has strengthened that sector in Atlantic Canada. Finally, the growth demonstrated by Riverside Natural Foods in recent times is a great example of how Canadian producers can expand and diversify very successfully here in Canada and internationally.

Canadian producers have clearly shown that they are up to the challenges of a dynamic Canadian and global economy. At Grant Thornton LLP, we're dedicated to serving the food and beverage industry, and are very privileged to recognize these 2017 industry leaders. 🍓

James Menzies, national manufacturing leader
Grant Thornton LLP www.GrantThornton.ca





(L - R) Riverside Natural Foods owners Salma Fotovat, director, Supply Chain; Nima Fotovat, president; and Sahba Fotovat, director, Operations. (Front) Moe Fotovat, managing director.



Riverside Natural Foods

—GROWTH AWARD—

BY CAROLYN COOPER

“The start of the company was more of an inspiration around the product,” says Nima Fotovat, recalling the origins of Riverside Natural Foods, the Vaughan, Ont.-based company that he and sisters Salma and Sahba launched in June 2013. “I had two kids starting daycare, so I went into the supermarket to get organic, school-approved, allergen-friendly, peanut- and nut-free snacks that I could pack for my kids’ lunch box. I found that there was nothing.” Having all worked in the family food business, Fotovat says the siblings “saw an opportunity for healthier, more nutrient-dense organic snacks that are also allergen free.”

That quest led to the creation of the Made-Good brand, a line of organic Granola Bars and Granola Minis that pack a powerful nutritional punch. Kosher, vegan, organic and non-GMO verified, the brand is free of the eight leading allergens in North America (peanuts, tree nuts, wheat, dairy, eggs, soy, sesame and fish), and features ethically sourced ingredients like dried fruits, whole grains and pure, cold pressed high oleic sunflower oil. Each product also contains the nutritional equivalent to a full serving of vegetables, and at least 20 per cent of the required daily intake of vitamins A, B1, B6, C, D and E, from the addition of spinach, broccoli, carrots, tomatoes, beets and shiitake mushrooms.

Best of all, the bars and minis are delicious, making them a “win-win snack,” says Fotovat. “As a parent I would love my kids to eat broccoli and carrots, but it’s difficult. So we thought if we could find a way to sneak that into the product it would deliver something beyond just a sweet snack. Kids think they’ve got a treat, and parents feel good.” Adds Fotovat, “MadeGood also allows kids with allergies to feel normal, so they can share their snack with everybody else.”

While Fotovat says “anything with chocolate” is a top-seller, flavours include apple cinnamon,

chocolate banana, chocolate chip, mixed berry and strawberry. Riverside’s newest products include Crispy Squares in vanilla and chocolate chip, and a cereal, a new category for the company.

Since the brand launched in 2014, Riverside has experienced significant growth annually, and in fiscal 2016 alone sales grew 200 per cent over the previous year. The company now has almost 70,000 sq.-ft. of production space across two adjacent facilities, and has national distribution at most major retailers, as well as on airlines Air Canada, WestJet and Delta, and in 20 countries worldwide. This summer the company will also begin providing product to Toronto-based school and daycare caterer Real Food for Real Kids.

Innovation remains a key driver of growth, and Fotovat says the company is focused on “making a healthier, better version” of snacks that families enjoy. Because of the brand’s allergen-free designation, food safety and quality is a priority. “That’s really a critical thing for parents with children who have allergies. So there is no room for error,” explains Fotovat. “It is a very tough, strict process that involves our supply chain all the way to the consumer.”

As a result, the company stresses strong, on-going relationships with its suppliers, customers and its employees, many of whom have been there since day one.

The strength of those relationships is also the reason Fotovat says real success for the company means much more than just financial growth. “Success, as a subjective thing, is when you come to work and people are enjoying working here. It’s not that it’s going to be easy — it’s going to be challenging, it’s going to be a learning experience, but it’s going to be fun as well,” he says. “So if we can create that it means the business is growing and things are good.” 🍓



FOUNDED: 2013



HEADQUARTERS:
VAUGHAN, ONT.



PRODUCTS:
MADEGOOD BRAND
BARS, MINIS AND
CRISPY SQUARES.



FOOD IN CANADA'S
2017 LEADERSHIP
AWARDS

The Muskoka
Brewery Team



Muskoka Brewery

—INNOVATION AWARD—

Photos: Muskoka Brewery

BY DEANNA ROSOLEN

How many companies can boast of having a program that employees voluntarily work together on in their own time? This program simultaneously taps into new trends in the market, appeals to consumers, and at the end of the year produces several new innovative product ideas. It's what makes one of Muskoka Brewery's approaches to developing new products such a standout.

Launched in 2015, the success of the Moonlight Kettle Project was a surprise to everyone, says Todd Lewin, president of Muskoka Brewery. "It's taken on a life of its own. It's one of those unique

programs that is connecting with our employees and our team in terms of being part of our culture and what we do. It's also a great innovation pipeline for us. And it's landing really well with consumers who get to try the brands on tap."

The project partners a brewer with two or three other employees from any department. In the past, teams have worked closely with Gary McMullen, one of the founders of Muskoka Brewery (McMullen left the company last month), to develop a recipe and a style of beer. The team is also responsible for naming the beer and coming up with a list of foods that will pair well with

it. Then each team is booked a month in which to brew. Heartier and darker styles of beer are produced in the winter months, while in spring and summer the program produces beers that are light, floral and fruity.

The program was relatively easy for the brewery to launch. The original idea for the Moonlight Kettle Project came from the sales and marketing team, which wanted to pilot some test beers. After many conversations, says Lewin, the project began by collaborating with employees from across the company. It has all been employee-driven rather than mandated by management, so employees



Todd Lewin, president,
Muskoka Brewery.



FOUNDED: 1996



HEADQUARTERS:
BRACEBRIDGE, ONT.



PRODUCTS:
CREAM ALE, CRAFT
LAGER, HARVEST
ALE, IPA, STOUT,
SPECIALTY BEER.

maintain a real sense of ownership.

Although original plans were to do a couple brews this way, Lewin says the concept quickly became hugely popular with employees. Teams have remained small so that each person can make a more meaningful contribution. The project now runs 12 times per year, and there is a team in place for every month until mid-2018.

Once the team is ready, they launch their beer at the company's Hopped Up Hump Day gatherings. Depending on the response to the new brew, Muskoka Brewery then offers it to consumers on tap as a Limited Edition through the

Moonlight Kettle Series. In 2017, the brewery ended up launching two of the new beers that came out of the series lineup in 2016: Kirby's Kolsch and Shinnicked Stout. Beyond creating new products, the program has enhanced an already strong company culture at Muskoka Brewery. Through the Moonlight Kettle Project participating employees become better brand ambassadors as they learn about the brewing process — long days in which the teams are lugging around hops and malt and getting their hands dirty, says Lewin — and the company's core product.

As the company continues to grow

(it hired 60 new employees last year), projects like this help maintain a culture of openness. At a company-wide retreat in February, Lewin noticed employees from different departments who met on a Moonlight Kettle Project team mingling and sitting together. "Moonlight Kettle brings people together and allows for collaboration," says Lewin. "It has kept conversations going and is breaking down barriers. I would say it's been a key pillar to what we believe from a culture point of view. And when you have rapid growth we think anything you can do to foster communication and collaboration is a good thing." ●



Walter Cosman, general manager of Petcurean.

Petcurean

—STEWARDSHIP AWARD—

BY DEANNA ROSOLEN

When you ask about stewardship and the sustainability program at Petcurean, Walter Cosman says all you need to do is look out the office windows. The company's general manager explains that when you see the surrounding mountains and lakes in Chilliwack, B.C., "you see firsthand what you're working on to protect and what's at risk if we don't do a good job of it."

That's why Cosman says that implementing the company's sustainability program wasn't a challenge — staff can see every day what's at stake. In fact, Cosman attributes the company's success foremost to those 70 employees who not

only care about the planet, but who are also committed to putting pets first. The fact that the company is still privately owned by founders Ron Mayert and Dan Vanleeuwen is another contributing factor to the company's success, which in the last five years began exporting to more than 10 countries, bringing the total number of countries they are sold in to 29.

"We are privately owned and independent," says Cosman, "and that allows us to be focused on pet nutrition. We don't have to worry about our stock value or quarterly profits or quarterly results and reporting to shareholders. We have private ownership and [our owners] have a vision for where our category is going

and have allowed us to look at innovative new products."

One of those new and innovative products is called GATHER. The product for dogs includes Wild Ocean Line-Caught Cod, Free Acres Organic Free-Run Chicken and Endless Valley Vegan. The ingredients are certified, non-GMO and organic. They include whole chicken, peas, flaxseed, oatmeal and barley, with line-caught cod and krill certified by the Marine Stewardship Council. For cats there's Free Acres recipe with organic free-run chicken. The challenge in getting GATHER to market was finding suppliers that were sustainable and certified. The company's products

Photo: Don R. Young Photography



FOUNDED: 1999



HEADQUARTERS:
CHILLIWACK, B.C.



