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CANADA'S FOOD & BEVERAGE PROCESSING MAGAZINE



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On the Cover: Inset image of our executive roundtable participants (*back row, L-R*) Hugh Johnston, senior vice-president, Finance & Corporate Development, Bento Sushi; Donald Rees, CEO, Organic Meadow; Omri Horwitz, co-owner, Rivi's Guilt Free Cookies; Jim Menzies, Global Food and Beverage Industry Leader, Grant Thornton LLP; Gary McMullen, founder and president, Muskoka Brewery; John Mann, vice-president, Sales & Marketing, Grand River Foods; (*front row, L-R*) Rivi Horwitz, founder and co-owner, Rivi's Guilt Free Cookies; Shelley Martin, president & CEO, Nestlé Canada; and Mike Beretta, founder, Beretta Farms, and CEO, One Earth Farms. **Photo: Steve Ferric.**

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The year ahead

It's no secret that Canada's business sector is slightly more optimistic that this year will see increased opportunities for growth and profitability. Indexes such as jobs and manufacturing sales data show some movement in the economy, while interest rates remain low. At the same time the U.S., our largest trading partner, is showing signs of recovering economic strength, while the phrase 'cautious optimism' is once again being carefully tossed around.

According to the 2014 *Grant Thornton International Business Report*, which surveyed 3,300 business leaders from 45 countries, optimism among U.S. respondents now sits at 64 per cent, the highest score in a decade. In fact, the worldwide survey of business leaders showed its highest level of optimism since 2007, with a net balance of 44 per cent — an increase of 17 per cent from the previous quarter.

Echoes of that optimism appear in this year's executive roundtable, sponsored by Grant Thornton LLP. The majority of the executives we gathered around the table this year expressed realistic hope that 2014 would offer greater opportunities for food and beverage businesses working within Canada. And despite challenges such as regulations and consumer

concern over issues such as GMOs, the global export market seems more than willing to welcome Canadian goods.

That doesn't mean there isn't still a level of uncertainty hanging over the industry. Input costs remain high, the changing retail landscape continues to present significant roadblocks for small to mid-size companies, and changing consumer demands are putting pressure on even the largest food and beverage producers. To hear more from this year's executive roundtable panellists, turn to page 30.

And for inspiration on how to achieve break-through innovation and turn that optimism into sales, read this year's beverage report (page 56), which focuses on the wild and crazy world of functional non-alcoholic drinks, a category that continues to show growth potential. Our ranking by sales of the Top 100 Canadian food and beverage companies (page 42) also reveals the range of diversity that exists today in the Canadian industry. 🍓



To read the complete 2014 Executive Roundtable, turn to **pg.30**

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1. Research conducted by IPSOS-ASI Ltd., January 2010
2. Fry study conducted by Cargill, Spring 2009.

Healthy sodas

Rather than give up on fizzy drinks, Canadian consumers would like to see them made healthier. That's according to Chicago-based research firm Mintel, which found that four in 10 Canadian consumers of carbonated soft drinks would be interested in seeing these beverages aid digestive health, for example. Additionally, 36 per cent of those consumers would be interested in buying carbonated drinks that contain botanical extracts, while 46 per cent agree that drinks with less sweet flavours complement a meal better. For processors, the research shows the potential of this market, which stands at US\$3 billion overall.



News > file



The healthy-happy connection

A survey released this summer found that 95 per cent of Canadians eat healthier, more natural foods than they did five years ago. Montreal-based BAM Strategy conducted the survey, which had 15,593 respondents, on behalf of Catelli Foods Corporation. Results also found that 54 per cent of Canadian

consumers feel more vibrant and happier eating healthy, natural foods. Other survey findings include:

- 75 per cent of respondents said they prefer to buy Canadian or locally produced foods.
- 85 per cent of those who participated read nutrition labels before buying food products.

- 21 per cent of those queried said they associate healthy eating with feeling vibrant; 15 per cent said it makes them feel happier; and 19 per cent cited feeling both more vibrant and happier. Only six per cent of respondents associate healthy eating with feeling slimmer.
- 94 per cent of participants prefer to buy natural, one or two-ingredient foods.
- 90 per cent of respondents said that, when given the choice, they would choose whole grain wheat products over refined grain wheat (white flour) products.
- 53 per cent of respondents said both the males and females in their home have similar eating habits, 43 per cent said the females in their home are more concerned about healthy eating than the males. ↪

MCCAIN SELLS CANADIAN PIZZA BUSINESS

McCain Foods has signed a deal to sell its North American frozen pizza business to Dr. Oetker GmbH. The financial terms of the agreement were not disclosed.

Under the deal, Dr. Oetker will own pizza plants in Grand Falls, N.B., and Lodi, N.J. The New Brunswick plant employs 247 people and the New Jersey plant employs 89, reports the LFPRESS.com. Dr. Oetker's plant in London, Ont. is the most up to date of

the three plants, and produces 77,000 pizzas a day, with many ingredients coming from Southwestern Ontario producers.

The deal also includes a two-year licence for the use of the McCain brand in Canada. McCain will continue to make Pizza Pockets in Canada and continue its pizza businesses outside North America.



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It's Mission PULSEible

The winning team was announced for the 2014 MISSION: IMPULSEIBLE Student Food Development Competition.

Stacey Seufert, Christie Cheng, Diana Nguyen and Anastassia Astrakhantseva from the University of Alberta completed their "mission" and created a nutritious snack featuring Canadian pulses (peas, beans lentils and/or chickpeas), geared toward children ages six to nine. The result was the Pulse Pop made primarily from pea butter, black beans and chickpeas.

The 2014 event took place in Saskatoon on July 8 during the Pulse and Special Crops Convention 2014. With support from provincial pulse grower groups, the top four regional teams met to present and market their new pulse food products to a panel of judges. The audience was also invited to vote for the product they would most likely purchase for their kids or for themselves.

The second place prize went to Olivia Newton, Emily Glover and Katherine Cvitkovitch from Mount Saint Vincent University for their Pulsicles, a nutrient-dense frozen yogurt smoothie Popsicle made with pulses and fruit. Their treat targets kids ages six to 15.



(From left to right) Anastassia Astrakhantseva, Christie Cheng, Diana Ngyuen and Stacey Seufert from the University of Alberta with their winning product, Pulse Pops.

Third place went to Kylene Tiu, Jamie Siu, Matika Suwanrumpa and Jessica Chan from the University of British Columbia. This group developed Zoobitz, a pulse cookie and dip duo made with navy beans, yellow peas and chickpeas.

The student teams were awarded \$2,500, \$1,200 and \$500 for first, second and third place, respectively.

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Roll it, roll it, roll it

Last month in Whistler, B.C., 125 participants bravely competed on Blackcomb Mountain to chase after an 11-lb wheel of cheese in the 7th Canadian Cheese Rolling Festival.

The festival is hosted by the Dairy Farmers of Canada, and also includes a costume contest and other activities for families. The cheese wheels were donated by B.C. cheesemaker Natural Pastures.

The two Grand Champions each took home a wheel of Canadian cheese and won a Whistler season's ski pass for two. The winner of the men's race was Jordan Lenham, from England, who completed the race in 6.4 seconds. The winner of the women's race was Ximena Abresch, from B.C., who completed the race in 12.4 seconds. Eleven race heats — seven men's and four women's — were held before the final Grand Championship races.



Pictured are (left) Ximena Abresch from Trail, B.C., and Jordan Lenham from Cambridge, England, who fell for Canadian cheese and were crowned champions at the 2014 Canadian Cheese Rolling Festival.

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Whatever you call them, however you eat them, it's hard to refuse one of the most celebrated food staples, the french fry. It's also one of the world's ultimate comfort foods. It's so popular that food editor Anne de la Forest has devoted a book to the treat. Called *Frites*, the book includes more than 30 gourmet recipes for all kinds of fries, chips and dips. De la Forest also explores the different sizes, shapes and flavours of the french fry and the many different cooking styles and permutations of ingredients, from polenta and asparagus to classic French frites Pont-Neufs and North American skinny fries.

PEOPLE ON THE MOVE



The association also appointed two new members to its board of directors: **Gillian Buergin**, COO at the Rhema Group, and **David Guthrie**, a partner in KPMG's Enterprise Practice.

> **Dr. Stephanie Cottee** has joined Maple Leaf Foods as the new Leader, Animal Wellness.

> The B.C. Food Processors Association has appointed **James Donaldson** as its new CEO.

> Toronto-based BlueOcean NutraSciences has appointed **Gavin Bogle** as the company's

interim CEO. He replaces **Doug Kemp-Welch**, who will stay on as an advisor.

> **Jean Woods**, a senior Flavourist at Brampton, Ont.-based Embassy Flavours Ltd., is retiring after 40 years in the flavour industry.



Woods

> Northfield, Ill.-based Kraft Foods Group Inc. has appointed **George Zoghbi** to the newly created position of vice-chairman, Operations, R&D, Sales and Strategy.



> **Dan Crocker** is now vice-president, Cooperative Development, at Ocean Spray Cranberries Inc.

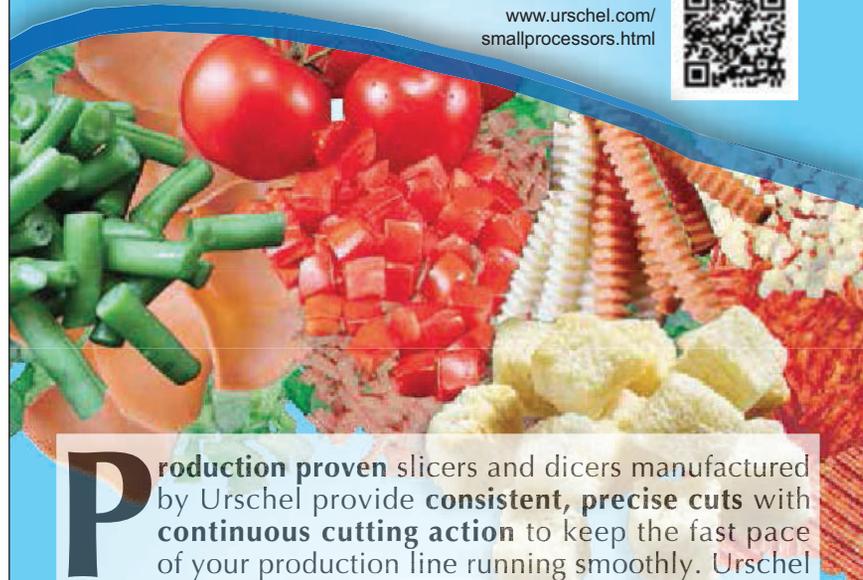
> Molson Coors Brewing Company has named **Mark Hunter**, currently CEO and president of Molson Coors Europe, the new CEO and president of Molson Coors. Hunter replaces **Peter Swinburn**, CEO and president of Molson Coors, who is retiring.

> New Albany, Miss.-based Master-Bilt has appointed **James Watkins** as Regional manager for the Mid-Atlantic/SE Sales Region; and **Brian McMillin** as Customer Service manager.

> **Neal Gutterson PhD** has joined Des Moines, Iowa-based DuPont Pioneer as vice-president of Agricultural Biotechnology.

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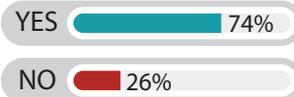
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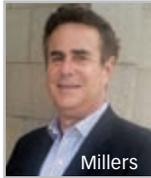
WE ASKED YOU...

In our most recent online poll we asked readers if products containing GMOs (genetically modified organisms) should be labelled. Here's what you said:



To take our next poll, visit foodincanada.com

> **Ray Millers** has joined Henderson, Colo.-based Birko as director of Business Development, Further Processing.



Millers

> Franksville, Wis.-based W.M. Sprinkman Corporation has promoted **Amy Cavitt** to Engineering manager. **David Lau** recently joined the company as a Mechanical Engineer.

> Marengo, Ill.-based UniCarriers Americas Corporation has realigned its field sales force. Nissan Forklift by Unicarriers brand regional sales managers are **Brad Moore**, Northwestern region; **Carl Palumbo**, North-eastern region; **Lewis Buyers**, Southeastern region; and **Greg Jones**, south central region. TCM by UniCarriers brand regional

sales managers are **Vic Moore**, Western region; and **Tom Sewell**, Eastern region.

Chris DiLucia will serve in a dual role as regional sales manager for both UniCarriers Americas brands and as regional aftermarket manager for the north central and Canadian regions.

> **Ana Dominguez** is now president of Campbell Company of Canada.



Dominguez

> Cincinnati, Ohio-based Intelligrated has appointed **Carlos Vega** as senior Sales manager for its Western regional operations.

> **Paul McKeithan** is now vice-president of Sales for Cary, N.C.-based Bühler Aeroglide.

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Canada's traceability system is "average"

A new report from the Global Food Traceability Center gave Canada's traceability system an "average" score. The report, *Comparison of Global Food Traceability Regulations and Requirements*, looked at 21 countries and ranked them:

EU Countries (Superior) — Countries adopting EU legislation are strong leaders in global food traceability.

Japan (Average) — Even though Japan's beef labelling law for farm-to-fork traceability is now applicable only on domestic products, the government has adopted new regulations on rice traceability and other commodities.

Canada (Average) — Traceability requirements through mandatory livestock identification are being strengthened. However, the efforts to create a national traceability system have failed to produce anything beyond limited livestock tracking.

U.S. (Average) — *Food Safety Modernization Act* is expected to improve food traceability for commodities, but regulations are still in the early stages. The U.S. does have robust identification and labelling requirements of packaged food products, but is one of only two major beef-producing countries without a national cattle identification or traceability system.

Australia, New Zealand and Brazil (Average) — These countries have strong livestock identification and traceability systems, but need to develop more advanced traceability requirements for other domestic and imported foods. Requirements for being able to trace and track most foods from farm to fork are still absent.

China (Poor) — The traceability system in China is still under development, and traceability is largely unregulated. China has recently announced impending changes to its food traceability laws.

Russian Federation — Little information was available, therefore this country was not scored.

SUPPLIER NEWS



> Toronto-based **CK Ingredients** has announced an exclusive distribution agreement with **Caremoli**, a global supplier of grain, seed and legume-based ingredients headquartered in Italy. Under the terms of

the multi-year agreement, CK will promote Caremoli's line of stabilized flours, grains, grits and premium barley ingredients to the Canadian food manufacturing industry. Applications for Caremoli's products include bakery products, cereals, snacks, pasta, prepared meals, confectionery and dairy.

> **Tetra Pak Canada** has launched a new campaign called Moving to the Front. The campaign is geared to suppliers, manufacturers, brand owners, NGOs and other stakeholders, and focuses on embracing renewability to ensure the security of the packaging industry and the sustainability of the world's natural resources. There's also a website: www.doingwhatsgood.us/moving-to-the-front

> Beech Grove, Ind.-based **ADM Milling**, a subsidiary of **Archer Daniels Midland Co.**, completed the expansion of its wheat processing plant.

> St. Paul, Minn.-based **3M Food Safety** is marking the 30th anniversary of its 3M Petri-film Plates, the worldwide standard for fast, simple and easy-to-read microbial indicator testing for food and beverages.

> **Cargill Inc.'s Food Innovation Center** in Plymouth, Minn. has been remodeled. The centre has now doubled in size, and offers retail and foodservice customers state-of-the-art research equipment.

> Londonderry, N.H.-based **Klüber Lubrication** has received the National Sanitation Foundation ISO 21469 certification at its facility in

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> Production has begun at a new whey and lactose production facility that is a joint venture between Denmark's **Arla Foods Ingredients** and Germany-based dairy co-operative **Deutsches Milchkontor**. ArNoCo, an organization created by the two companies to produce ingredients for the food and beverage industry, is operating the factory.



Londonberry. The certification ensures food-grade lubricants are manufactured in a hygienic environment.

> Munich, Germany-based **Crown Equipment** has opened a new 12,000-sq.-m production facility in Roding, Bavaria.

> Oak Brook, Ill.-based **PureCircle** received the World Dairy Innovation Award for Best Environmental Sustainability Initiative from FoodBev Media, which recognizes the company's work integrating sustainable practices into every stage of its vertical stevia supply chain.

> Denmark-based **Arla Foods Ingredients** won top awards in two categories at the World Dairy Innovation Awards: Best Dairy Ingredient and Best Manufacturing or Processing Innovation.

INTERNATIONAL BACON DAY EN FRANÇAIS

On Aug. 27, Quebec celebrated its first ever International Bacon Day or Journée internationale du Bacon in Montreal. The event was organized by hog farmers in the province and is modelled on the unofficial international holiday dedicated to bacon in the U.S., which takes place each year since 2000 on the Saturday before Labour Day.

Quebec hog farmers say the event, which included dishes made with bacon by local chefs, aims to remind Quebecers that when they buy bacon they're supporting a sector that employs 24,000 people across the province.

DID YOU KNOW?

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ORGANIC SECTOR RECEIVES FUNDING

Agriculture and Agri-Food Canada is investing \$8 million in the Organic Federation of Canada (OFC) to lead a science cluster for the organic sector.

The science cluster, which will include 200 collaborating scientists from government, academia and industry, will focus on R&D to improve the sector's competitiveness, market potential, adaptability and sustainability. The cluster will also look at how to expand organic production to meet demand for organic products such as hops, sprouts and poultry.

Priorities will include:

- > Crop breeding for improved cultivars;
- > Developing new reduced tillage systems for organic crops;
- > Enhancing soil to improve plant health; and
- > Developing new approaches to manage crop pests, diseases and livestock parasites.

Canada's organic exports are now valued at more than \$458 million, with most exports going to the U.S. and the E.U.



INBRIEF 

> The 2014 Golden Pencil recipients are **Louise Wendling**, Country manager at Costco, and **Marc Guay**, president of PepsiCo Foods Canada. The Golden Pencil Award was first presented in 1957 by The Food Industry Association of Canada. The award was initiated to recognize the efforts of buyers and sellers in developing and improving the Canadian food industry. The symbol, the Golden Pencil, signifies the transaction between supplier and retailer by the stroke of a pen. This year's award ceremony will take place in November in Toronto. For more, visit: www.goldenpencilaward.com

> Hemp Oil Canada

will double or triple capacity at its location in Ste. Agathe, Man. The company says it needs to increase capacity because its sales have grown by 221 per cent over the last five years. According to the *Western Producer*, sales of hemp food products in the U.S. reached \$500 million in 2012, and Canada is the major supplier to that market. In 2009 there were roughly 14,000 acres of hemp growing in Canada. That number hit 55,000 acres in 2012.



CONGRATULATIONS

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investinhamilton.ca/food

> Vancouver-based **Naturally Homegrown Foods** has received Non-GMO Project verification on its Hardbite brand All Natural potato chips and its Hardbite brand Lightly Salted Parsnip Chips. All packages will soon include the Non-GMO Project Verified seal.

Fall 2014

ENSES

ELEVATED



CONTENTS

Latest Yogurt Concepts
Brogurt and Beaugurts

Fruit Preparations for
Bar & Cookie Collection

SENSIENT

We bring life to products.™

brogurts

Men crave flavours that are hardy, robust and packed with power! So Sensient has created its first line of yogurt concepts for today's contemporary man: Brogurts. The ideal bases for both drinkable and spoonable yogurt products, Sensient's Brogurts line represents the perfect mix of current, unique and classic flavours.



Pumpkin Paw Paw - Sweet but not too sweet, unique but not overly exotic, the Pumpkin Paw Paw yogurt concept is made for the adventurous, modern man. Drinkable and spoonable, this whey based flavour profile gives your breakfast yogurt products a protein kick that'll keep busy, active and successful men going all day long.

Apple Pear Spinach - Created with the health conscious man in mind, our Apple Pear Spinach yogurt concept combines the perfect amount of sweetness with the healthful taste of the well-known spinach super food. This power-packed flavour profile is made with real whey to give your male customers that extra protein boost.



Apple Cinnamon - Arguably one of the best flavour combinations on the market, apple and cinnamon make this yogurt concept irresistible. A stirred flavour profile that's combined with real oats, it's the perfect mix to stand on its own or combine with other flavours to make innovative and delicious yogurt products. Men's breakfasts will never be the same.

Blueberry Muffin - With this yogurt concept, Sensient brings the best of the muffin flavours to the world of yogurt and we're confident your male customers will agree it's a brilliant combination. Stirred and mixed with real oats, this flavour profile is much more than your average yogurt base and can even be used to add a muffin, oatmeal note to steel cut cooking.



Cran Pome Orange Muesli - The name says it all. This nutrient packed, energy boosting yogurt concept combines the delicious fruity tastes of cranberry, pomegranate and orange with a wholesome muesli grain mix. Drinkable or spoonable, the yogurt products you make with this rich flavour profile will not only satisfy your male customers, but keep them coming back for more.

Trail Mix - For men who enjoy the nutty, grainy flavours of trail mix and the smooth, creamy texture of yogurt, this one of a kind concept is the best of both worlds. Oats, sunflower seeds, raisins and coconut will tantalize the taste buds of your male customers who are constantly on the prowl for the next best thing to add to their "breakfast of champions".



Flavour	Item Code
Pumpkin Paw Paw	ALO000040001
Apple Pear Spinach	RIS000010004
Apple Cinnamon	ALO000040004
Blueberry Muffin	ALO000040011
Cran Pome Orange Muesli	ALO000040002
Trail Mix	ALO000040009



beaugurts

Beaugurts are Sensient's latest creative yogurt concepts made exclusively with women in mind. Soft yet flavourful and the perfect combination of sweet and nutritious, these unique and trendsetting bases can be used for both drinkable and spoonable yogurt products. Provided as drinkable yogurt concepts, the flavours are premixed for your manufacturing convenience.



Cucumber Melon

Smooth and refreshing, Sensient's Cucumber Melon yogurt concept for women mixes the crisp, subtle flavours of cucumber with the delicate, juicy taste of fresh summer melon. The ideal addition to any breakfast meal or the perfect nutritious snack on the go, your female customers are sure to love any yogurt product infused with Sensient's innovative cucumber melon profile.

Tropical Punch Splash

This delicious yogurt concept packs a serious nutrient punch! Each serving contains a ¼ cup of fresh fruit and a ¼ cup of fresh veggies so your female customers are bound to feel revitalized and restored after this healthy snack. Use our unique flavour profile on its own or in combination with others to make your latest yogurt products.

Lavendar Vanilla

Created specifically for women, this new Sensient yogurt concept combines the gentle, floral tones of lavender with the rich, creamy, classic tastes of vanilla. Your female customers are sure to enjoy any new yogurt product you make using this delicious profile that makes for a nutritious breakfast or a healthy midday snack.

Green Tea Lime

Combining the earthy, healthful tones of green tea with the complementary, zesty tastes of freshly squeezed lime, this yogurt concept is in a category all its own. Drinkable or spoonable, use this unique flavour profile to make new yogurt products that are specifically created with today's woman in mind.

Grapefruit Dandelion Honey

Pungent grapefruit flavours mix perfectly with the unmistakable sweetness of honey and the pleasant hint of dandelion. For women who are always on the lookout for unique, trendy and exciting new breakfast products, this yogurt concept will definitely be a crowd pleaser.



Tayberry Jasmine Tea

The sweet and aromatic flavours of the tayberry mix beautifully with the floral blossoms that are the signature of jasmine tea. Women who love both herbal teas and yogurts are sure to enjoy this deliciously original combination. Use this yogurt concept to create a new line of breakfast and snack products your female customers will love.

Flavour	Item Code
Cucumber Melon	ALO000040014
Tropical Punch Splash	ALO000040003
Lavendar Vanilla	ALO000040005
Green Tea Lime	RIS000010002
Grapefruit Dandelion Honey	ALO000040008
Tayberry Jasmine Tea	ALO000040010



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Fruit Preparations for Bars and Cookies

In today's modern and active lifestyle, two key trends are guiding consumers to seek tools in order to help them achieve their personal goals and improve their quality of life. On one hand, they are embracing products that could help them manage their own mental and physical health and on the other, the use of the internet and mobile technologies has speeded up significantly their lifestyles. In one sentence: Consumer are engaged in Lifestyle management + Speed of life.

Nutritionists and physicians tell us that breakfast is the most important meal of the day, and as such, food companies are developing different type of products that could for example provide the benefits of cereal in portable and convenient formats. Those new "formats" include a sort of cookies and breakfast bars.

At Sensient® Flavors, we have developed a collection of different fruit preparations which includes a variety of fillings for cookies and cereal bars and a wide range of flavors that will make breakfast or snacking a unique and pleasant experience.

From traditional Strawberry to adventurous Mango-Peach flavors, our "Fruit Preparations Bar & Cookie" Collection will delight your senses.

FRUIT PREPS FOR BAR

Juicy Strawberry
Code: SN 2000010640



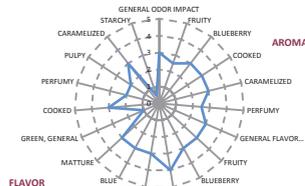
Its sweet, fruity and juicy flavor will catch your senses. A cooked sour strawberry with caramelized notes.
Application: 20% - 30%

Fruity Pineapple
Code: SN2000010635



Really fruity. Delicious cooked pineapple, caramelized and with lightly mature notes.
Application: 20% - 30%

Homemade Blueberry
Code: SN 2000010636



A scented cozy blueberry. Deliciously sweet, sour, fruity, juicy and caramelized.
Application: 20% - 30%

Yellow Mango - Peach
Code: SN 2000010634



A pulpy and caramelized combination that will illuminate your morning with its juicy, fruity and scented flavor.
Application: 20% - 30%

FRUIT PREPS FOR COOKIE

Red Raspberry
Code: SN 2000010638



An awesome scented flavor. Its red, perfumed and lightly woody notes will surprise you in every bite.
Application: 20% - 30%

Apple Delight
Code: SN 2000010626



A red and sweet pulpy apple. With a cooked and caramelized fruity flavor that will delight your day.
Application: 20% - 30%

Delicious Strawberry -Cherry
Code: SN 2000010637



A delicious fruity mix of Strawberry and Cherry. With spreadable texture that will cover any snacking moment of red.
Application: 20% - 30%

Soft Chocolate
Code: SN 2000010625



An amazing soft and spreadable texture. A pleasant lightly bitter chocolate: caramelized, sweet and with vanilla.
Application: 20% - 30%



Call or email us today for a free sample or a demo at your location.