PRODUCTS:
PREMIUM PET FOOD
BRANDS INCLUDING
GO!, SUMMIT,
NOW FRESH, SPIKE
AND GATHER.

supply team had to literally “scour the Earth” to “gather” (hence the brand name) “those right suppliers and do their due diligence to make sure they were truly sustainable,” says Cosman. “It’s one thing to say it on paper and offer it as a sales pitch. But we had our people go out and kick the dirt in their fields, inspect their farms and stand on their boats to be sure.”

Like all new suppliers to Petcurean, each partner which provided ingredients for GATHER’s recipes had to meet strict criteria for sustainability based on five pillars: humane animal welfare practices; protection of water supplies and the limit of water use; protection of farmer, rancher and producer livelihoods; preservation

of natural resources; and preservation of biodiversity.

To reduce the use of traditional polyethylene in its GATHER packaging, while keeping the bag strong and durable, the company developed a 30 per cent bio-based plastic produced from sugarcane with a reduced environmental impact. Now, Petcurean saves a four-pound bag’s worth of petroleum-based material for every 16-lb bag made. Its other dry pet food bags are sourced from North America instead of overseas to lower the carbon footprint. Meanwhile, the company has invested in a new pet food oven which uses less energy and produces less waste, and its dryers are now

expending 15 to 25 per cent less energy.

While sustainability wasn’t a challenge in implementing, keeping that entrepreneurial spirit alive as the company grows has sometimes proved trickier. Cosman says he’s taken the added step of hiring an innovation manager to work closely with their pet nutritionist to identify trends and market opportunities. “Pet owners are passionate about the footprint they make on the environment — or as we like to say ‘paw print,’” says Cosman. “They want the same things they can get for their own shopping needs — sustainability, organic, transparency — and they want that reflected in the food they’re feeding their pets as well.” 🍎



Photo: James Walsh/Rod Stearns Photography

Mrs. Dunster's

—COMMUNITY & INDUSTRY LEADERSHIP AWARD—

BY CAROLYN COOPER

When Blair and Rosalyn Hyslop purchased Mrs. Dunster's from Dairytown Products in June 2014, the couple knew there would be a few challenges, like getting a management team in place. But within 24 hours of owning the Sussex, N.B.-based commercial bakery the Hyslops received an unexpected setback. "We lost the distribution rights to a product line that represented about 15 per cent of our business," says Blair Hyslop. "So that was kind of a rude awakening day one."

Hyslop decided to reach out to regional bakeries to see if they were interested in the company's distribution capabilities. The couple worked hard to build strong relationships with customers

throughout New Brunswick and Maine, while at the same time expanding in-house production of doughnuts, cookies and sweet goods. Sales grew steadily, and in fall 2015 the entrepreneurs acquired Borden, PEI-based Snair's Golden Grain bakery, which produced complementary products like artisan bread and rolls, and which expanded the company's distribution throughout PEI and Nova Scotia.

Then in January 2016 the small community of Sussex was devastated to learn that PotashCorp, the major employer, was closing the Picadilly mine operations, putting 430 people out of work.

"That kind of set us in a new direction," recalls Hyslop. "We really started focusing more on growth, and on getting more involved in the community to try and

help alleviate the impact of the mine closure." As a result, he says, "we had a plan to grow three per cent a year, and we've grown an average of 35 per cent a year for the last two and a half years. We've more than doubled the number of employees. So we evolved pretty dramatically over the last two and a half years, and it's turning out to be something a lot more awesome than we had intended."

Working with the local Chamber of Commerce, the Hyslops led a process that brought together 150 local business leaders to produce a strategic plan for economic development and business attraction for Sussex. They also rallied local bakeries to encourage the sector to share strengths and knowledge to help



Blair and Rosalyn Hyslop, owners of Mrs. Dunster's.

them face common challenges. “We never looked at it as a real competitive threat, we looked at it as an opportunity to work together,” says Hyslop. “This is a small market in Atlantic Canada, and we really need to work together as an industry to make sure that we have the tools we need to succeed.”

For instance, says Hyslop, there’s an absence of new bakers across Canada, particularly in smaller communities where there are no part-time courses for professional development. Hyslop is the Atlantic Canada representative on the board of directors of the Baking Association of Canada, which is now working on a plan to enhance professional development training opportunities for bakers.

In addition, the company helped bring the Junior Achievement Company program to Sussex, and both Blair and Rosalyn sit on the

boards of a number of local charitable organizations, and mentor other small business owners in the region. “There was a need first and foremost, for people to get involved and get re-engaged in the community,” explains Hyslop. “So we decided to contribute what we could in terms of leadership and manpower and time. For us it was something that seemed like the right thing to do.”

That involvement has been overwhelmingly positive for the company, which has tremendous loyalty in the community. Sales have grown 93 per cent since the Hyslops opened shop, and today Mrs. Dunster’s 26 trucks deliver 40 different freshly baked products two to three times a week to retailers and restaurants throughout the Atlantic region. That’s just five per cent of the roughly 200 in-stock baked goods Mrs. Dunster’s sells through its small shop, which receives an astonishing 400,000 visitors each year. Top-selling items are its famous doughnuts, followed by gingersnap cookies, English muffins, cheese garlic buns, and a wide variety of bread and rolls. “We probably have the widest range of products of any bakery in the region, and the ability to get them to market to just about any store in the region,” says Hyslop. “So it’s a nice place to be. We have lots of options in front of us.”

But, he stresses, any growth must comply with the couple’s vision for the business, based on three elements. “We want to have a healthy growing company, so we focus a lot on our culture — we like to say this is a place where awesome people get to work in an awesome work environment,” says Hyslop. “We want to continue to make and distribute exceptional food. And we want to continue to be actively engaged in the communities in which we do business and in which we work and live. Those are the guiding principles that drive our vision. We just want to achieve our potential, whatever that is. So far it seems to be greater than we’re able to imagine, so we’re just going to sit back and see where it goes.” 🍓



FOUNDED: 2014
(THE ORIGINAL MRS. DUNSTER’S OPENED IN 1968)



HEADQUARTERS:
SUSSEX, N.B.



PRODUCTS:
DOUGHNUTS,
COOKIES, ENGLISH
MUFFINS, ARTISAN
BREAD, ROLLS,
SWEET GOODS.



FOOD IN CANADA'S
2017 LEADERSHIP
AWARDS



Kelly Beaulieu, COO
of Canadian Prairie
Garden Purees.

Canadian Prairie Garden Purees

—HEALTH & WELLNESS AWARD—

BY DEANNA ROSOLEN

Kelly Beaulieu is a pioneer. Where others might have dismissed the bruised and misshapen vegetables culled from farmers' harvests in Manitoba as unprofitable, she saw opportunity. But she also saw a troubling fact: a huge amount of waste.

Between 30 and 60 per cent of farmers' vegetable harvests are culled, says Beaulieu "because they don't meet the strict visual quality standards of supermarkets." That's bad news for the farmer who doesn't have a market opportunity for those vegetables and it's bad news for the planet. As Beaulieu explains, we're going to have 9.7 billion people on the Earth by 2050 so "we have to do a better job of looking after the food that we do have so people aren't starving."

That's what sparked the idea for Canadian Prairie Garden Purees (CPG), which takes those fresh and raw vegetables, fruit and pulses and turns them into nutrient-dense purées. The products pack in so much nutrition that 100 g of the company's purées is equal to 1.4 vegetable servings. The purées are vibrant in colour, are low acid and do not contain any additional ingredients or preservatives. They are kosher and halal certified, and include beets, carrots, chickpeas, navy beans, parsnips, Saskatoon berries, sweet potatoes, broccoli, cauliflower, corn, onions, pumpkin and squash.

For Beaulieu, who is COO of CPG and an agronomist by training, the road to success included a steep learning curve and several challenges. She started work on the idea for the company in 2008, beginning with research on the various available processing technologies. While Beaulieu chose aseptic processing, it had to be adapted to meet her vision. "I was looking for an environmentally sustainable processing method," she says. "I looked at a whole bunch of different methods before I chose the technology that I did. And that technology had never been used for this type of a product, so I had to adapt it entirely to do what I wanted it to do."

Over the following years Beaulieu worked with a manufacturer and engineers to get the technology — which is patent pending — right.

In 2013, she finally raised enough money to purchase the equipment. Her aseptic processing technology uses steam to cook the vegetable purées to fully sterile in less than nine seconds. While it's effective, it's also the only one of its kind in the world, meaning the entrepreneur and her team had to determine how to run the technology once it was up and operating in the plant.