> Blockhouse, N.S.-based **LaHave Forests** won the Product Innovation Award for its **haskapa brand** of Haskap juice at the 2014 World Congress of Food Science & Technology (IUoFST) in Montreal. This is the third award for the juice since it launched in November 2013.

> The Guelph, Ont.-based **Agricultural Management Institute** will now operate under the name **Agri-food Management Institute**



(AMI) to more accurately reflect its mandate. In the past year, AMI has broadened its mandate to serve not only food producers but also food processors with management resources.

> **Quaker Canada's Chewy** brand launched the Chewy for Charity initiative just in time for the back to school season. The campaign asked parents to use the Quaker Chewy homegrown heritage as inspiration to help their children design a Canadian-themed lunch bag. Designs could be submitted online at Chewy-forCharity.ca. For every approved submission, Quaker Canada will donate the equivalent of 10 lbs of food to Food Banks Canada.

> Toronto-based **The Kirkwood Group** now has an expanded partnership with **Brick Brewing Company** of Waterloo, Ont. Kirkwood will be representing Brick Brewing's Waterloo craft premium beer and Seagram RTD portfolios in B.C., the Atlantic provinces, and the on-premise channel in Ontario.

> Manitoba Agriculture, Food and Rural Development, and the federal government are providing \$20 million toward projects under the new **Grain Innovation Hub**. The hub will help improve production, processing and value-added uses for cereals, oilseeds and pulses through research and other initiatives.



> **Vineland Research and Innovation Centre** in Vineland, Ont. received two investments worth more than \$2.5 million from the federal government. Some of the funding will go toward helping producers tap into the growing market for world crops.

> **Mastronardi Produce/Sunset** has become the new official sponsor of the Leamington Tomato Festival in Leamington, Ont. The festival began as a Heinz company picnic, and is now in its 31st year. Sunset stepped in and offered to continue the tradition after Heinz closed its tomato processing plant in Leamington.

> Santa Monica, Calif.-based **U-Vend Inc.** — a consumer products and technology company that develops, distributes and markets self-serve electronic kiosks in a variety of retail locations across North America — now has exclusive rights to distribute and sell Toronto-based **Arthur's Smoothies** in self-serve merchandising units throughout Canada.



> **Nestlé Waters Canada** has donated \$50,854 worth of bottled water to its emergency partner the Canadian Red Cross. The water was distributed to New Brunswick residents who were affected by post-tropical storm Arthur. About 271,808 bottles were delivered in late July. The company donated the shipping charges. In other news, the company donated \$58,743 worth of bottled water to Project Water, a volunteer organization that distributes bottled water to those living on Greater Toronto Area streets.

> Charlottetown, P.E.I.-based **Raspberry Point Oyster Co.** has received funding to purchase new oyster grading and aquaculture equipment to expand its current operation, improve efficiencies and meet growing demand for its product. With the new equipment the company will be able to reduce costs and increase trade in markets such as North America, Europe and Asia.

> Organic kelp produced by **Cooke Aquaculture** at its Charlie Cove farm site in New Brunswick will soon be on store shelves under the brand **True North Salmon**.

> Toronto-based **Peter Mielzynski Agencies Ltd.** is the new Canadian distributor for Poland-based **Wyborowa Wódka**.

> **Del Monte Fresh Produce N.A. Inc.** is opening a processing plant in Oshawa, Ont. As part of the construction, the company installed a new wastewater treatment system, called System HydroKleen, from **Altech Technology Systems** in Toronto.

> Calgary-based **Canada Beef Inc.** and the Canadian Football League have announced a three-year partnership agreement. The agreement includes five provincial beef producer organizations from across the country. Each organization will have the opportunity to have a beef farmer or rancher family recognized at a home game and will encourage all beef farmers and ranchers to join them at the game. The partners include the BC Cattlemen's Association, Alberta Beef Producers, Saskatchewan Cattlemen's Association, Manitoba Beef Producers and Beef Farmers of Ontario.





Proposed changes to nutrition labelling requires a thorough review

By Maisie Vanriel

You may have missed it during your summer vacation, or while you were busy grilling on the barbecue and enjoying

time with friends and family, but Health Canada is proposing significant changes to the nutrition label.

This news could impact every food and

beverage manufacturer and, ultimately, every Canadian, as each label on all packaged food and beverage products people use to make their meals, could change.

While bold, the announcement didn't come out of nowhere. After hosting a series of roundtable discussions with parents across the country, and announcing its intention to propose label changes in the 2013 Speech from the Throne, the government rolled out the news in Edmonton in mid-July.

The changes include: using common household measures for serving sizes; proposed changes to vitamins and minerals (adding potassium and vitamin D); the Nutrition Facts table (NFT) will look slightly different; and more information about sugars, such as calling out added sugars, grouping all sources of sugars together in the ingredient list, and assigning a per cent daily value to sugar.

As a dietitian, a cook and most importantly as a mother of a teenage daughter, the nutrition label is the single most useful tool I employ to decide which foods I use to prepare the best meals for my family.

That's exactly why Food & Consumer Products of Canada (FCPC) is calling for a thorough review of these proposals. A review is what Canadians deserve to ensure changes are supported by the best science, backed-up by strong evidence, and are ultimately helping Canadians make better food choices.

Let's back up for a minute. How did we get here?

It was less than a decade ago that the Nutrition Facts table as we know it today became mandatory on every single packaged food product. Canada was in fact one of the first countries to require mandatory nutrition labelling on pre-packaged foods. Creating the label was an extensive scientific effort, including

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a multi-year public policy process. The label underwent rigorous review, using top expertise.

Today, Canadians rely on it. It's a powerful, science-based tool that arms people with knowledge, empowering them to make more informed food choices. Manufacturers are proud of the nutrition label and strive to help people use it.

In fact, over the past three years, FCPC partnered with Health Canada on a major initiative called the Nutrition Facts Education Campaign (NFEC). This multi-media campaign — complete with television commercials, web resources and messaging on more than one billion food products in stores — aims to educate people on how to use the NFt.

So where do we go from here?

FCPC, on behalf of our members, is at the table with Health Canada and very engaged in the process. Our goal is clear: ensure any changes result in an updated label that is as useful as the current one, and that the information actually helps people make informed choices. Any change must be based on sound evidence, the best research, and consensus among scientists in the field of nutrition and health.

The review must also look at other jurisdictions to see what we can learn. For example, the U.S. is going through a similar process of updating its nutrition label, yet, there is no proposal for a mandated per cent daily value for sugar on the label.

Consumers are hungry for more information about their food, which industry supports. That's why we welcome consultation with the federal government and a chance to review the nutrition label to make it the best it can be.

I look to my daughter and believe she deserves nutrition information that has evidence showing its usefulness in helping her make a better food decision.

I would encourage you to contact me

to learn more about the actions FCPC is undertaking, on behalf of our members, to ensure the proposed changes ultimately help consumers on their nutrition journey. 🍎

Maisie Vanriel is a registered dietitian

and is vice-president, Scientific & Regulatory Affairs, at Food & Consumer Products of Canada. Her career spans both the public and private sector and includes many years of individual patient counselling. She also happens to be an excellent baker. Contact her at maisiev@fcpc.ca

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COMMENTARY — The Coming Fight over the European Trade Agreement

Toward the end of September the final text, including appendices, of the Canada Europe Trade Agreement (CETA) will be released. The knives are already out from Canadian protectionist forces.

Fundamentally, CETA gives Canada preferred access to Europe's 500 million people and its \$17-trillion economy. Of course, the opposite is also true. In agriculture, Canada gains improved or removed tariffs on a range of products, as well as substantial increases in access to the beef and pork markets. This is key because the EU has kept Canadian red meat products out with a combination of high tariffs and complex and constantly changing trade rules. The industry believes these issues have been addressed. If they have, it will give Canada the opportunity to add value to the resources and raw products that have been our historic exports. The agreement also includes the investment climate for companies who want to add value.

Of course the other major agricultural issue is the increase in European cheese import quotas. The highly protected dairy

industry resisted this change, but resisted tariff reduction even more. This may prove to be a strategic error if future trade agreements go in the same direction. Canada's dairy tariffs of around 250 per cent have almost always been considerably higher than needed to keep foreign product out: therefore substantial tariff protection could be given up without affecting domestic milk prices. While the European cheese quotas are relatively small, they give away part of the domestic market with no tariff. If future trade agreements continue to do this, at some point it will be quite clear that reduced tariffs would have been more beneficial to the Canadian industry, both from the perspective of protecting the existing market, as well as the opportunity for Canadians to supply additional product to the domestic market.

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

MARKET HIGHLIGHTS

Grain, energy and currency markets took another tumble. Most are now looking for direction as they reach new plateaus.

> **Grains and Soybean Oil** – Falling grain markets went sideways after a USDA report pegged corn yields at 167.4 bu/acre. While a record and higher than previous reports, it was lower than market expectations. This and relatively good demand sent corn and wheat markets sideways for six weeks.

> **Corn** – December futures penetrated the old low of \$3.84, making a new one at \$3.59. Subsequent new evidence going both ways on U.S. new crop yield expectations, relatively strong corn exports and very strong ethanol demand are weighing on the market. These and a recovering livestock market may mean the bottom is near. Technical signals are also bullish. This may be a good time to either book corn or to buy futures. If the latter, have stop orders just below \$3.59 because the next support is in the \$3.10 area.

> **Soy oil** – The soy complex continues lower for the new crop contracts. Between a large expected U.S. crop, another big one in South America and an ocean of palm oil, the edible

oil market can't find a bottom. October dropped from \$0.36 to \$0.323. Major support is still at \$0.285. Buy hand to mouth and enjoy the ride down.

> **Wheat** – Like corn, December wheat futures dropped from the \$5.80 level in July to \$5.42. The market moved sideways for six weeks with wide swings as traders try to interpret the impacts of the conflict in Ukraine, large crops in Russia and the EU, and poor EU and U.S. winter wheat quality. Technical signals are bullish at the current level. If it holds, it is a great place to buy, but the next major area of support is \$4.25. Use futures with tight stop losses below \$5.42.

> **Sugar** – Sugar prices continue down on abundant supplies and fairly weak demand. October dropped from last month's \$0.17 to \$0.153. Long-term support is at \$0.147 and \$0.13. Continue buying hand to mouth until it finds support.

> **Natural gas** – October natural gas prices moved sideways for the past seven weeks between 3.76 and 4.04 cents. This is another market looking for direction as the supply situation comes more into focus. Technically, the chart is a little bullish, so it may be a good place to buy forward, with futures or cover

forward contracts with Puts since major support remains at 3.1 cents.

> **Crude Oil** – October Brent crude fell again from \$106 to \$102. Rapid increases in U.S. production, ample production in other countries, and constant improvements in fuel efficiency mean strong supplies in the Atlantic basin. Conflicts in the Middle East and Ukraine provide support, but cannot move the market up. Technically, the market has not made a bottom, though there is support around \$101. Look for bottoming action around this level to do some pricing. Alternatively, lower your protection using Calls down from \$112 to \$105.

> **Canadian dollar** – The loonie finally declined with lower energy prices, a stronger U.S., and U.S. Fed Chair Yellen actually talking about potentially higher interest rates. The loonie fell to the current \$0.91 from \$0.94, and stayed in a range up to \$0.92 for the past four weeks. There is little in the technicals to indicate which direction it will go. We still like to use options to protect against exchange rate risk. For those risking a declining Canadian dollar, we suggested buying \$0.91 Puts and would hold them now. If you didn't buy them, then \$0.90 is the next level of support.





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Reference database for hazard identification

my January/February, 2014 “Focus on Food Safety” discussed the implications of Canada’s food inspection system moving to an outcome-based food inspection program and what food processors would have to do to validate critical control points and subsequently verify that their interventions were in compliance with established standards for the process.

These validation and verification steps take place only after the risks inherent in a product are assessed. This includes identifying and then assessing the risks that arise from the environments in which the ingredients are stored and processed, as well as the risks arising from ingredients, processing steps, packaging, storage and distribution. It also includes identifying and assessing risks that come into play when the product is prepared, and the risks that the food poses to people who normally consume it. Governments and their food safety regulatory agencies around the world have been hard at work to develop resources that can be used to identify, assess and deal with the risks all along the agri-food chain.

Canada, for example, has developed a “Reference Database for Hazard Identification” (RDHI). The best way to access the database is by entering the program title into your browser, and then follow the links to the various sections of the database. What surprised me was the disclaimer in the second paragraph that



says, “The RDHI has no official sanction. This database is a guide to hazard identification and is meant for convenient reference only; HACCP teams are responsible for ensuring that any additional hazards specific to a food premise will be considered and evaluated.”