Beaulieu also spent many months working with the Food Development Centre in Manitoba, which helped the company with food safety testing, obtaining HACCP certification and certification by the Canadian Food Inspection Agency. There were also many months of working with the U.S. Food and Drug Administration in order to be certified to export to the U.S.

By the end of 2014 CPG was finally fully commercial, and today there are 20 staff, 10 in production and four in management. But with such a unique concept, Beaulieu says customers in foodservice and manufacturing often need convincing and time to test samples in their recipes, especially as her purées are such high quality. But, she says, "The best way I sell my products is I let people taste them. That's the secret. We open a pouch and let them taste it. That's a slam dunk every time." Beaulieu's proprietary technology uses high temperature to cook the vegetables, fruit and pulses in seconds, followed by a rapid cool down to lock in the nutrients. Purées are packed in pouches that are shelf stable for two years. Other technologies take longer to cook the product, which are then often sold frozen. The technology can also create thick and creamy pulse purées, compared to units currently on the market, which produce more watery pulse purées. The technology removes any beany taste, so the purées can be used in foods like burgers and cheesecakes. As a result of these factors, CPG has seen a 100-fold increase in sales growth each year.

"As far as our technology goes, I feel we're just at the start of a huge opportunity," says Beaulieu. "The things we can learn and do with this technology — the sky's the limit. The more I learn, the more excited I become. We just have to figure out more ways to use it." ●



FOUNDED: 2014



HEADQUARTERS:
PORTAGE LA
PRAIRIE, MAN.



PRODUCTS:
PURE VEGETABLE,
FRUIT AND PULSE
PURÉES.

The Gut MICROBIOME REVOLUTION

BY NATALIE CAJIC

A decade ago, digestive health was labelled a “mega-trend” by author Julian Mellentin of *New Nutrition Business* in his annual forecast of key industry trends. Moving “beyond the tipping point” is how he described the gut health market back then. Today, in *10 Key Trends in Food, Nutrition, and Health 2017*, Mellentin writes that digestive health is “entering a new era thanks to new technologies and new understanding of the effects that gut health has on overall health.” Indeed, with advances in probiotic and prebiotic technology, the market is seeing a new wave in product development.

Microbiome in the media

Attraction to foods supporting digestive health is growing, according to global public relations firm Ketchum. For its *2017 Global Food & Nutrition Predictions*, Ketchum interviewed 176 nutrition professionals across North America, South America, Europe, Africa, Asia and Australia. Sixty-one per cent of these professionals predicted more interest in food rich in probiotics such as fermented foods and beverages, while 56 per cent saw better understanding and regard for prebiotics, the “food” for probiotics. An emerging trend, they said, was to combine probiotics and prebiotics in unique products that would work “synergistically to promote gut health.”

Why all the interest in a healthy gut? Emerging research about the “microbiome” is making media headlines, and consumers are eager to learn how to harness the benefits. Microbiome, also referenced as “microbiota” or the “microflora,” is the collection of

New probiotic
and prebiotic
products feed
a happy,
healthy gut

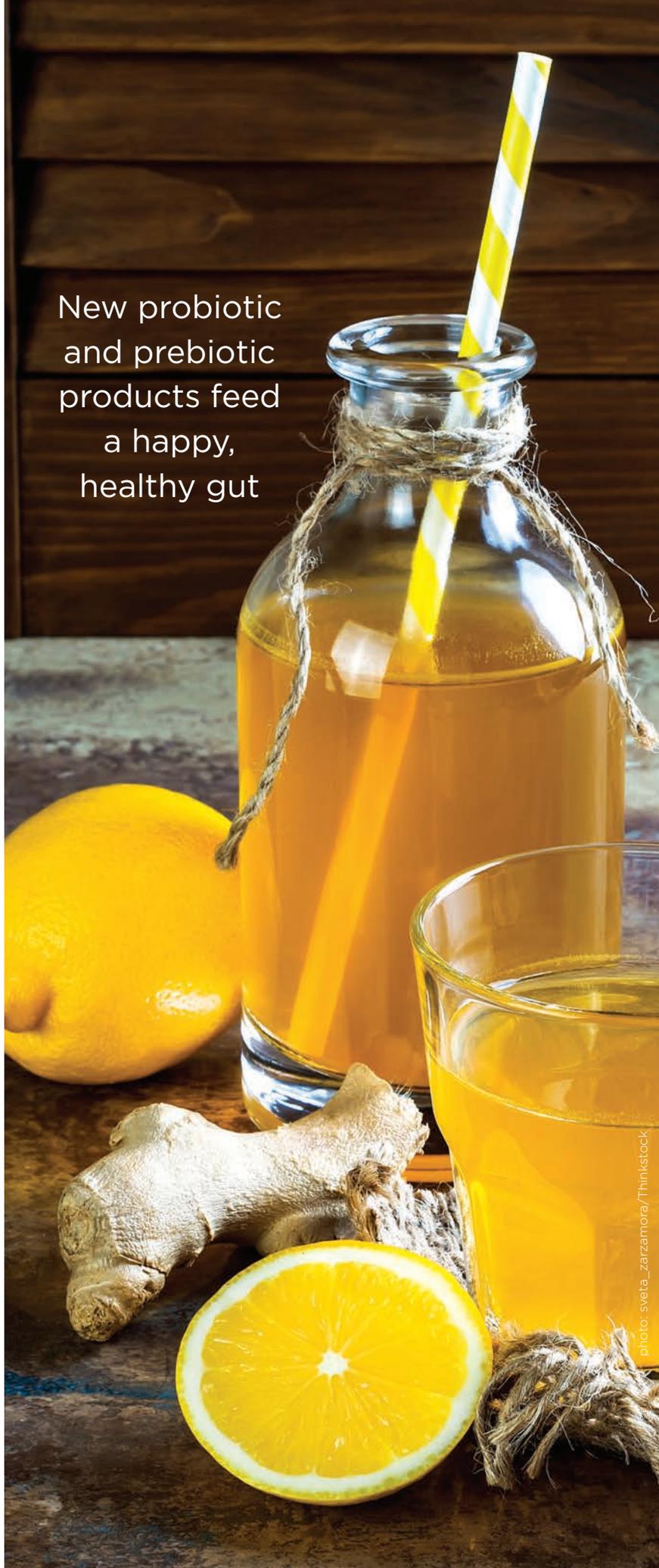


photo: OksanaKlian/Thinkstock



bacteria (along with fungi and viruses) present in and on different regions of the body. Researchers are discovering that a disruption in the gut microbiome has implications for disease. For example, low microbial diversity is associated with inflammation, metabolic diseases, and autoimmune diseases. They are also pointing fingers at the low-fibre, industrialized Western diet as a reason for a loss of microbial biodiversity. However, scientific study shows probiotics and prebiotics can restore the gut microbiome, and that has consumers and manufacturers excited.

Technology advances

Advances in technology have enabled manufacturers to expand food and beverage categories containing probiotics and prebiotics. For example, Ganeden's probiotic bacteria, specifically its core strain GanedenBC30 (*Bacillus coagulans* GBI-30, 6086), is very effective in surviving most manufacturing processes. New product launches show manufacturers expanding their beverage, snack/bar, protein powder, and meal replacement categories with GanedenBC30. In January, the company announced that GanedenBC30 had received FDA GRAS certification for infant formulas, opening the door to products aimed at infants and children.

Prebiotics do not yet have the same awareness as probiotics, but as consumers learn more about the gut microbiome, manufacturers will want to become acquainted. Prebiotics are the non-digestible food ingredients that help beneficial bacteria grow, in other words, fibre is their food source. However, there is a difference between fibre and prebiotics. "All established prebiotics are fibres, but not all dietary fibres are prebiotics," says Anke Sentko, vice-president of Regulatory Affairs and Nutrition Communication, in a BENEEO news release. "There's a lot of misuse in the market currently." BENEEO's Orafit Inulin and Oligofructose, derived from chicory root fibres, have a scientific track record, which allows manufacturers to make claims on digestive health.

Canadian food and beverage manufacturers looking to expand their categories are wise to consider incorporating probiotics and prebiotics into their products given the high interest in digestive health. However, William Rowe, president and CEO of regulatory consulting firm ➔



WHAT DOES IT MEAN?

- Probiotics -

Live microorganisms which when administered in adequate amounts confer a health benefit on the host.

- Prebiotics -

Non-viable food component that confers a health benefit on the host associated with modulation of the microbiota.

Source: CFIA



photo: NoirChocolate/Thinkstock

Nutrasource Diagnostics Inc., says manufacturers need to be aware of federal regulations. Common probiotic bacteria like *Lactobacilli* and *Bifidobacteria* do not require premarket safety review by Health Canada because of their history of safe use in food products, he says. “However, if the probiotic bacteria is considered to be a novel food, then the manufacturer is required to prepare and submit to Health Canada a premarket notification demonstrating safety of the novel food for human consumption. Successfully launching a new probiotic product in any jurisdiction combines research efforts with marketing and regulatory competence to meet requirements of the host country.”

Beyond yogurt

One of the most commonly known probiotic foods is live-cultured yogurt. Now, as technology advances, the marketplace is seeing a new wave of innovative probiotic products, including juices, chocolate and vegetable-based snacks.

PepsiCo Beverages Canada launched the first mainstream juice with probiotics in the marketplace this year. Tropicana Essentials Probiotics is a dairy-free, purée blend from concentrate with no added sugar, artificial colours or preservatives, which contains one billion active cultures in every 250-mL serving. Found in the refrigerated juice aisle, the probiotic beverage is available in peach passion fruit, pineapple mango, and strawberry banana flavours.

In an interview last fall with business magazine *Fortune*, Bjorn Bernemann, vice-president and general manager of Tropicana North America, noted that, “We see ‘functional’ juices growing at twice the rate of mainstream juices.” Indeed, U.S. sales of functional beverages rose from US\$12.4 billion to US\$18.6 billion

between 2006 and 2015, according to databased company Statista. PepsiCo also acquired KeVita, a California maker of fermented probiotic and kombucha beverages, last November.

Other companies are jumping in the sector too. “More effective than a yogurt drink” is how U.K.-based Goodnesse Ltd. markets its Ohso Good chocolate. Each bar, made of Belgian chocolate, provides over one billion live *Lactobacillus* and *Bifidobacterium* bacteria, microencapsulated in a patented process and designed to maintain the life of the bacteria for 18-months.

Traditional fermented foods such as kefir, kimchi, miso, sauerkraut and tempeh also contain probiotics, and Farmhouse Culture has turned fermented food into a thriving business. Last fall, the California-based company introduced a first-of-its kind snack line, New Farmhouse Culture Kraut Krisps, a fresh twist on tortilla chips. Made of sauerkraut and masa (corn flour), the snacks are seasoned with herbs and a plant-based probiotic strain. In addition, the company launched Farmhouse Culture Organic Fermented Vegetables, diced and shredded vegetables fermented using lactic-acid fermentation.

But Farmhouse Culture may be best known for its probiotic drinks, Gut Shots, the brine from making sauerkraut. “In the early days of our business, we had more leftover brine than we knew what do with from the sauerkraut making process,” says John Tucker, Farmhouse Culture CEO. “We started giving shots away at our local farmers’ markets, and pretty quickly it became a Bay Area cult drink. We couldn’t keep it in stock!”

Product innovation with prebiotics is also underway. While most manufacturers use inulin and oligofructose (chicory root fibres) in their new product developments, according to *Innova Market Insights 2016*, new sources of prebiotic fibres are emerging. They include Jerusalem artichoke, baobab, dandelion and tiger nut, small dried edible tubers that are very high in fibre. Examples of new prebiotic products include a U.S. tea brand called Yoot, containing roasted dandelion and chicory root powder, and TigerNut Horchata, a milky beverage by Organic Gemini.

With new understanding of the effects that gut health has on overall health, manufacturers are in a position to meet consumer demand for products containing probiotics and prebiotics. Clearly, the gut microbiome is a mega trend that is just getting started. 🍎





Taking **costs** off the chopping block

2017 consumer packaged goods trends

Lino Casalino

Shifts in consumers' budgets and shopping habits are fundamentally changing the market for consumer packaged goods (CPG). Long gone are the days when manufacturers were concerned mainly with winning grocery stores. For sustainable growth, CPG executives need to rethink their company's approach.

Historically, population growth and gains in consumer spending provided reliable fuel for CPG expansion. That has changed. The number of consumers in developed countries has either flatlined or fallen. Birth rates in North America and Western Europe are below the replacement rate. Moreover, the majority of consumers in mature markets have, until 2016, endured more than a decade of stagnant wages, leading to slower consumer spending. These trends are consistent with the Canadian market.

At the same time, consumer needs and habits are shifting, and CPG firms can no longer make the same assumptions about mass-market shopping activity. They could once rely on a large, relatively homogeneous group of middle-class consumers who would purchase staples and even a luxury or two at mid-priced stores. But this uncomplicated consumer market has fragmented into two camps: survivalists and selectionists. Survivalists are cutting back and looking for value. Members of this group, which includes a vast and growing number of retirees, are stretching their budgets by limiting themselves to value retailers, such as Costco, as well as online outlets offering lower prices. By contrast, selectionists can afford to

be choosy and "select" products they perceive as being of much higher quality. CPG companies offering premium-price items have made inroads with this group through namesake stores, such as Godiva Chocolates. The result is that the discount and top-end companies are increasing their market share, while retailers in the middle — and the CPG companies that service them — are suffering.

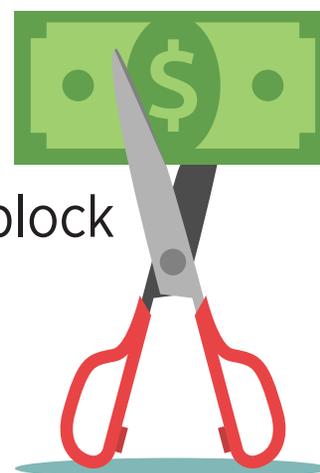
Faced with these challenges, many CPG companies have embarked on aggressive cost-cutting campaigns. While these can improve both profit margins and stock price, the benefits of cost-cutting can be short-lived and ultimately leave companies unprepared to take advantage of marketplace opportunities, which are the real keys to growth. For sustainable growth, CPG executives need to rethink their company's approach and focus on the following strategies:

Align your portfolio to growth

Instead of making cuts across all brands to reduce costs, analyze your portfolio and ask whether the products you offer align logically with the market categories and niches your company is focusing on. By identifying the rationale behind your portfolio, you can avoid reacting opportunistically to changing markets with hastily developed brand extensions, new products, or acquisitions.

Small brands, big profits

Small players are outperforming the competition in 18 of the top 25 CPG categories, including the largest and most consolidated, such as dairy, bakery,



snacks, and ready meals. Consumers choose these brands because they offer a connection to local growers, the promise of healthy ingredients (Bob's Red Mill), or a quirky story (Ben & Jerry's). To take advantage of the benefits smaller brands generate, large CPG companies can build or buy their way to faster growth.

Think global, act local

A "one-size-fits-all" approach will no longer work in the global market. Brands that want to do well in emerging economies in Asia, Latin America, and the Middle East, where demographic trends offer more potential for growth, must tailor their products to local demands.

Clearly, plenty of hard work awaits CPG companies as they re-evaluate their strategic biases and redesign their operating models for a far different business environment. But as a starting point, CPG companies have two imperatives: take the profit margin challenges seriously because they are not going away, and recognize that you cannot buy your way out of trouble through cost-cutting alone. Companies able to do this will likely learn that they can outperform in the CPG market. 🍀

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photo: JackF/Thinkstock

FILLING THE GROWING LABOUR GAP

More changes are on the way to foreign worker programs, but the food processing industry is calling for a more permanent solution to its ongoing labour shortage | **By Rebecca Harris**

Last October, Manitoba-based pork processor HyLife announced a \$125-million expansion plan with much fanfare. The company is investing in its main processing plant in Neepawa and building new finishing barns to supply it, due to growing demand for Canadian pork in Japan and China. It's positive news for HyLife, but with growth comes a big challenge: how to fill the 165 new positions at both its production and processing facilities.

Finding qualified people is "absolutely" a concern, says Jeremy Janzen, senior director of Human Resources at HyLife, which currently employs 1,900 people. "Whether we're in expansion mode or we're just maintaining but having to deal with attrition and turnover rate, labour is number one," he adds. "We want good people, and we need to ensure we're not short staffed."

HyLife, of course, is not alone. The labour shortage has long

dogged the food processing industry and remains a critical problem for the meat sector in particular. A recent survey by the Ottawa-based Canadian Meat Council (CMC) identified 1,475 vacancies at 15 rural abattoirs, from B.C. to Quebec. The vacancies represent 9.3 per cent of total employment at those facilities.

Overall, the big challenge is that there's a shortage of people who are interested in doing the frontline work, says Janzen. A second hurdle for most meat processors in Canada is their rural location. "Our unemployment is very low and the general population is low," says Janzen. "So, the availability of people in general is a challenge in rural areas of Canada."

To fill the labour gap, the industry relies heavily on government programs such as the Temporary Foreign Worker Program, which allows employers to hire foreign nationals to fill positions when they can't find qualified Canadians. Some foreign workers may qualify for permanent residency through the Provincial Nominee Program.



photo: boggy22/Thinkstock

In 2014, the then-Conservative government made sweeping changes to the program, including a cumulative duration or “four in, four out” rule. Under the rule, temporary foreign workers who had worked in Canada for four years became ineligible to work in the country for the next four years.