After reading this disclaimer you can’t be faulted for asking yourself if it’s worth using the database. However, I assure you that the database is a good tool to help

“We develop plans to deal with the risks we know today, but we also must be prepared to deal with any new risks as they arise.”

you identify the most common hazards associated with the majority of food types and processes we encounter in Canada.

Users start with the “Search RDHI” function, or by selecting one of six categories of products: dairy, eggs, fish, fruits and vegetables, meat, unstandardized foods and other. Then, depending on your selection, you can view some or all of the following sections: product ingredients and incoming materials; processing steps; plant layout; biological

hazards; chemical hazards (including allergens and intolerance and nutritional hazards); and physical hazards.

The database is easy to navigate and, in my opinion, doesn’t require the user to have a graduate degree in microbiology and computer science. However, to get the most out of this database, the user should have a thorough knowledge of the facilities, ingredients and processes that are being assessed. The database lists numerous ingredients and processing steps and then connects each to a biological, chemical and/or physical hazard. As one navigates through the database you learn what hazards (risks) will need to be considered for your specific situation. The database also provides some convenient utilities such as an associated food hazard summary page, as well as the ability to print off the results of your search. Unfortunately, data cannot be saved.

The details you discover may surprise you. I was pleasantly surprised to find that the database identifies over 300 processing steps for meat. It is apparent that considerable thought has gone into developing this tool and keeping it current.

New potential risks inherent in foods we eat are constantly being discovered and reported and there is no sign that this activity will ever end. This is a good thing, but it also presents serious and ongoing challenges for the agri-food industry. We develop plans to deal with the risks we know today, but we also must be prepared to deal with any new risks as they arise. Having a tool like the RDHI will be helpful. Check it out. ●

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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Amplifying AMPs — Part I

Extending AMPs to the Meat Inspection Act is a major development

On July 16, 2014 the federal government finalized a regulatory amendment extending the system of Administrative Monetary Penalties (AMPs) to the *Meat Inspection Act and Regulations* (MIA). With this little-noticed, mid-summer announcement the Canadian Food Inspection Agency (CFIA) acquired another significant tool to manage non-compliance, this time for its largest food program. This extension of the CFIA's enforcement powers will have significant implications for the meat industry and for the food industry more generally.

An agricultural administrative monetary penalties system (essentially a ticketing regime) was phased into operation after the passage of the *Agriculture and Agri-Food Administrative Monetary Penalties Act* in 1997, the same year the CFIA was created. So far the system only applies to the *Health of Animals Act* and the *Plant Protection Act*, though we always intended that it would eventually extend to all of the Acts enforced by the CFIA. The system gives the CFIA the power to issue notices of violation and provides that an affected party can have the decision reviewed by a Tribunal, now called the Canadian Agricultural Review Tribunal (CART).

An AMP can be either a notice of violation with a warning, or a notice of violation with a penalty. The amount

of the penalty for an offence that is committed in the course of business, or in order to obtain a financial benefit (a Commercial AMP), can be between \$1,300 and \$15,000 depending on the nature and gravity of the offence and the history of the offender.

Even though only two of its Acts are under AMPs, the CFIA has made extensive use of the regime. During the latest fiscal reporting period (April 2013 to March 2014), the CFIA issued 490 notices of violation that resulted in a total of \$1,940,440 in fines levied. In the previous year, there were 723 notices resulting in

“During the latest fiscal reporting period (April 2013 to March 2014), the CFIA issued 490 notices of violation that resulted in a total of \$1,940,440 in fines levied.”

fines of \$3,229,600. The extension of AMPs to the much more detailed and important food safety meat inspection legislation is a major expansion of the system. There are, for example, no less than 84 specific provisions in the highly prescriptive MIA that will be subject to AMPs, including many important food safety and trade requirements and non-food safety requirements such as labelling and other consumer protection provisions.

CFIA inspectors already have very wide powers to enforce the MIA. They have full authority to enter any place or stop and enter any vehicle and may open any package that contains a meat

product that the inspector believes does not comply with the statute or its regulations. The inspector may take samples and require full production of all administrative material. It is a criminal offence to obstruct inspectors in their work, including making false statements. Inspectors may seize and detain any product they believe on reasonable grounds may contravene any regulation. In addition, the agency can and does suspend or cancel a meat plant's registration, effectively putting it out of business. The CFIA prosecutes offenders in the criminal courts, resulting in large fines and criminal records. High-handedness and disproportionate use of these enforcement tools is not unknown.

So it is not surprising that the meat industry is somewhat apprehensive. The CFIA's rationale for introducing AMPs for only meat and before the *Safe Food for Canadians Act* is in force is not clear and certainly not consistent with all the “modernization” talk about common approaches across all commodities. The industry doesn't see the need to arm overzealous inspectors with yet another enforcement tool. But, if used sensitively for cases in which corrective action requests and warnings are not enough, and if it avoids the overuse of criminal prosecution, product seizure and license suspension or revocation, then this may prove to be a positive development for the meat industry. Implementation and the CART process for administrative review will be key factors, two matters to which we will return next month. ●

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

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A “sweet” trinity – sugar labelling

Health Canada in mid-summer 2014 revealed what it is thinking for the future of nutrition labelling in Canada.

This new vision comes on the heels of regulations proposed earlier this year in the U.S. The current Canadian and U.S. nutrition facts tables (NFt) look similar, but are not identical. Proposals in both countries would, if adopted, result in clearly distinctive panels. For example, the proposed U.S. format will place per cent daily values (DV) in the left column, while the Canadian format will retain DVs in the right column. Unlike the U.S. format, Canada would list nutrients that have health considerations because of possible over-consumption grouped together first (for example, fats, sodium, sugars), followed by a grouping of those that are generally not consumed in adequate amounts (like fibre, vitamin D or protein). The declaration of “sugars” will also see some significant changes, some of which, like declaring added sugars, being perhaps the most complex and controversial.

As proposed, the sugar trinity would include the introduction of a per cent DV for total sugars. Health Canada is proposing a level of 100 g. In contrast there is no similar proposal for the U.S. format. Canadian dietary intake data shows that approximately half of Canadians consume more than 20 per cent of their energy as sugars. The proposed 100-g DV is equivalent to 20 per cent of energy, based on a 2,000 calorie diet. Requiring a per cent DV for total sugars is in

keeping with Health Canada’s goal of having a simple way for consumers to gauge the amount of major nutrients that are of public health concern across a broad spectrum of the population. A per cent DV would also permit consumers to use the simplified message that five per cent DV or less is a “little” and 15 per cent DV or more is “a lot.” The latter is proposed to be included as a footnote in the NFt.

The second of the sugar trinity is perhaps the least sweet sounding to industry. It involves declaring total sugars, as well as a separate declaration of added sugars. Admittedly, Health Canada recognizes that there is little evidence that added sugars have an adverse health effect, independent of total sugars. They also recognize that by differentiating added sugars from total sugars, it might give the impression that the two are nutritionally different. That could undermine the message of reducing total sugar intake.

If implemented, these changes would pose some considerable challenges. One concern would relate to how the Canadian Food Inspection Agency will enforce them, if there is no way to analytically differentiate between total and added sugars. Another technical challenge would be for industry to actually determine such values. In simple foods, where the sugar is wholly represented based on added forms, this would be easy. For more complex foods, a manufacturer will need to depend on supplier information about added sugars for each ingredient to determine the amount in its finished food. Currently, such information is

not typically available from ingredient suppliers. To then construct an NFt, a manufacturer cannot simply depend on lab analysis, as the added sugars will not be in that data set. Instead the amount of added sugars must be manually calculated, thereby increasing the amount of time needed to generate the NFt value and introducing the potential of error.

The last of the sugar trinity involves not the NFt, but the list of ingredients.

Currently, added sugars must be declared by their common name, (for example, sugar or fancy molasses), or by an optional permitted collective name (like glucose-fructose). Added sugars, as any other ingredient, would be declared in its descending order of proportion by weight in the list of ingredients. It is proposed that added forms of

sugar ingredients be declared by the class name “sugars,” followed parenthetically by the names of the added sugars in their descending order of proportion. What this would achieve is the listing of all added forms of sugar ingredients together, so that they are declared in the order of their combined weights in the food. Sugar-type ingredients would then be more visible higher up in the list of ingredients.

In the words of the wise philosopher and scientist Aristotle, “Change in all things is sweet.” 🍬



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



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2014 Grant Thornton Executive Roundtable

Food in Canada is pleased to once again partner with Grant Thornton LLP to present our annual industry roundtable. This year we've gathered executives from across the food and beverage processing world to discuss growth opportunities and challenges for the Canadian industry.



THE PARTICIPANTS: Our executive roundtable participants (*back row, L-R*) Hugh Johnston, senior vice-president, Finance & Corporate Development, Bento Sushi; Donald Rees, CEO, Organic Meadow; Omri Horwitz, co-owner, Rivi's Guilt Free Cookies; Jim Menzies, Global Food and Beverage Industry Leader, Grant Thornton LLP; Gary McMullen, founder and president, Muskoka Brewery; John Mann, vice-president, Sales & Marketing, Grand River Foods; (*front row, L-R*) Rivi Horwitz, founder and co-owner, Rivi's Guilt Free Cookies; Shelley Martin, president & CEO, Nestlé Canada; and Mike Beretta, founder, Beretta Farms, and CEO, One Earth Farms. **Photography by Stephen Ferrie**

As we see it



We are very proud to partner once again with *Food in Canada* to provide Canadian food and beverage companies with the opportunity to share their views and discuss industry issues amongst their peers. Although the various companies who participated this year operate in different sectors, are of different sizes and, in many instances, have different end-consumers, they shared a number of common views and concerns, which made for an interesting and compelling 2014 *Food in Canada* Executive Roundtable discussion.

Here in Canada, many of our food and beverage producers have a fairly optimistic perspective on their future. Our roundtable participants spent a considerable amount of time discussing their growth opportunities and how they manage growth within their companies. The re-emergence of the U.S. market, along with the expansion of emerging markets around the world, has given rise to some exciting opportunities for many in the industry. Changing consumer tastes, and health and wellness trends, are also creating a demand for niche products, which many producers are taking advantage of, with success. It was apparent in our discussion that each of the participants is very innovative in how they view their respective markets, how they develop new products, and how they take advantage of the various market trends in their sectors.

Although many are optimistic, there



is no question that some producers are dealing with some significant challenges as well. Rising meat prices have created real issues for a number of commodity-based producers, while a weaker Canadian dollar has made it challenging for many who import food products. In addition, the ever-increasing regulatory and food traceability guidelines make it all the more critical for producers to be innovative in their approach to satisfying these requirements. The cost of compliance can be prohibitive if not well managed.

In spite of the challenges, this year's Executive Roundtable discussion made it clear to me that most Canadian food and beverage companies are excited about

what lies ahead for them. And with our extensive experience in the industry, we believe there is good reason for this optimism. I know I speak for my Grant Thornton colleagues when I say that we look forward to continuing to help food and beverage businesses unlock their potential for growth. ●

Jim Menzies, CA Global Food and Beverage Industry Leader Grant Thornton LLP



Jim Menzies: Welcome everyone. To start our discussion please introduce yourselves and tell us a little bit about your company.

Hugh Johnston: Bento Sushi is Canada's largest sushi company, with system sales over \$90 million and over 400 fresh-made sushi bars across Canada. We're very proud to be a fast-growing, on-trend, fresh product in Canada's grocery stores. Our 1,000-plus chefs make fresh sushi with amazing food safety every day of the week, 364 days a year.

Mike Beretta: My wife and I started a company called Beretta Farms 21 years ago, focused primarily on organic meats. We've since branched into the natural meat world as well, with beef and chicken, pork, lamb and, more recently, bison. A year and a half ago we were bought by a company called One Earth Farms, which is a large cattle and grain business based out of Saskatoon. Over the past year and a half there have been some changes in the leadership there and I now am the CEO of One Earth Farms, still with Beretta Farms as one of our key brands. We've recently acquired a baby food company called Sweet Pea Baby Food, and we have a rapidly growing catering business called Beretta Kitchens.

Omri Horwitz: I'm co-owner of Rivi's Guilt Free Cookies. The founder, Rivi, is by my side. We have a line of fat-free and nut-free cookies and granola bites, with no oil, butter or margarine, dairy-free, no preservatives, no GMO. Our natural line started in 1996, initially with the Second Cup chain, as their healthy alternative snack. It's expanded since to grocery.

Don Rees: I'm the CEO of Organic Meadow and Organic Meadow Co-op. We are a proud farmer-owned co-operative, owned by 100 family farms across Ontario. As Canada's first organic milk marketer and original organic dairy pioneer, we have a rich heritage spanning 25 years of building the organic sector, from the farm-gate level. Our co-operative offers a complete line of almost 100 minimally processed, nationally distributed organic dairy products, both under the Organic Meadow brand as well as under select private-label brands. That said, over 25 years we've seen tremendous growth within our segment, which has in

turn attracted fierce competition, eager to capture a share of the healthier food space.