The reforms posed significant challenges to the meat sector, but some relief is on the way. Last December, the current Liberal government announced new reforms to improve the program, including scrapping the controversial “four in, four out” rule. That change (among others that benefit sectors such as tech) is in line with a House of Commons human resources committee report that made 21 recommendations to improve the Temporary Foreign Worker Program. Last month when the federal government delivered its 2017 budget, it stated that it will invest \$279.8 million over five years, and \$49.8 million each year thereafter, to support the continued delivery of the Temporary Foreign Worker Program and the International Mobility Program. In

addition, the government will reallocate \$27.5 million over five years, and \$5.5 million each year afterwards, to support a targeted strategy for newcomers. The strategy includes improved pre-arrival supports, so that newcomers can begin the foreign credential recognition process before arriving in Canada; a loan program to help newcomers with the cost of having their foreign credentials recognized; and programs to help skilled newcomers gain Canadian work experience in their profession. “In general, we’re very positive towards the general thrust of those regulations,” says Ron Davidson, director of International Trade, Government and Media Relations at the CMC. “The suspension of the four in, four out rule is helpful because it reduces the stress on both the workers and the employers.” HyLife’s Janzen says he’d like to see the government and industry work together to create a new hiring stream “not just on the temporary side, because we don’t see our people as temporary, but on creating that pathway to permanency.” ➔



Jennifer Griffith, executive director of the Ottawa-based Food Processing Human Resources Council (FPHRC), echoes that sentiment. She says the Temporary Foreign Worker Program is not a permanent solution to the industry's labour woes. "Companies do not want temporary workers. We want workers to stay," says Griffith. "The ultimate solution is to have some sort of stream or pathway that's not temporary."

Griffith points to a new joint federal-provincial program, the Atlantic Immigration Pilot, which gives foreign workers a direct path to permanent resident status. Beginning in March, the three-year pilot is accepting 2,000 applicants and their families. "They're trying to build communities in these areas, and then hoping that they'll stay," says Griffith. "So that's one strategy we're looking at to see if that could potentially be duplicated in other provinces."

While that's one positive step, the government announced changes to another permanent residence program — Express Entry — that will negatively impact the industry, according to the CMC. While only retail butchers qualify for Express Entry — not industrial butchers — some plants have used the program to access workers who specialize in high-level retail cuts. Under the program, candidates are ranked against others in the pool using a point-based system. As part of the changes announced last November, the number of points awarded for a confirmed job offer in the category that butchery falls under was reduced from 600 to 50. The reduction in points "essentially means that the meat industry has been excluded from that program," says Davidson. "So that was one negative thing that happened late last year."

The FPHRC is hoping one of its programs could help foreign workers gain recognition for their skills. As part of its "Raising the Standards" initiative, last summer the council launched the first and largest database of manufacturing skills in Canada. The project provides the food manufacturing industry with national competency-based occupational standards to ensure safe practices and professionalism in the workplace.

According to the council, the standards have a wide range of HR applications, including training and education, and professional certification programs. "All these different things are important because the government needs pathways to be able to bring in foreign workers," says Griffith. "So this could contribute to recognizing workers' skills from other countries when they come to Canada."

Meanwhile, employers continue to find ways to recruit workers on the domestic front. In addition to the usual tactics such as job fairs and advertising, HyLife tries to find creative solutions and "think a little outside of that box," says Janzen. For example, last year HyLife began work on a recruitment plan with the Sandy Bay First Nation in Neepawa, and currently employs 26 indigenous people. HyLife has also consulted with the community on setting up a meat-cutting program on the reserve.

“Companies do not want temporary workers. We want workers to stay. The ultimate solution is to have some sort of stream or pathway that's not temporary.”

In addition, the company is connecting with colleges and universities, such as the Asper School of Business at the University of Manitoba. "As we look at our expansion, it's not just the frontline positions — we're hiring for all different positions," says Janzen. "We've had to hire some engineers, so we've had meetings with the engineering department at the university. Getting our name out there through face-to-face [meetings] with students, student associations, universities and colleges is probably the most important new strategy that we're working on."

Janzen's point highlights another underlying issue for the food processing industry at large: lack of awareness. FPHRC's Griffith says there are plenty of opportunities to rise up within the industry — lead hand or supervisor, for example — and there are many different areas within the industry that many people aren't aware of, such as food safety, quality assurance and logistics. "People aren't thinking of working in the food processing industry," says Griffith. "It's not a sexy sector [in their minds], but there are good careers and good career opportunities." ●

Part II of *Food in Canada's* series on the labour market will appear in June 2017, and will focus on raising awareness about the food processing industry and engaging the next generation.



Clean labelling: Can packaging play a role?

Carol Zweep

Clean labelling is a popular trend in the food industry. Consumers are seeking “natural” foods that are free of chemicals. Packaging techniques can provide solutions to maintain food quality as well as satisfy the movement to reduce or eliminate preservatives and additives.

Modified atmosphere packaging is an established method of extending shelf life. This technique substitutes air in the package with another gas mixture (usually carbon dioxide and nitrogen). Carbon dioxide functions as both a bacteriostatic and fungistatic that hinders growth of certain aerobic organisms. Nitrogen is added to the gas mixture as an inert filler. Modified atmosphere packaging can deter microbial growth for commodities such as meat and poultry, ready-to-eat chilled foods and baked goods, without the use of preservatives. Elimination of entrapped air along with use of a good barrier package and adequate headspace is essential for effective application of this technique.

Changing the environment within a package can also deter microbial growth. Packets of oxygen scavenger material (such as ascorbic acid, photo-sensitive dyes and iron powder) can be inserted into packages to maintain a low oxygen level within the package and prevent the growth of aerobic bacteria and moulds.

Antimicrobial packaging can be used to suppress the growth of microorganisms by extending the lag period and to decrease counts by reducing growth rate. Agents can be incorporated into the packaging material, or coated/adsorbed



onto packaging surfaces or placed within sachets, pads or labels. Antimicrobial systems can work by direct contact with the food surface or they can emit volatile compounds into the headspace surrounding the food.

Natural antimicrobials have attracted a great deal of attention recently from the food industry. Extensive research is being done on natural compounds such as bacteriocins, enzymes and plant extracts incorporated into packaging. Bacteriocins contain peptide-based antimicrobial compounds synthesized by bacteria that have bactericidal activity against other related species. Nisin is a bacteriocin found in raw milk and fermented foods and has a broad range of antimicrobial activity. Nisin has been used as a natural food preservative globally in products from canned foods to dairy products.

Enzymes are used in food processing, but a novel application is the immobilization of enzymes in packaging materials for antimicrobial purposes. Lysozyme is a naturally occurring enzyme produced by humans and many animals that can act as an antimicrobial by damaging the cell wall of bacterial cells.

Plant extracts and essential oils have strong antimicrobial properties since

they contain a high amount of phenolic compounds. These materials have been incorporated into packaging materials or in coatings. Examples include grapefruit seed extract, grape seed extract, green tea extract and essential oils of rosemary, oregano, clove and cinnamon. Since essential oils are volatile, have low solubility in water and are susceptible to oxidation, research is now underway to improve the biological activities by encapsulating the essential oils.

Allyl isothiocyanate is an example of a plant extract incorporated into label film and it is commercially available in Japan (for example, Wasaouro by Mitsubishi-Kagaku Foods Corporation). Allyl isothiocyanate is a strong antimicrobial compound extracted from mustard and horseradish (wasabi) and is released into the package headspace upon exposure to high moisture from food such as cakes, breads and ready-to-eat meals.

The popularity of antimicrobial packaging systems is expected to grow due to the potential benefits of providing safe quality foods without the addition of chemical preservatives in the food. There are concerns of migration and degradation of compounds, effects on sensorial properties and development of antimicrobial resistance. Cost and consumer acceptance are additional factors. More studies and regulations are required to ensure the effectiveness and safety of antimicrobial packaging. ●

Carol Zweep is manager of Packaging, Food and Label Compliance for NSF International. Contact her at czweep@nsf.org



Humanizing checklist of successful entrepreneurs?

Peter Henderson

building collective humanizing entrepreneurship into your corporate culture can lead to greater success. Below is a valuable checklist of important humanizing traits of successful entrepreneurs.

1. Manners matter

In human interactions, manners matter. Good manners make you unconsciously appealing to others. Poor manners can quickly and irreparably destroy any goodwill.

2. Smile like you mean it

Customer-facing employees must be approachable, receptive and welcoming. A simple and sincere smile can make conversations much easier.

3. Be your own public relations

It can be advantageous to have company spokespeople.

4. Stop the small lies

Have you or one of your colleagues ever told someone you're "on the way" when actually you're just getting out of the shower? Small lies like this are first harmful to yourself and your entire organization, no matter how small the lie might seem.