Shelley Martin: I run the Nestlé business in Canada. We have a matrix organization so my direct accountabilities include confectionery, beverage, ice cream, pizza and frozen meals.

“We're very mindful of managing our SKUs on a very tight basis. We want to have a balanced portfolio; we can't proliferate SKUs because it will be very challenging to grow profitably.”

—John Mann



Gary McMullen: I'm the president and one of the founders of Muskoka Brewery. We started the brewery in 1996 in Muskoka. We've grown from a handful of employees to about 75 employees today. In 2008 we put an aggressive growth plan together that was more commensurate with what we saw coming with the growth of craft beer in the marketplace. During the last four or five years we've grown at about 40 per cent per year. We have also worked hard to put a great leadership team together to ready ourselves for seizing the opportunity craft beer growth offers as it becomes a staple part of the industry versus a niche. A big focus for us as well is all-natural. One of our tag lines that we've had from 1996 is 'All-natural, premium and pure.' We don't pasteurize our beers, we don't use any additives or preservatives, and our beer is best served fresh. This creates its own set of challenges in terms of getting it to market and maintaining freshness. But that's where we want to make our stand.

John Mann: I'm responsible for Sales and Marketing at Grand River Foods. We were essentially a commodity trader up until 2005, when we built a state-of-the-art processing facility. We've had three expansions since then. Our customer base is split 50/50 with retail and foodservice, and we produce private-label products. We work in conjunction with our customers bringing innovation to them and also them bringing projects to us. It's a small network of customers, and we've had great growth. We're small enough to keep on top of trends, but we have the capability to produce for large national customers.

Menzies: Grant Thornton recently performed a worldwide benchmarking study and one of the things that was clear in that study is the level of optimism, on a worldwide basis, that currently exists within the food and beverage industry in general. To give you some statistics, more than

80 per cent of the companies we spoke with believe that their revenues and their profits are going to increase or stay the same in the next year. From a manufacturing perspective here in Canada, there are similar sorts of statistics. How does that compare to your world?

Mann: As I said, we've diversified — we are now processing poultry, seafood, beef and pork. And that's afforded us to take current relationships and expand upon them; selling more products to our current customer base. So it's definitely been a key point to our growth. And it's allowing us to introduce ourselves to other customers who we previously wouldn't have been able to approach being just a poultry processor. So from that standpoint, we're very optimistic. Our growth is decent and it looks promising for the immediate future.

Beretta: I think, John, you touched on something that's pretty key here. The industries that are fixated in the commodity realm are the ones where optimism is less now more than ever. And those of us who are in the niches, what we're trying to capitalize on is the fact that because people are now really questioning — especially in my world with rising meat prices — if they're going to put that dollar forward, they're questioning a lot more than they have in the past and inherently they're going to go towards the niche offerings, the non-commodity type proteins, at least in our case. So that's a key part of where our optimism comes from.



“Our consumers don't really give us any credit for how local we are. It's just not on the radar in the consumer research at all. However, we continue to on-shore product because it makes economic sense.”

—Hugh Johnston

McMullen: We're Canada only at this point in time. We do watch trends in the U.S. and Europe as far as beer goes. But I like to think about the way food preparation and food presentation, accentuation of flavours and even serving sizes have changed. It's become much more experiential. So while beer consumption overall is flat or declining, there's a huge opportunity for less functional, more emotionally driven brands, and I think consumers are demanding that. They want to connect with your product. They want to connect with the whole experience and be knowledge-carriers as well. So, it's challenging and also extremely exciting.



“There is an opportunity for the food industry — retailers and manufacturers — to work together to provide more clarity for consumers, which would ultimately help the Canadian food industry.”

—Shelley Martin

Martin: I would say that the great part about our business is that people have to eat. However, from a packaged food perspective, in Canada the optimism isn't there. Most of the businesses net import from the U.S., and when the dollar dropped the third week in January, it created a huge challenge for our industry, especially when combined with other factors such as increased pricing for commodities. The food business in Canada has been challenging and while there has been growth, we expect that the remainder of this year and probably into next year will be tough.

Rees: I would say we, and our industry partners, echo that same optimism as it relates to the growth opportunities that lie within the organic sector — and with good reason. In Canada, the organic food market is valued at over \$3 billion — it's not big, but it is growing rapidly. In the Canadian dairy segment, organic dairy accounts for less than two per cent of the total sales. In the U.S. organic dairy is four per cent. In Europe it's 12 per cent. So there's a major opportunity for us. We do have some unique challenges, though, one of them being supply management and how we operate within that construct to cultivate growth. It all stems from the ability to grow the raw materials. So if we could grow that, and once we pick up momentum as a category, the pricing will come down. That's why it's so important to really focus at the farm gate, grow that supply and catch up to other countries. The Canadian market itself holds tremendous growth opportunity.

Johnston: It's interesting. I see both sides, both about choices and also being on trend. Bento's very much on trend, but also faces those big grocers who are competing hard. Net overall pricing in basket may

be heading down in Canada due to sustained pricing pressure in the market. And so, how do you grow when the overall dollars are going to really net down? We're optimistic because we drive it on traffic, with our innovation and a compelling proposition to the consumer. The reason we're optimistic is perhaps who we are within that competitive environment, and how we're able to offer innovative products that are on trend. It's very different than if we were in centre aisle — we'd probably have a very different story.

O. Horwitz: I would say that, as a small business, we're optimistic because there's a lot of room for us to grow. The fact that the general population is leaning more and more towards health-centred foods is reason enough. That's a premise that we started with back in 1996. So it is something to be optimistic about, watching people slowly venture towards our grounds and observing it slowly become mainstream. Not only is it something that we're proud of, as a people, that everyone is growing more and more healthy, but as a business it's something that is definitely convenient.

Menzies: In my firm we define growth very holistically, so it's not just about more revenue. Growth can mean offering more service lines, or having more people. In your organizations, when you think of the term growth what does it actually mean?

Rees: Well, for us it's pretty simple. As a farmer-owned co-op, we define 'growth' and 'value' differently — it's about growing the overall organic category, it's the conversion of the emergent consumer to organic food products. As the organic segment grows, we grow. Dairy is the entry point to organics for young families who are looking to provide the very best health and nutrition for their children. And so as more and more families look for organic, natural, better-for-you offerings, they move our segment forward, towards the mainstream. That said there is still a long way to go, with a variety of different ways to get there. To reach these emergent consumers, we need to align with our retail partners — the mass and chain stores, the natural health food retailers and our specialty retailers. It's a grassroots growth opportunity, so we need to be pretty creative in how we meet this challenge.

“ In our world, we see innovation as trying to find new ways to tell the story. So whether you call it branding or marketing or whatever else, how do we keep explaining the story and educating the customer and turning that into a dialogue with them? ”

— Mike Beretta



Johnston: Profitable growth in traffic, which drives penetration in-store, and drives profitability for our customer 'the grocer.' Making sure that the customer, our category and what we deliver to the grocery consumer, is delivering on the promise. Because, actually, we have two customers: we have a grocer customer and a consumer customer. And we always have to keep both of them in mind.

Martin: For us, given our high-penetration categories, it's market share. We are focused on gaining and strengthening market share. In most cases we lead in the categories in which we compete, which means it becomes about solidifying that share and then growing the category so that the pond gets bigger. We are also looking outside our core categories to enter into new areas like we did with NESFRUTA.

Beretta: In our case, I think it's mostly about margin. Being a smaller player in such a big pond, the customers are out there. The hardest part for us is making sure we're taking on the right customers and protecting our margin. So when we look at growth we look at maintaining or improving our margins.

Menzies: What about number of brands? Does that come into your equation, in terms of growth goals?

Mann: Well, it's the constant challenge within our business. We're mindful of management of SKUs; if we introduce a new SKU, we ensure that it aligns with our competencies and meets other criteria to ensure it is viable. We're a young, rapidly growing company, but we're very mindful of managing our SKUs on a very tight basis. We want to have a balanced portfolio; we can't proliferate SKUs because it will be very challenging to grow profitably.

Menzies: Which industry trends do you see impacting your specific businesses these days?

O. Horwitz: For us, the gluten-free trend has been something that has impeded us over the past couple of years. But it's something that with studies



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and further research, you notice consumers are generally starting to understand a little bit more, reconsidering their own diets, and moving towards moderation rather than elimination — allowing gluten back into their eating habits. Slowly, you see them coming back, and that’s also something to be optimistic about.

Rivi Horwitz: Similarly, sugar has become very much the bad guy amongst many consumers. So you have to make people aware that ours is a snack food, we produce cookies. A salty or tasteless cookie wouldn’t pass. But on the other hand, if you do crave a sweet snack, it is in all of our interests that the consumer opts for those sweetened with non-refined sugars. Our aim is to be the healthier snack choice and every day there’s new research; it is our position to be on top of it, so that we can educate as well as cater respectfully to our faithful customers.

Menzies: How is the localization trend impacting your business, if at all?



“Our aim is to be the healthier snack choice and every day there’s new research; it is our position to be on top of it, so that we can educate as well as cater respectfully to our faithful customers.”

—Rivi Horwitz

McMullen: When we opened the brewery the concept of local, of people being able to make great-quality foods locally, was foreign to people. And it’s evolved to the point now where often in our segment the first thing a consumer will ask is, ‘What do you have on tap that is local?’ There is a great opportunity for us to work with servers and restaurant owners and managers to become part of their program. It’s a solid trend certainly in our business in terms of a good positive factor of growth.

“In Canada one of the biggest challenges we have is consolidation, both at retail and supplier levels. I think it is stifling innovation, whether through new product development or new approaches to reach consumers. The silver lining, though, is that it fosters co-operation.”

—Don Rees



R. Horwitz: Well, when a business is situated near a big market like Toronto then the ‘local’ trend is an amazing opportunity. But in efforts to expand to other provinces, for example, I find that distant retailers also prefer ‘buying local.’ You really are at a disadvantage in the health food industry in that sense.

Johnston: One thing that Bento finds that’s really interesting is that our consumers don’t really give us any credit for how local we are. It’s just not on the radar in the consumer research at all. However, we continue to on-shore product because it makes economic sense. Most of our packaging is now made in North America. It all came from China before. All of our competitors buy from China. Our rice and avocados come from California as well.

Martin: Well, our big focus, globally, and definitely in this market, is around nutrition, health and wellness. Looking at our portfolio we have a healthcare business, we have a pet care business and we have a water business, that provide a strong base. But it is also about working within the other portfolios, whether it’s pizza or ice cream, to deliver the healthiest, best-tasting version of that product. In terms of the local issue, it’s interesting because part of our challenge is that we are a very large purchaser of Canadian dairy in this country and the majority of Nestlé ice cream for this country is made in London, Ont. But current legislation prevents us from saying “Made in Canada” because the vanilla bean we use isn’t grown in Canada, so it becomes a challenge to communicate ‘local’ to our consumers.

Rees: For us, local’s everything. We try to make a connection between the local farmer, the fact that we’re processing in Guelph and our core distribution is within Ontario. That’s really meaningful to new and emerging consumers. So that’s a natural for us to try to do that. Of course we don’t have a lot of money to do that, but we try to make that connection, which is meaningful. And for companies like Bento, and Nestlé even, you’re providing jobs. You’ve got entrepreneurs working for you. That’s very meaningful to the local economy. I mean, just because your ingredients are coming from

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other places, if you've got a manufacturing facility in, for instance, Guelph, that is highly meaningful.

Menzies: Are there any current innovations that you can share with us that you believe will lead to growth in your company or sector?

Beretta: In our world, we see innovation as trying to find new ways to tell the story. So whether you call it branding or marketing or whatever else, how do we keep explaining the story and educating the customer and turning that into a dialogue with them? For us, that's where our innovation is.

“There's a huge opportunity for less functional, more emotionally driven brands, and I think consumers are demanding that. They want to connect with your product. They want to connect with the whole experience.”
—Gary McMullen



Johnston: What makes this whole sushi business work primarily, in many ways, is farmed fish. Without farmed fish, we'd still be in the age where there were only high-end sushi restaurants because nobody else could afford to make it. But that has its own problems regarding sustainability. Where are the innovations coming from? Perhaps in sustainable ways of growing foods that people have never thought of before.

McMullen: In the context of the beer world, North America is young. So there's still a great deal of experimentation going on and this is expanding the horizons for beer. This will allow us to, I'll say quite frankly, take back market share from distilled spirits and wine. I think the other piece for us is about innovation of process, and innovation in the way we go to market, because the customer has changed dramatically. The level of knowledge that they expect, the sort of urgency of how quickly they expect you to get back to them has changed dynamically. There are some great opportunities there to innovate on process but equally importantly we must innovate in order to maintain closeness to our customers.

Rees: I think there's also an opportunity to further segment the health-conscious consumer. You spoke of gluten-free as a wildly successful trend that continues to grow. In our industry, lactose-free is one of those opportunities, especially within organic.