5. Talent and product quality speaks for itself

Who you know can be a useful tool to get your foot in the door, but it has its limits and is no substitute for ability, your product and service. Talent, skills and a coherent track record that can be demonstrated and then amplified are crucial.

6. Be authentic, be you and true to your corporate culture

Facebook founder Mark Zuckerberg is



a great example of someone who is authentic. He doesn't compete on outward symbols, sticking most days with his college kid outfit of jeans and a hooded top.

7. Make change the only constant

Stretching beyond comfort zones is what successful entrepreneurs do in spades. Never be satisfied with the status quo — the moment that happens you stop innovating.

8. Ask why, continuously

Questioning convention and challenging the "norm" is critical to pushing the boundaries and making breakthroughs. Not doing so is what leads to mistakes and failed new ventures. Don't take anything for granted — asking questions is the art of uncovering the unknown and ambiguous.

9. Pause, regroup, then resume

Starting a business is like running a

marathon and spinning plates at the same time. There are so many things, large and small, to take care of that everything seems to demand a quick fix just to keep the whole operation working and it seems never ending. Receiving setbacks or bad news is an inevitable fact of setting up a business or new category, but responding too quickly can often make a bad situation worse.

10. Challenge your own biases

We all have our own preconceived ideas about how things are or how things should be, often without any conscious effort to do so. As people of similar thinking naturally tend to gravitate together, these personal biases can be reinforced in a group situation. Successful entrepreneurs challenge biases and question old stereotypes — they look deeper, push further and aim higher, driving innovation.

The above checklist is an adaptation of "10 habits of successful entrepreneurs" written by Ike Lee, a successful business person and visiting professor at the National University of Singapore Business School, published last month at thinkbusiness.nus.edu/article/10-habits-of-successful-entrepreneurs. ●

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



Keeping up with **GreenSpace Brands** & the ever-changing **natural foods industry**

Glenn Fraser

I am very excited to introduce MNP's Leader-to-Leader Series, where I talk with today's top leaders in the food and beverage sector to share valuable insight on the opportunities, challenges and trends within this dynamic industry.

I was fortunate to sit down with Matthew von Teichman, president and CEO of GreenSpace Brands Inc., to discuss the company's success story and what he sees for the future of the industry and his company. Since 2002, GreenSpace Brands has been creating

“Food and beverage companies that continue to push the boundaries and evolve are sure to create a recipe for success.”

products that inspire and improve lives through simple ingredients, traditional farming practices and innovative branding.

During our discussion, von Teichman talked about the natural food market and how his company is adapting and diversifying to meet consumer expectations. Consumers are more interested in natural food than ever, evidenced by 14-per-cent growth in the natural food market, compared to less than two-per-cent growth in the conventional food market. Where it used to be just mothers feeding their children (the early adopters of natural foods), millennials and baby boomers have now jumped on board.



Matt von Teichman,
president and CEO of
GreenSpace Brands.



photo: Thinkstock

Today's consumers are making conscious decisions to spend more of their disposable income on natural foods — and that translates to great opportunity.

Recognizing that Canada was and still is lagging behind other countries in offering consumers options in natural food products, GreenSpace Brands saw significant opportunity. The company set out to not only acquire new brands to bring into Canada, but also to find distribution holes in the Canadian natural foods industry so it could launch new products into them.

Von Teichman says one of the biggest trends is grass-fed. Grass-fed dairy and meat are very important to today's health-conscious consumers. Consumers are also moving toward clean snacking on nuts and seeds — the way we used to snack hundreds of years ago — and away from traditional snacks like chocolate bars and chips. Sweeteners are also a big trend, as consumers learn about the potential dangerous effects of sugar. GreenSpace Brands is watching this trend very closely.

Von Teichman also spoke about the small entrepreneurs who have fabulous products but have hit a wall, with challenges to do with financing and/or having the in-depth knowledge to grow their businesses. As such, he sees more acquisitions in the company's near future. He's also excited to look at what is developing in other markets and launch new products within the GreenSpace Brands portfolio. Von Teichman believes the opportunities are endless and that food and beverage companies that continue to push the boundaries and evolve are sure to create a recipe for success.

To see the full video and to learn more, visit: <http://www.mnp.ca/en/food-and-beverage-processing/leader-to-leader>. 🍓

Glenn Fraser is vice-president and national leader, Food and Beverage Processing, MNP LLP. Contact him at Glenn.fraser@mnp.ca or at (416) 263-6914.

RESEARCH CHEFS IN CANADA



News > file

Mission IMPULSEible

The 2017 Alberta Mission: ImPULSEible competition took place last month in Edmonton. The aim for students this year was to create a pulse-based food product targeted to millennials that qualifies for the use of the Pulse Brand, the symbol that helps consumers worldwide identify food products that contain pulse ingredients. For a product to qualify, the pulse ingredients must be in the top five ingredients by weight and must make up at least five per cent of the total formulation by weight.

First place was awarded to a team from the University of Alberta, Nutrition & Food Science Program, including Andrea Dacko, Aleksandra Tymczak, Philip Easton and Jeffery Duong. The team created a savoury curry granola bar called Lentola Bars — Curry in a Hurry, which incorporated roasted green lentils, roasted red lentils and roasted chickpeas.

In second place was another team from the University of Alberta, Nutrition & Food Science Program. Teammates Yun Yang, Xuejuan Ding and Beiyi Shen created PeaCoPudding,



Winning team from University of Alberta.



a pudding made with chickpea milk and coconut milk with a red bean paste. Third place went to a team from Portage College, Culinary Arts Program, and included Lacey Patenaude and Crandell Houle. The duo created a pulse-based cereal



R-L: Second and third place winners.

called Cula Crunch that incorporated roasted chickpeas and a lentil flour blend of red, green and black lentils.

Global food cook off

Last month culinary students from George Brown College in Toronto competed in a live cook-off to create Global Street Food. As part of their ongoing partnership, Nestlé Professional and George Brown challenged students to create innovative recipes that included at least one Nestlé Professional MINOR's Base or MINOR's/MAGGI Flavour Concentrate. The Nestlé Professional MINOR's and MAGGI products include a selection of bases and flavour concentrates. The competition consisted of two categories, one for first-year students and a separate league for second-year students.

First-year winners were: First place and People's Choice Award (\$1,500), Jennifer Chow, Torched Scallop & Shrimp Takoyaki; second place (\$750), Marcella Walton, Shrimp Bicol Express with Chicharron Gremolata; and third place (\$500), Derek Reid-Wilkinson, Southeast by Southwest Bao.



Southeast by Southwest Bao.

Second-year winners were: First place (\$1,000), Eunhye (Grace) Ko, Tofu Kimchi Ball; second place (\$750), Ushmeet Bhutani, Tokri Chaat with Yogurt Explosion; and third place (\$500), Keanu Joshua Francisco, Sizzling Osaka Okonomiyaki.



Tofu Kimchi Ball.

IN BRIEF

> Using thermal treatments to reduce any off-flavours in pulses processed as ingredients for commercial food products may soon become the way of the future. A one-year project recently completed at Winnipeg's **Canadian International Grains Institute** confirmed through quality and sensory analysis that infra-red heating and roasting improved the flavour of pulses used as ingredients in baked foods, says Peter Frohlich, project manager, Pulses and Special Crops. Frohlich explains food manufacturers prefer little or no flavour in pulses when adding them as ingredients to improve nutritional levels in their processed food products. The ability to diminish pulse flavour in turn can

increase demand for pulses as ingredients.

> Toronto, the province of Ontario and food incubator Food Starter have launched the **Food Venture Grant Program**. The program will offer eligible businesses up to \$5,000 to access food safe, small-scale production facilities, and gain insight and training.

> The **Research Chefs Association (RCA)** in Chicago has published its first comprehensive textbook called *Culinology: the Intersection of Culinary Art and Food Science*. The aim is to support professionals and students who want to take their careers to the next level. In other RCA news, **Chip Potter** is the organization's new executive director.



John Placko

The evolution of **Culinology**



Martin Daniels



Austin Clement

Last month the Research Chefs Association (RCA) communicated very exciting news about the make-over of the brand at the RCA 2017 Annual Conference & Culinology Expo held in San Juan, Puerto Rico. This announcement included the new mission statement, an enhanced vision, a refreshed tagline and a new logo.

Vision: As a pioneer in the discipline of Culinology, the Research Chefs Association integrates food science and culinary arts expertise to elevate product development.

Mission: The Research Chefs Association cultivates collaborations between the chefs and food science professionals who develop food to increase innovation, quality and speed-to-market.

Tagline: Blending culinary arts and food sciences.

I've been part of the RCA for the past 20 years and I see this as a positive move to reinvigorate the organization. The new logo certainly represents the chefs and food scientists who make up the majority of the membership. The Certified Research Chef (CRC) and Certified Culinary Scientist (CCS) logos have also been updated and will be communicated soon.

At a recent RCA regional Lunch & Learn Workshop hosted by Chef Martin Daniels at Maple Leaf Foods in Mississauga, Ont., two guest speakers presented after a wonderful lunch designed and served by Daniels and his team. There was also a sponsor showcase at the workshop featuring Brenntag Canada, Dealers Ingredients, Culinary Institute of Canada (Holland College), Giraffe Foods and NSF International.

Daniels gave a recap of his career with insights into the culinary world of creating home meal replacement (HMR) in the UK right before it became a massive trend there. Next up was Chef Austin Clement, program manager for the culinary programs at the Culinary Institute of Canada, who presented the new CCS preparatory course necessary to prepare to write the RCA certification. The Culinary Institute of Canada, Griffith Foods, and Canada's Smartest Kitchen are offering this unique training opportunity for product development professionals. The course was designed to minimize the time away from work while being flexible and portable. The RCA requires 120 training hours, so this course is divided into two parts over ↪



an eight-month period. Online course work, which is over two 14-week blocks, is followed by two five-day turns at the college in beautiful PEI overlooking the waters of Charlottetown.

Becoming a CCS is proven to create better culinary solutions, increase product success rates, decrease time to market as well as decrease development costs, and increase career development and advancement opportunities, just to name a few benefits. And one of the main benefits is increasing the success rate of passing the CCS examination. You can find more information about this course at www.hollandcollege.com/CCS

I had the pleasure of touring the Culinary Institute of Canada last summer with two chefs I used to work with at the Hilton Harbour Castle in the mid-1980s, Richard Braunauer and Christian Marchsteiner. They are now both pastry instructors at the college, and my wife Judie and I had the opportunity to dine with

“Becoming a Certified Culinary Scientist is proven to create better culinary solutions.”

them at the school's Lucy Maud Dining Room. I was very impressed with the service, food and the view of the water. Soon after being in PEI I met up with Marchsteiner and the student team from the college in Erfurt Germany at the Culinary Olympics. Although there isn't a student section for the regional cold display section, the student team entered the professional ranks and scored two gold medals for its pastry arts and culinary arts. The team's overall score was less than two points from placing them third in the world in the regional team section — an astonishing result for a student team in a professional category.

The last speaker in the Lunch & Learn Workshop at Maple Leaf Foods was Leigh Parsons, manager, Training Programs, Training and Education Services at NSF International (formerly GFTC), who told the group about food science and related courses offered by NSF to refresh food science knowledge and gain practical and technical information needed to develop, manufacture and launch safe and high-quality products. NSF Training and Education Services is accredited



Sponsor showcase at the Lunch & Learn Workshop.

by the International Association for Continuing Education and Training (IACET). Training courses are offered in HACCP, GFSI Benchmarked Standards, regulations, *Food Safety Modernization Act*, food safety and quality, ISO Standards, food microbiology and food science, production and packaging.

Of particular interest to the group was the Institute of Food Technologists (IFT) Certified Food Scientist (CFS) Preparatory Course, available through NSF and found online at nsflearn.com, designed to prepare food science professionals for the CFS certification, the first-of-its-kind certification for food professionals worldwide recognizing the applied scientific knowledge and skills of food scientists. The two-day CFS Preparatory Course is an optional course for those interested in obtaining their IFT CFS credential, and has proven to be a valuable refresher. To qualify to take the exam, participants were advised to apply through the IFT website to confirm they are eligible based on education and experience in the field. The exam and preparatory course cover the concepts of food chemistry and food analysis, food engineering, food microbiology, food safety, product development, quality assurance/quality control, regulatory and sensory evaluation/consumer testing. All areas of the CFS exam are covered in the CFS Preparatory Course and sample questions are reviewed to better prepare participants for the exam, which is offered during designated testing cycles. For a list of upcoming testing dates and to search for testing centres near you, visit ift.org/certification. A basic understanding of food science concepts is critical for anyone attending this program.

The CFS is designed to meet the International Standards Organization (ISO) 17024 standard for personnel certification programs. All registrants in the CFS Preparatory Course will have their name and contact details shared with IFT and CIFST upon completion of the course for the purpose of sharing exam dates and other information about the organization. ●

John Placko is culinary director, Modern Culinary Academy and Bar 120: Cuisine Transformed, Pearson International Airport. Contact him at (416) 666-9544 or at johnplacko@gmail.com



Partnering with co-packers

Birgit Blain

Brand owners often partner with co-packers to produce their product. It enables them to focus time and financial resources on building the brand, rather than tying up money to build and operate a manufacturing facility.

Strong partnerships between brand owners and co-packers depend on transparency and negotiating for win-win outcomes. Respect the co-packers' need to make a profit. They are not in business to provide free services.

Co-packing agreements

Always have a written agreement when using a co-packer. Co-packing agreements are legal contracts that define financial arrangements, policies, processes and each party's responsibilities. Retain a lawyer with experience in the packaged foods industry to draw up an agreement or review the co-packer's contract. Take time to read the fine print to understand what you are getting into.

Before disclosing product specifics, ask prospective co-packers to sign a confidentiality or non-disclosure agreement (NDA). Conducting due diligence is necessary to protect your business and mitigate risks. A myriad of details need to be worked out. After initial discussions about products, volumes and pricing, the following are some important points to address:

Product & packaging

- > Some co-packers have multiple facilities. In which location will products be produced, packaged and stored prior to shipping?
- > Who owns the product formulas?

- > Who is responsible for managing ingredient sourcing and procurement?
- > Changes to ingredients, formulations and processes should be approved by the brand owner.
- > Brand owners should have access to all information that pertains to their product.
- > How is packaging inventory and replenishment managed?
- > If packaging is damaged in the co-packer's facility, who bears the cost of write-offs?

Food safety & quality

- > Detailed ingredient and product specifications should be agreed on and adhered to.
- > The co-packer should demonstrate compliance with government food safety requirements and have preventive control plans, a traceability system and recall plan. Consult a food safety specialist to ensure the required food safety systems are in place.
- > Does the co-packer have third-party certifications to back up label claims such as gluten-free, nut-free, organic or halal?
- > During food safety investigations, co-packers should co-operate fully with government agencies and provide information expeditiously.
- > Who is responsible for costs associated with non-conforming products?
- > Overstock or expired product should not be sold to a third party, closeout house or at retail without the brand owner's permission.

Pricing

- > How are commodity cost fluctuations managed?



- > How are price increases managed and what is the minimum notice period? Be aware that major retailers may not accept price increases or may demand retroactive price decreases.

Service level

- > Submitting accurate forecasts to co-packers helps them manage raw material inventory and production plans.
- > What is the co-packer's minimum lead-time to produce your product?
- > How does the co-packer manage order conflicts?

Customer requirements

- > If you plan to sell to major retailers like Loblaw, read their vendor agreements and understand the cost of doing business with them.
- > Make the co-packer aware of customer requirements and consider incorporating them into the agreement.

When partnering with co-packers, take steps to protect your business and brand. Doing your homework and putting plans and safeguards in place will mitigate risks, and allow you to focus on growing your business. When the brand is successful everyone benefits. 🍀

As a packaged foods consultant, Birgit Blain helps brands that struggle to maintain listings. Her experience includes 17 years with Loblaw and President's Choice. Contact her at [Birgit@BBandAssoc.com](mailto:birgit@BBandAssoc.com) or learn more at www.BBandAssoc.com



Snack & savoury applications

Sensient used certified organic raw materials to create a collection of organic meat flavours and organic vegetable flavours. Each one is certified organic by Quality Assurance International. The company also offers clean label sodium reduction technologies for savoury applications. The technologies include Sensasalt yeast extract, Sensasalt 2G natural flavour, and Umami Natural vegetable powder. Applications include breads, cheeses, dips, dressings, gravies, pizza, processed meats, sauces, snacks and soups. The company also offers a line of savoury seasonings for snack applications. Applications include potato chips, tortilla chips, pretzels, popcorn, nuts and extruded snacks. www.sensient.com

Pallet transfer cart

Verti-Lift has introduced a heavy-duty transfer cart that can quickly and ergonomically move pallets and other heavy components within production environments. Verti-Lift's custom-designed solution includes a gravity roller conveyor, a pallet retaining bar to secure the load during transport, and a manual foot-actuated "locking/docking arm" for hands-free operation. The cart is fitted with heavy-duty swivel casters to easily manoeuvre it into proper position, and stand up to heavy loads. A hitch and pin arrangement for towing is included so that multiple units can be used together. www.verti-lift.com



Quality control



Meter Group Inc. USA has launched Skala, an integrated quality control system ideal for food quality labs. Skala automatically collects data from existing instruments food manufacturers already have in place. Instruments, sensors and devices connect directly to

SKALA HUB. It's collected digitally, creating permanent records. SKALA allows quality managers to use real-time data to avert potential problems and team members can see quality indicators, opening up opportunities for reduced waste and continuous improvement.

www.metergroup.com/food



Cheese culture excellence

DuPont Nutrition & Health has introduced two cheese cultures for use in soft-ripened cheese making.