Menzies: How does the issue of sustainability, as it relates to what you do as a producer, create opportunities?

Mann: We're definitely looking at packaging. But, again, you've got one set of consumers who want something in a container which they can grab that's fresh, that they can put in an oven, on a grill, or in a microwave. So when you look at that, it's not even remotely touching upon sustainability. Then you look at the mainstream types of products where we're definitely investing

in equipment to minimize and/or eliminate extra packaging, reducing that carbon footprint. But, again, it's a double-edged sword because what you need for a specific consumer won't allow you to have that convenient packaging. We also look at sustainability from a supply chain standpoint, whether that's North American or global. What the industry is doing is great but it's not there yet to supply all of Canada; we haven't made that 'tipping of the scales' so that we can source everything in Canada. We're still forced to go outside of Canada to have enough raw materials to produce the products just for Canadians.

McMullen: Several years ago we had organic products in our lineup and there was tons of interest in it. But as we looked at the sustainability issues of getting those organic ingredients from Germany or New Zealand we started thinking, 'You know what, if we can't get enough of the materials that are organic and are local within Canada or even North America, then are we really doing anything better for the environment?' We now have a solid focus on all-natural beers and we have lots of interesting projects underway with respect to being more sustainable.

Martin: There are lots of different definitions of sustainability, and I think it depends on what you do. We're 148 years old as a company, and our longevity is based on the fact that we've had sustainable practices in place from the beginning. We work at the grassroots level around the world with cocoa and coffee farmers, for example, because we need those businesses to be sustainable. We strive to be an efficient, effective organization, which means tracking our environmental footprint and focusing on things such as eliminating waste at the factories, and reducing our water usage. At our confectionery factory in Toronto, we divert 100 per cent of landfill waste to an electrical co-generation plant. We have reduced our water usage significantly and for us, it's about always looking for ways to improve and be more efficient in these areas. One of the challenges that we have as a country

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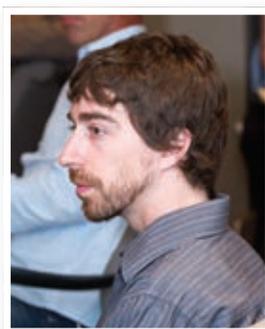
is that every municipality has their own recycling rules; every province has their own collection. And there's a lot of confusion, as a consumer, about what you can do in terms of making choices about what products you want to buy and how you can deal with the waste. We are working with Food & Consumer Products of Canada to identify solutions in this area.

Menzies: What are the greatest challenges and opportunities in the industry or your sector in particular?

Rees: In Canada one of the biggest challenges we have is consolidation, both at retail and supplier levels. I think it is stifling innovation, whether through new product development or new approaches to reach consumers. The silver lining, though, is that it fosters co-operation. Without co-operation, it's going to be very difficult for smaller companies to bring new products to the market — the risk is too great. Innovation born and bred here in Canada is very difficult, because it's a go big or go home mentality. To remain a relevant innovator, you have to work with strategic partners that have the financial and functional leverage to make this happen, whether it is through a co-pack, a licensing agreement or a variation.

“As a small business, we're optimistic because there's a lot of room for us to grow. The fact that the general population is leaning more and more towards health-centred foods is reason enough.”

—Omri Horwitz



Martin: I would say one challenge is around nutrition education. It's a challenge that could be turned into an opportunity. Canadians are interested in eating healthy, but they are often confused. For example, people need help in better understanding the Nutrition Facts table, and this is something the government has initiated action on and the food industry is participating in. There is an opportunity for the food industry — retailers and manufacturers

— to work together to provide more clarity for consumers, which would ultimately help the Canadian food industry.

McMullen: I position it as an educational opportunity and a challenge at the same time. There's a great deal of excitement about where food and beverage is going in Canada, even extending to increasing involvement of consumers in making their own foods at home. The concepts of food and beer pairings and cooking with beer are still relatively new in Canada. Craft Brewers with flavourful and diverse portfolios will benefit from growing interest in these things.

Mann: A big opportunity exists in continuing better-for-you products and cleaner labels. Consumers who are looking at labels are looking for things like that and that's a big segment of the business. But, as a whole I would say our biggest challenge is the supply chain of raw materials and where they come from and how they're processed. Do they meet all the criteria that the consumer is expecting? And it's about ensuring we have the right amount of raw material that we can process to fulfill the needs in Canada.

Johnston: I see the biggest challenge and opportunity being the continued shift in grocery habits, as consumers move more towards discount retailers for pantry fill and dry goods. And then there's the move of conventional grocery towards a European hyper-market style where you see more fresh goods, more choice, more opportunities for all the smaller innovators to get in and add value. That outer part, the fresh part of the grocery store, is growing very quickly in conventional grocery. It's going to continue to go that way. I personally think that's the biggest opportunity and challenge for everybody. If you're going on the discount side how do you win there? If you're going on that fresh side, how do you win there?

Beretta: We've all said challenge and opportunity in the same sentence in our lead up. So I think I'll follow that trend. The foodie culture, I think, is alive and well and kicking. And those of us who have been around for awhile have always kind of felt it. But it sure seems to be mainstream now. And I think the challenge and the opportunity is, inherently, in how we associate with the whole foodie or artisanal culture. So I think going forward it's going to be how do you scale up the small artisanal brands that exist? We're feeling it just going from a smaller Ontario-centric brand trying to grow, while still trying

to appeal to those who associate artisanal with small and local.

O. Horwitz: The challenges, for us at least, as an independent small business, are acquiring the necessary ingredients while their prices are going up, and keeping our end prices realistic and reasonable to a consumer post-retail markup, which is generally consistent and doesn't fluctuate regardless of ingredient changes. That's a big challenge for the future. As a consumer expects healthier foods and ingredient prices continue to go up, are they willing to spend the money that represents the ingredients that are involved? ●



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Top 100

Canadian food & beverage processors

COMPANY	2013 Sales (\$000s)	2012 Sales (\$000s)	2012-2013 Sales Growth	Exports as % of Sales	Employees
1. Viterra Inc. *	7,578,326	13,721,202	-45%	—	190,000 worldwide
2. Kraft Canada Inc.	7,472,952 E	7,484,544 E	<-1%	—	7,100 E
3. McCain Foods Limited	7,402,000	7,209,896 E	3%	—	20,000
4. Saputo Inc. *	7,297,677	6,930,370	5%	—	12,700 approx.
5. La Coop fédérée	5,185,952	4,947,409	5%	18%	9,984
6. Maple Leaf Foods *	4,406,400	4,551,800	-3%	—	18,000 approx.
7. Agropur Co-operative	3,843,920	3,655,220	5%	—	6,188
8. Nestlé Canada Inc.	2,300,000	2,200,000	5%	2%	3,800 approx.
9. Cott Corporation *	2,248,328	2,327,120	-3%	—	3,966 worldwide
10. Molson Canada 2005	2,087,058	2,037,000	2%	N/A	3,100
11. Olymel L.P.	1,868,238 E	1,892,160 E	-1%	—	10,000+ E
12. George Weston Limited *	1,812,000	1,765,000	3%	—	140,000+
13. SunOpta Inc. *	1,147,170	1,090,409	5%	—	1,800 approx.
14. Alliance Grain Traders Inc.	1,100,000	855,300	29%	95%	950 worldwide
15. Premium Brands Holdings Corporation *	1,072,737	960,129	12%	—	3,000 approx.
16. Lassonde Industries Inc. *	1,040,209	1,022,218	2%	<10%	2,000
17. High Liner Foods Incorporated *	1,017,117	942,631	8%	—	1,517 approx.
18. Kellogg Canada Inc.	894,832 E	895,843 E	<-1%	—	850 E
19. Export Packers Company Limited	759,000	750,000	1%	—	180
20. Cooke Aquaculture Inc.	570,000	500,000	14%	50%	2,200
21. Gay Lea Foods Co-operative Limited	563,000	533,799	5%	9%	820
22. Rogers Sugar Inc. *	558,438	618,093	-10%	—	550 E
23. Mondelez Canada Inc.	553,202 E	446,234 E	23%	—	3,600 E
24. Sunrise Farms	501,000	424,000	18%	3%	1,950
25. Exceldor Cooperative Avicole	476,000	420,000	13%	—	1,800
26. Unilever Canada Inc.	451,394 E	582,070 E	-22%	—	3,400 E
27. H.J. Heinz Company of Canada Ltd.	442,182 E	340,326 E	30%	—	—
28. Maple Lodge Farms Ltd.	441,795, E	482,879 E	-9%	—	2,200 approx.

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E = Estimate * = Annual Report

** = For the six months ended Jan. 2014 and Jan. 2013

Website	Top Brands	Ownership	Major Shareholder
www.viterra.ca	Agri-products, agri-food processing	Public	
www.kraftcanada.com	Kraft Dinner, Jell-O, Tassimo, Nabob, Amooza, Cracker Barrel, Kool-Aid, Kraft Peanut Butter	Private	Mondelez International Inc.
www.mccain.ca	McCain Superfries, International Thin Crust Pizza, Pizza Pockets, McCain Juices	Private	McCain Family
www.saputo.com	Saputo, Trutaste, Dairy oh!, Milk2Go, Dairyland, Neilson, Alexis de Portneuf, De Lucia, Dragone, DuVillage 1860, Baxter, Vachon	Public	Gestion Jolina Inc.
www.lacoop.coop	Pork and poultry meat, farm products	Private	99 co-operatives
www.mapleleaf.ca	Maple Leaf, Schneiders, Dempster's, Olivieri, Natural Selections, Schneider's Country Naturals, Prime, Tenderflake, Villaggio	Public	McCain Capital Corporation, West Face Capital
www.agropur.com	Natrel, Québon, Island Farms, Sealtest, Agropur Signature, iögo, Agropur Grand Cheddar, Farmers, Olympic, Dyna Moo, Baboo		3,348 co-op members
www.nestle.ca	Lean Cuisine, Stouffer's, Delissio, Nescafé, Nesquik, Häagen-Dazs, Gerber, Powerbar, Kit Kat, Aero, Coffee Crisp, Smarties	Private subsidiary of public company	Nestlé S.A.
www.cott.com	Cott, Vess, Vintage, Red Rain, Stars & Stripes, So Clear, Chadwick Bay, Golden Crown, Exact	Public	–
www.molsoncoorscanada.com	Canadian, Export, Coors Light, Molson Dry, Rickard's, Carling, Molson Canadian 67, Coors Banquet, Molson Canadian Cider	Private	Molson Coors Brewing Company
www.olydel.com	Smart Nature, Olymel bacon, chicken products, cooked and sliced meats, hams, deli and meat counter products	Private	–
www.weston.ca	Weston, Wonder+, D'Italiano, Country Harvest, Gadoua, ACE Bakery, Ready Bake, Maplehurst, Interbake Foods, All But Gluten	Public	–
www.sunopta.com	Sunrich Naturals, Nature's Finest, Pure Nature	Public	West Face Capital Inc.
www.alliancegrain.com	AGT CLIC, Arbella, Saskcan Pulse Trading, Arbel	Public	Murad Al-Katib, widely held
www.premiumbrandsholdings.com	Centennial Foodservice, Hempler's, Grimm's, Harvest, Duso's, McSweeney's, Piller's, Maximum Seafood, Duso's, Freybe	Public	–
www.lassonde.com	Oasis, Oasis Smoothie, Fruite, Allen's, Rougemont, Fairlee, Flavür, Everfresh, McCain, Canton, Antico, Antonella's, Niagara	Public	Pierre-Paul Lassonde
www.highlinerfoods.com	High Liner, Icelandic Seafood, FPI, Viking, Mirabel, American Pride Seafood, Fisher Boy, Sea Cuisine	Public	–
www.kellogg.ca	All-Bran, Pop-Tarts, Special K, Eggo, Rice Krispies, Nutri-Grain, Vector Bars, Mini-Wheats, Corn Pops, Froot Loops	Private	Kellogg Company
www.exportpackers.com	Ocean Jewel, Diamond Harvest, Chef's Jewel, Family Delight	Private	Rubenstein Family
www.cookeaquaculture.com	True North Salmon, Heritage Salmon, Jail Island Seafood	Private	Cooke Family
www.gayleafoods.com	Gay Lea, Lacteeze, Nordica, Ivanhoe	Co-operative	Dairy farmers in Ontario
www.lantic.ca	Rogers, Lantic	Public	–
www.mondelezinternational.com	Chips Ahoy!, Oreo, Ritz, BelVita, Wheat Thins, Triscuit, Nabisco, Cheese Nips, Cadbury, Toblerone, Tang, Philadelphia, Grand Mere	Private	Mondelez International
www.sunrisepoultry.com	Select Servings, Simply Poultry	Private	Shoore Family
www.exceldor.com	Exceldor, Victor, White Rock	Private	Co-operative
www.unilever.ca	Becel, Ben & Jerry's, Knorr, Lipton Tea, Popsicle, Breyers, Ragú, Hellmann's, I can't believe it's not butter, Klondike, Slim-Fast, Skippy, Salada, Red Rose, Imperial	Private	Unilever PLC
www.heinz.ca	Heinz, A1 Sauce, Arthur's Smoothies, Bravo, HP Sauce, Lea&Perrins, Renée's, Diana Sauce, TGI Fridays, SmartOnes, Poppers, Classico	Private	–
www.maplelodgefarms.com	Maple Lodge Farms chicken bacon and deli meats, sliced packaged meats, frozen boxed meats, wieners, Zabih Halal	Private	Family owned

COMPANY	2013 Sales (\$000s)	2012 Sales (\$000s)	2012-2013 Sales Growth	Exports as % of Sales	Employees
29. Legumex Walker Inc. *	433,567	294,810	47%	–	
30. Clearwater Seafoods Limited *	388,659	350,302	11%	–	1,500 E
31. Andrew Peller Limited	289,143	276,883	4%	–	1,189 E
32. Biscuits Leclerc Ltd.	280,000	270,000	4%	27%	700
33. Weetabix of Canada Limited	273,922 E	273,974 E	0%	–	260 E
34. Scotsburn Co-operative Services Ltd.	267,000	275,000	-3%	N/A	800
35. Post Foods Canada Corp.	237,013 E	237,580 E	<-1%	–	225 E
36. Catelli Foods Corporation	235,000	231,414	2%	7%	295 approx.
37. Barry Group Inc.	221,734 E	235,984 E	-6%	–	1,000 E
38. Fiera Foods Company	202,522 E	198,130 E	2%	–	1,200 E
39. Fearman's Pork Inc.	190,692 E	192,412 E	<-1%	–	1,100 E
40. Quinlan Brothers Ltd.	180,806 E	–	–	–	500 approx.
41. Del Monte Canada Inc.	166,462 E	162,852 E	2%	–	180 E
42. Granny's Poultry Cooperative Ltd.	162,000	155,000	5%	3%	500
43. Hershey Canada Inc.	153,782 E	167,961 E	-8%	–	1,600 E
44. Richardson Oilseed Limited	147,056 E	160,613 E	-8%	–	240 E
45. Golden Valley Foods Ltd.	142,208	133,553	6%	0%	110
46. Ultima Foods	135,949 E	144,971 E	-6%	–	700 E
47. Amalgamated Dairies Limited	135,000	133,000	2%	1%	250+
48. Corby Distilleries Limited *	132,743	146,746	-10%	–	500 approx.
49. General Mills Canada Corporation	131,051 E	143,184 E	-8%	–	1,000 E
50. Sun Rich Fresh Foods Inc.	100,879 E	110,218 E	-8%	–	1,200 E
51. Oxford Frozen Foods Limited	100,589 E	109,903 E	-8%	–	600 E
52. Burnbrae Farms Ltd.	100,000+	100,000+	0%	<5%	900+
53. Dare Foods Limited	96,078 E	118,197 E	-19%	–	1,400 E
54. Danone Inc.	87,335 E	118,617 E	-26%	–	450 E
55. Ferrero Canada Limited	76,863 E	83,980 E	-8%	–	800 E
56. Sunny Crunch Foods Holdings Ltd.	74,843 E	94,892 E	-21%	–	90 E
57. Silani Sweet Cheese Limited	72,824 E	20,992 E	246%	–	200 E
58. Prairie West Terminal Ltd. **	72,238 *	66,708	8%	–	
59. Freshwater Fish Marketing Corporation	71,900 E	70,367 E	2%	–	216 E
60. Peak of the Market	66,519	72,560	-8%	25%	51
61. Tignish Fisheries Co-operative Association Limited	66,487 E	70,756 E	-6%	–	300 E

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Website	Top Brands	Ownership	Major Shareholder
www.legumexwalker.com	Pulses, canola	Public	–
www.clearwater.ca	Clearwater premium hardshell lobster, Prime lobster, scallops, clams, Snow crab, masago	Public	–
www.andrewpeller.com	Peller Estates, Hillebrand, Trius, Thirty Bench, Sandhill, Red Rooster, Copper Moon, Hochtaler, Domaine D'Or, Schloss Laderheim, Royal, Sommet, Crush, XOXO	Public	Jalger Limited
www.leclerc.ca	Vital, Celebration, Chocomax, Quattro, Choco, Praeventia, Tradition 1905, Muffin Max, Momento, Go Pure	Private	Leclerc Family
www.weetabix.ca	Weetabix, Grainshop, Alpen, Barbara's Bakery	Private	Bright Food (Group) Co. Ltd.
www.scotsburn.com	Scotsburn	Private	Co-operative
www.postfoods.ca	Post cereals, Alpha-Bits, Grape-Nuts, Great Grains, Honey Bunches of Oats, Honeycomb, Cranberry Almond Crunch	Private	Post Holdings Inc.
www.catelli.ca	Catelli, Healthy Harvest, Giovanni Panzani, No Yolks, Minute Rice, Olivieri	Public	–
www.barrygroupinc.com	groundfish, FAS groundfish, pelagics, shellfish	Private	–
www.fierafoods.com	Frozen raw bakery products, baked goods	Private	–
www.fearmans.com	Pork products	Private	–
www.quinlanbrothers.com	Snow crab, cold water shrimp, groundfish and pelagics, squid, Crab au Gratin	Private	–
www.delmontecanada.com	Del Monte, Aylmer	Private	ConAgra Foods Inc.
www.grannys.ca	Granny's Chicken and Turkey products	Private	Widely held
www.hersheycanada.com	Hershey's, Brookside, Twizzlers, Oh Henry!, Reese, Chipits, Jolly Rancher, Pot of Gold, Ice Breakers, Skor	Private	The Hershey Company
www.richardson.ca	Oils, sprays, margarines	Private	James Richardson & Sons Ltd.
www.goldenvalley.com	Golden D eggs, Premium eggs, Organic eggs, Born 3 eggs, Free Run eggs, Canadian Harvest Brown eggs, Liquid eggs	Private	N/A
www.ultimayog.ca	iögo, Olympic	Private	–
www.adl.ca	ADL, Perfection, Olympia	Co-operative	N/A
www.corby.ca	Absolut Vodka, Polar Ice, Malibu, Hivas Regal, Jacob's Creek, Jameson, Lamb's, Wiser's	Public	–
www.generalmills.ca	Nature Valley, Cheerios, Green Giant, Old El Paso	Private	General Mills Inc.
www.sun-rich.com	Fresh-cut fruit for retail and foodservice	Private	–
www.oxfordfrozenfoods.com	Wild blueberries, cranberries, carrots, appetizers	Private	–
www.burnbraefarms.com	Naturegg Omega 3, Naturegg Simply Egg Whites, Egg Creations, Naturegg Break Free, Naturegg Omega Pro	Private	Hudson Family
www.darefoods.com	Bear Paws, Simple Pleasures, Viva Puffs, Wagon Wheels, Traditions, Breton, Melba Toast, Grissol, Bread Sticks, Croutons	Private	–
www.danone.ca	Oikos, Coolision, Activia, Danino, DanActive, Silhouette, Danone	Private	Groupe Danone
www.ferrero.ca	Tic Tac, Nutella, Ferrero Rocher, Kinder, Raffaello	Private	Ferrero International SA
www.sunnycrunch.ca	Sunny Crunch cereals and bars, private label	Private	–
www.silanicheese.com	Cheese	Private	–
www.prairiewestterminal.com	Grain, peas, lentils and flaxseed processor	Public	–
www.freshwaterfish.com	Freshwater fish	Federal government crown corporation, not subsidized	–
www.peakmarket.com	Peak of the Market	Private	Peak of the Market growers
www.royalstarfoods.com	Lobster products	Co-operative	–

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E = Estimate
 * = Annual Report
 ** = For the six months ended Jan. 2014 and Jan. 2013

COMPANY	2013 Sales (\$000s)	2012 Sales (\$000s)	2012-2013 Sales Growth	Exports as % of Sales	Employees
62. Associated Brands Inc.	66,415 E	200,000 E	-67%	–	500 E
63. Voortman Cookies Limited	66,100 E	92,379 E	-28%	–	450 E
64. Vantage Foods Inc.	64,081 E	64,764 E	-1%	–	370 E
65. Pinty's Delicious Foods Inc.	63,608 E	69,495 E	-8%	–	500 E
66. Les Industries Bernard & Fils Ltée	60,000 E	50,000 E	20%	80%	50 E
67. Dainty Foods, division of MRRM (Canada) Inc. *	58,588	59,262	-1%	–	110 approx.
68. Northumberland Cooperative Limited	58,227 E	79,040 E	-26%	–	300 E
69. Nutrinor Coopérative Agro-Alimentaire Du Saguenay Lac St-Jean	58,227 E	79,040 E	-26%	–	300 E
70. Ten Peaks Coffee Company Inc. *	53,873	59,713	-10%	–	–
71. The Allan Candy Company Limited	52,846 E	57,732 E	-8%	–	550 E
72. Boulangerie Gadoua Ltée	51,503 E	63,303 E	-18%	–	750 E
73. Country Ribbon Inc.	49,484 E	54,063 E	-8%	–	325 E
74. GraceKennedy (Ontario) Inc.	45,000 E	40,000 E	13%	–	50
75. Plaisirs Gastronomiques Inc.	43,813 E	56,470 E	-22%	–	330 E
76. Big Rock Brewery Inc. *	41,587	46,057	-10%	–	–
77. Margarine Golden Gate-Michca Inc.	39,205 E	42,826 E	-8%	–	64 E
78. Steam Whistle Brewing	38,900	35,500	10%	0%	174
79. La Coop Agrilait	37,120 E	–	–	–	–
80. Brick Brewing Co. Limited *	35,295	34,078	4%	–	–
81. Aliments Krispy Kernels	35,000 E	35,000 E	0%	2%	250
82. Walcan Seafood Ltd.	33,633	–	–	–	175 E
83. Paturel International Company	31,321 E	37,791 E	-17%	–	160 E
84. Ganong Bros. Limited	31,224 E	34,111 E	-8%	–	400 approx.
85. To-Le-Do Foodservice	30,500	–	–	0%	48
86. Organic Meadow Ltd.	30,000 E	30,000 E	0%	N/A	35
87. G.E. Barbour Inc.	26,000	21,000	24%	5%	100
88. Canards Du Lac Brome Ltée	25,940 E	28,340 E	-8%	–	170 E
89. R. Denninger Limited	25,553 E	37,055 E	-31%	–	300 E
90. Just Quality International	25,000	16,000	56%	95%	8
91. TWI Foods Inc.	24,000	21,000	14%	60%	200 +
92. Earth's Own Food Company Inc.	23,707 E	–	–	–	28 E
93. Handi Foods Ltd.	23,300	23,300	0%	60%	135
94. France Délices Inc.	22,228	21,970	1%	32%	200
95. Reinhart Foods Ltd.	21,253 E	–	–	–	145 approx.
96. Aliments Fontaine Santé Inc.	21,235 E	27,394 E	-22%	–	160 E
97. Leading Brands Inc. *	18,366	19,457	-6%	–	86
98. Dairytown Processing Ltd.	17,100 E	23,200 E	-26%	–	88 E
99. Boulangerie St-Méthode	11,650 E	–	–	–	260 E
100. Rollover Premium Pet Food	9,000	8,500	6%	0%	40 E