These new DuPont Danisco CHOOZIT brand cheese cultures, CHOOZIT ST 20 and CHOOZIT PC FAST, are designed to optimize production and consistently produce high-quality soft-ripened cheese. Controlling acidification and rind formation times are essential in making consistent, high-quality, soft-ripened cheese. CHOOZIT ST 20 and CHOOZIT PC FAST cheese cultures address these challenges. CHOOZIT PC FAST cultures offer more rapid development of stable white rind, enabling packaging to begin earlier. www.dupont.com

Clean label flavour

Oxidation is a key culprit impacting food and beverage quality and consumer acceptability. Plant extracts can significantly delay or prevent myoglobin oxidation, and as a result, lengthen shelf life. Vitamin C-rich acerola cherry extract powder from Kemin contains active molecules that help to protect a variety of food and beverage products. Acerola extract acts as a reducing agent, improving colour stability in raw, uncured and cured meats, and sausage products. It also acts as a cure accelerator in cured meat products (as an alternative to erythorbate and ascorbate). It can be used in combination with other extracts to maximize flavour and colour retention during long-term storage for enhanced protection. www.kemin.com

Helping "redo" sugar

Fibersol soluble dietary fibre ingredients offer a solution to help formulators "redo" sugar in their products by reducing, rebalancing or replacing added sugar as needed. Fibersol can help formulators take sugar and calorie reduction to the next level by adding fibre in virtually any food or beverage application. Easy-to-use Fibersol can be dropped into most applications with minimal formulation adjustments. It is completely soluble, adds minimal viscosity and has no added flavour, taste or colour. It is also heat, acid, shear and freeze/thaw stable. Fibersol maintains its fibre content under these conditions and in processes that require culturing or fermentation. It also doesn't absorb water or impart a gritty texture. www.fibersol.com

Full on power

RPS America, Inc. has introduced the Master HP UL, a three-phase Uninterruptible Power Supply (UPS) for mission critical 65-500 kVA applications. This UL listed UPS is manufactured entirely with IGBT and digital signal processing and features online double-conversion technology for maximum power supply protection and power quality with a clean sine wave output. These 480 VAC, 60-Hz units ensure maximum protection and meet VFI SS 111 classification (voltage and frequency independent) in accordance with IEC EN 62040-3. Master HP UL units can be operated in parallel- or single-module configuration for redundancy, making them ideal for a wide range of mission-critical applications such as manufacturing facilities. www.rielloupsamerica.com



Bar packaging

Bosch will unveil an advanced version of its bar production system. The seamlessly integrated system reaches a constant output of up to 1,500 bars per minute in primary packaging with secondary packaging matching this high speed of the flow wrapper. The latest innovation is the intelligent Sigpack FIT product infeed with linear motor technology. It allows for push-button format change, as well as a very fast, non-contact product feeding. The cross-sealing station of the Sigpack HRM flow wrapper is based on high precision direct drive technology and reaches film speeds of up to 150 m per minute. www.boschpackaging.com



Sour candy

Providing instant sourness in soft-panned products is challenging. Applying an acid into the core of the panned candy delays the delivery of the sourness too much, while applying an acid (powder) into the panning layers is challenging from a stability point of view. PURAC Powder MA from Corbion is unique, patented and specifically developed for use in sour confectionery. It consists of malic acid and a revolutionary coating. PURAC Powder MA provides high stability, low hygroscopicity and an instant, clean, taste profile. www.corbion.com

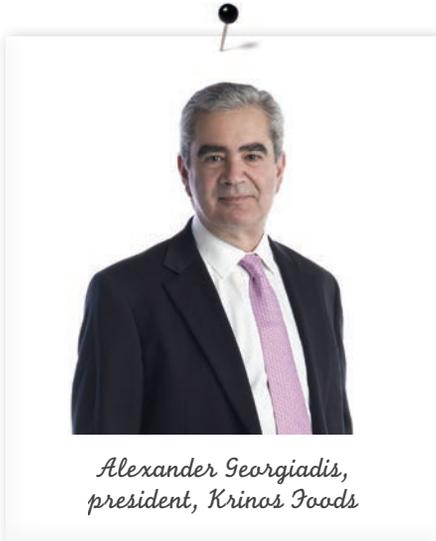


Smart Sensor

ABB's new ABB Ability Smart Sensor for motors uses compact sensors to pick up multiple data from low voltage motors and provides information about motor health and performance via a smartphone or a dedicated web portal. ABB's remote condition monitoring solution is the pioneering innovation for uptime optimization, predictive maintenance regimens and efficiency improvements for LV motors. It enables plant operators to do effective maintenance planning for their motors, assess the efficiency of their operations and prevent costly downtimes. By converting regular LV motors into intelligent, connected machines, the solution enables advanced maintenance planning that will help businesses cut costs and boost productivity. www.abb.com

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Alexander Georgiadis,
president, Krinos Foods



Krinos Foods Canada Ltd. Vaughan, Ont.

Deanna Rosolen

When Krinos Foods Canada Ltd. first began operating in 1965 in Ontario its customers were mainly Greek immigrants. As president Alexander Georgiadis explains, many worked in foodservice and looked for staples such as olive oil from home. In fact, he says, “people coming from many Mediterranean countries were buying our olive oil, olives and hard cheese.”

Krinos began its life importing those staples. A turning point came in 1978, when the company brought in equipment from the U.S., set up shop in a plant in Vaughan, Ont., and with five employees began manufacturing fillo pastry. Using flour from Ontario, Georgiadis says they began producing fillo dough, and products such as baklava, spanakopita and cheese pies.

It was a simpler time, says Georgiadis, and it was a small company with a limited product line, so startup wasn't a challenge. Since then “we've expanded

[the Vaughan plant] three times,” he says. “We have branches in Vancouver, Toronto and Montreal, and 100 employees. So we've come a long way.”

Where the company did face challenges was breaking into mainstream grocery chains. It was around 2000, says Georgiadis, that the company felt it was time to change its packaging and make a bigger entrance. “Up until that time, the smallest pack size we had for feta and olives was a three-kg pack,” he explains. Products were going to stores in bulk for deli displays or going into restaurants. “When we decided to make the move to chain stores, they wanted smaller pack sizes and single-serve. So we started developing 200-g, 400-g and one-kg sizes of mainly feta. That helped us go places.”

It also helped that around that time many large grocery chains were starting to see growing consumer interest in ethnic products. And, notes Georgiadis, it was a time when many of the smaller ethnic stores that Krinos was selling its products to were beginning to close.

Today the company imports a range of products, including olive oil, olives, pasta, Attiki honey and a gourmet tomato paste brand called Kyknos. It also manufactures a wide range of fillo pastries in Canada, including a newer line called Fillo Twisters, and 15 different varieties of feta.

Georgiadis adds that it's an exciting time to be launching ethnic and unique products. Today's foodies and millennials

are “willing to experiment with anything new and good that they see. We count on them to try it first. Of course, we can't launch just anything. We make sure our products have a clean deck and the nutritional values are correct, because nobody today wants too much sugar, salt and fat,” he says. “But they want it to taste good.”

Q&A



Q: What challenges are you facing?

A: “We are an importing company and we're also a manufacturer in Canada, and we buy a lot of cheese from plants that are in Canada under our label. With CETA, the challenge is going to be in frozen pies, for instance. What if Bulgaria, which has a cheaper, inferior product, is allowed to bring it in? It will open up new challenges for us and we're going to have to educate the consumer on the value of buying local as opposed to an imported inferior product.”

Q: What opportunities are there?

A: “With CETA we're going to be able to bring in more cheese than before. We can bring in more gourmet cheeses other than feta and expand the categories of Greek cheese in the supermarkets.”

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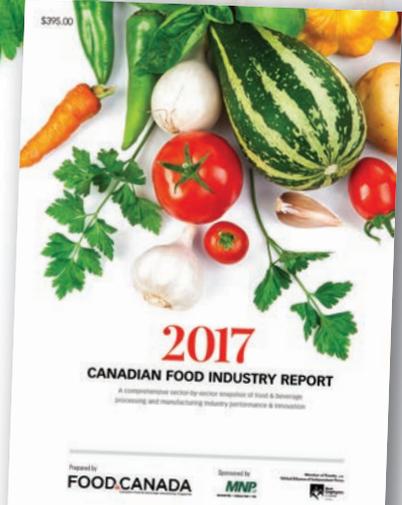
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