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Website	Top Brands	Ownership	Major Shareholder
www.associatedbrands.com	Private label, co-manufacturing, Neilson desserts and beverages, Prairie Maid cereal	Private	–
www.voortman.ca	Voortman cookies, turnovers, wafers, sugar-free, omega-3	Private	–
www.vantagefoods.net	Fresh and ground meat products, sausage products	Private	–
www.pintys.com	Pinty's chicken products	Private	–
www.bernards.ca	Old Fashioned Maple Crest, Bernard	Private	Bernard Family
www.mrrm.ca	Dainty, Royal, World Classics, Ideal, Rice Now!, Time-Wise, MRRM, Eagle, Super, Dainty Conditioned	Public	–
www.northumberlanddairy.ca	Northumberland dairy products	Co-operative	–
www.nutrinor.com	Nutrinor dairy products	Co-operative	–
www.tenpeakscoffee.ca	Decaffeinated coffee	Public	–
www.allancandy.com	Allan, Saybon	Private	–
www.gadoua.qc.ca	Gadoua, Melleux, MultiGo, Pain de ménage	Private	–
www.countryribbon.com	Country Ribbon, Pinehill, Lunchtime, fresh, frozen, breaded and deli chicken products	Private	–
www.gracefoods.ca	Grace, Mili, Dunn's River	Public (Jamaica)	GraceKennedy Ltd.
www.plaisirsgastronomiques.com	Plaisirs Gastronomiques pot pies, puff pastries, quiches, salads, sandwiches, salad spreads, deli, sausages	Private	–
www.bigrockbeer.com	Big Rock beers	Public	–
www.goldengatemargarine.com	Crystal, Mirage	Private	–
www.steamwhistle.ca	Steam Whistle Pilsner	Private	Greg Taylor, Cam Heaps
www.agrilaitcoop.com	Milk, butter, cheese	Co-operative	–
www.brickbeer.com	Seagram, Waterloo, Laker, Formosa, Red Cap, Red Baron	Public	–
www.krispykernels.com	Krispy Kernels, Yum Yum, Viva	Private	Denis Jalbert
www.walcan.com	Seafood	Private	–
www.eastcoastseafood.com	Lobster and seafood products	Private	–
www.ganong.com	Ganong chocolates, candy bars, truffles, Chicken Bones	Private	–
www.toledofoodservice.ca	Certified Angus Beef, To-Le-Do Foodservice label portion control meat products (beef, pork, veal, lamb and bison)	Private	Leigh and Barb Young
www.organicmeadow.com	Organic Meadow dairy products	Private	Organic Meadow farmers
www.barbours.ca	King Cole, Barbours	Private	Sylvia MacVey
www.canardsdulacbrome.com	Canards Du Lac Brome duck products	Private	–
www.denningers.com	Meat, deli, sausages, specialty foods	Private	–
www.jqinternational.com	Arctic Harvest, Just Quality, CinnaStirs, private label	Private	Yupeng Liu
www.crispyjustbaked.com	Crispy	Private	Ali Kizilbash
www.earthsown.com	So Good, So Nice, Almond Fresh, ryza, Sunrise Brand Soy Beverage, YÜ Organic Rice beverages	Private	–
www.pitagourmet.net	Mr. Pita, Pita Gourmet, Pita Puffs, Uncle Georges, Handi	Private	George Haddad
www.francedelices.com	Quali-Desserts	Private	Durot Family
www.reinhartfoods.com	Reinhart vinegar, Allen's, Daltons, Jaffa, Glace fruit, pie fillings	Private	–
www.fontainesante.com	Fontaine Santé dips, spreads, sauces, salads, appetizers,	Private	–
www.leadingbrandsinc.com	TrueBlack, TrueBlue, PureBlue, PureBlack, PureRed	Public	–
www.dairytown.com	Private label, Dairytown dairy products	Private	–
www.boulangeriesmethode.com	Breads	Private	–
www.rolloverpetfood.com	Rollover Premium dog food and treats	Private	–

If you would like to be considered for next year's Top 100, please contact Deanna Rosolen at drosolen@foodincanada.com.

E = Estimate
***** = Annual Report
****** = For the six months ended Jan. 2014 and Jan. 2013

Future *forward*

BY DOUG BURN

The value of shipments of Canada's food and beverage manufacturers increased by \$1.1 billion (1.1 per cent) to \$94.3 billion in 2013, following a \$2-billion increase in 2012. Adjusted for price increases, the real value of shipments remained unchanged in 2013, following a one-per-cent decline in 2012. Real value added declined by one per cent in 2013 to 2011 levels after holding steady in 2012.

Food and beverage shipments accelerated in the last quarter of the year and began 2014 on a strong note. The value of shipments increased by six per cent for the four months to January 2014 compared to the year earlier period.

Three quarters of the increase in shipments were exported. Exports expanded by \$800 million (three per cent) to \$25.4 billion. Imports increased by \$1.3 billion (five per cent) to \$26.3 billion, to increase the trade deficit to \$900 million. The increase in imports captured most (86 per cent) of the \$1.5-billion (six per cent) growth in the domestic market to \$99.2 billion. The trade deficit rose to \$900 million in 2013, from \$400 million in 2012.

International trade

In the last decade imports have grown their share of the domestic market to 28 per cent from 20 per cent in 2004. Over the same period the U.S. has increased its share of our imports to 61 per cent (from 57 per cent) as manufacturers have consolidated production on a North American basis. In 2013 our imports from the U.S., Italy and France grew by an average of seven per cent, while those from China (our other \$1-billion supplier) grew by only two per cent. Our imports from Mexico grew by 15 per cent, while those from Brazil declined by 13 per cent.

Canada's food and beverage exports today account for 27 per cent of our shipments, compared to 25 per cent in 2004. Over the decade China and Hong Kong have overtaken Japan as our second largest



After minimal growth in the past year, both the Canadian economy and the food industry should see momentum in 2014/15

export market after the U.S, which accounts for 69 per cent of our exports. In 2013 above average growth in our exports to the U.S. (seven per cent) and Mexico (seven per cent) more than offset a decline in our exports to Japan (seven per cent) and China/Hong Kong (four per cent).

The industry

Food and beverage industry employment declined by 3,300 persons (1.4 per cent) to 245,500 in 2013, after a 1.1-per-cent decline in 2012 as the industry continued to consolidate and rationalize. Average wages declined by three per cent to \$17.96 per hour excluding overtime. Capacity utilization remained unchanged at 74 per cent in the beverage sector, while declining by 1.3 per cent in the food industry generally to 76 per cent. Capital investments rose seven per cent to \$1.8 billion in 2013 after a four-per-cent rise in 2012. Statistics Canada reports that investment intentions of food and beverage manufacturers are for a further increase of five per cent in 2014.

Costs & prices

Costs and prices moderated in 2013. Beef, chicken and turkey prices increased by less than two per cent, while pork prices increased by less than five per cent. Prices for all of the major grains and oilseeds (including wheat, rice, corn, soy beans and canola seeds) declined by one to nine per cent. Crude oil prices averaged US\$98 per barrel (a four-per-cent increase) while natural gas prices rose 36 per cent to US\$2.98 per million BTU. Budget-conscious consumers and intensified competition among grocery retailers held food price increases to 1.1 per cent in 2013 — compared to 2.3 per cent in 2012 — and that pressure, in turn, held prices paid to food manufacturers to a 1.2-per-cent increase versus 2.9 per cent in 2012.

Consumer demand

The foodservice sector led domestic demand growth for the second year in a row, as consumer spending on away-from-home meals grew by five per cent in 2013 to \$55 billion. The foodservice industry spends roughly one third of its receipts on food purchases, or about \$20 billion annually. The retail value of food purchased from stores rose two per cent in 2013 to \$112 billion, after the same increase in 2012.

Over the last decade supermarkets have lost market share of food and beverage spending to mass merchandisers. A decade ago they captured 87 per cent of spending, as compared to 81 per cent in 2013. Mass merchandisers have grown their share to 14 per cent from eight per cent. ➔



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In 2013, food and beverage sales through supermarkets increased just 0.5 per cent to \$90.4 billion, while food and beverage sales through mass merchandisers rose by 8.6 per cent to \$16.2 billion.

The outlook

Canada's exports have been held back, until now, by a relatively high value for the Canadian dollar and weak economic growth in most of our export markets. This year promises to be significantly better, as the Canadian dollar is forecast by BMO Nesbitt Burns to average US\$0.89, down eight per cent from 2013.

Meanwhile, the OECD forecasts the U.S. economy to grow by three per cent in 2014, as compared to a weak 1.6 per cent in 2013. The Chinese market has slowed and the Japanese market is forecast to decline in 2014, but growth rates in the European Union and Mexico should improve. Europe's economies declined by 0.4 per cent in 2013 but are forecast to return to modest one-per-cent growth this year, while

Mexico's economy should bounce back to the 2012 growth rate of 3.8 per cent after slowing to 1.2 per cent in 2013.

On the domestic front, Canada's economy slowed to 1.6-per-cent growth in 2013, but the OECD forecasts growth to recover to the 2012 pace of 2.2 per cent this year. Fragmented economic data from early 2014 generally support the recovery theme. The Canadian dollar in the first quarter averaged

US\$0.91, making our exports seven per cent more competitive than the US\$0.97 average for 2013. Consumer confidence remains at last year's levels after improving by seven per cent in 2013. Economic growth in January was running 2.5 per cent ahead of the same period in 2013. Statistics Canada reports that foodservice sales in January were up 4.7 per cent from the same month a year earlier. This is consistent with the Restaurants Canada (formerly Canadian Restaurant and Foodservices Association) forecast of 4.7-per-cent growth for 2014 following similarly strong increases in 2013 and 2012. ●



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GMO, *yes* or *no*?

BY TREENA HEIN

The battle over the labelling of food products that contain GMO crops such as corn and soybeans is heating up in the U.S., and the Canadian food industry is watching developments closely.

Various U.S. media outlets have reported that more than 20 states have so far proposed legislation requiring products containing GMO (genetically modified organisms) to be labelled as such. Maine, Connecticut and Vermont are the only states to have approved laws at this point, with Vermont the only one where the law has actually passed — and the Grocery Manufacturers Association (GMA) has launched a legal challenge against it.

Whatever the outcome of that case, these developments are widely seen as the first rumblings of what could become a colossal earthquake within North American agriculture and food product manufacturing. It's not just about labelling, but about market access, the staggering costs required to segregate crops, and much more.

“Could GMO labelling become a national issue in the U.S., or could a critical mass of states pass legislation?” asks Paul Hetherington, president and CEO of the Baking Association of Canada. “I wouldn't rule it out.” At the federal level so far, the U.S. Food and Drug Agency shows no signs of changing its GMO policy from 1992, which states that there is no basis for concluding bioengineered foods differ from other foods in any meaningful way.

Labelling of products containing genetically modified organisms has become a political issue south of the border, leading many in the industry to wonder if Canada will be next



**71% OF
AMERICAN
CONSUMERS
BELIEVE GMO
PRODUCTS
SHOULD BE
LABELLED. SOME
EVEN SAY IT'S
AS HIGH AS 90%**



However, consumers believe otherwise. “The subject of genetic modification has been around for well over 10 years, and there’s still significant consumer resistance to it,” Hetherington notes. “This tells me that proponents have done a poor job of marketing, and that the idea that you can gain consumer acceptance with a science-based GMO message alone is not realistic.”

Before we get further into marketing messages, let’s look at where consumers are at. The *21st Annual Consumer Attitudes about Nutrition* study, conducted in the U.S. by an independent research firm in February 2014 for the United Soybean Board, found that a large majority of those surveyed (71 per cent) believe GMO products should be labelled, a 10-per-cent increase from last year’s survey. Some even put the percentage of Americans wanting GMO labelling as high as 90 per cent.

Nicholas Fereday, a senior analyst at Rabobank, is blunt about what he sees as the food and agriculture industry’s marketing failure on the GMO front. In a Food Navigator-USA article by Elaine Watson in May, Fereday states that the food industry is “losing the battle to win hearts and minds” because it isn’t speaking to consumers about the issues relating to GMO crops that matter to them. He believes the industry’s main argument — that we’ll need GMO crops in order to feed a huge human population in decades to come — is not working.

Sean McBride, however, believes consumers will eventually come around and fully appreciate this point. The former executive vice-president of the GMA has publicly responded to Fereday’s assertions, stating: “Unfortunately, the expert and many observers are missing the point. The food industry’s... CEOs are looking at the future and want to ensure our natural resources are preserved and that the nine billion people who inhabit our planet in 2050 will have enough to eat... They have decided not to stand on the sidelines and let irrational fear and the politics of emotion eradicate one of the most positive forces for good our society has seen in generations. Their message to consumers and policymakers is simple and clear — the technology is safe and is making the world a better place now and for future generations. They have staked their reputations and much more on their position. In due time, consumers, policymakers and the courts will say they are right.”

Using phrases such as “irrational fear” and “the politics of emotion” that suggest consumer ignorance and overreaction may not be the way to bring consumers around, however. And straight science does not seem to be working either. Nevertheless, facts were a big part of the message just released in June by each of the main Canadian crop organizations — a trilateral →



statement voicing support for the future commercialization of GMO wheat in solidarity with similar groups from the U.S. and Australia. The statement reads: “More than 15 years of commercial production and peer-reviewed scientific research show [GMO] technology is safe for the environment and consumption. Over one trillion meals have been consumed without a single reported incident.”

If facts about safety and the prevention of future famine don't work, what will? Meeting consumers on an emotional level, says Hetherington and others. “With food, it's about what's going into your body and what you're feeding to your loved ones,” he explains. “That's a very personal thing, and the science rationale to support controversial issues tends to go out the window.”

Perhaps the only other point that's likely to dampen consumer desire for GMO labelling (and presumably more GMO-free products) is their pocket-books. If the demand for labelling changes and/or reformulations of products is so high that industry is required to provide them, consumers will be the ones who will shoulder the cost, all at a time when food prices are already steadily rising. As the Washington State Academy of Sciences stated in an October 2013 report *Labeling of Foods Containing Genetically Modified Ingredients*, “The costs of actual labelling are a tiny fraction of the costs of compliance and certification.” Indeed, many believe the staggering costs of full segregation of GMO and non-GMO crops from field to plate make the idea completely unfeasible.

“Some of our members are already offering GMO-free products so [a labelling law in any particular U.S. state] wouldn't impact them,” notes Susan Powell, executive director of the Canadian Food Exporters Association. She says that if laws catch on, each exporter would have to decide whether it was best to not sell into a GMO-label state, or to reformulate some or all of their products. “Even if it became national, Canadian com-

panies would adapt, as they have done so when other regulations come into force,” Powell notes. She says that not many of her members choose to do business in Europe, where GMO concerns are a large issue, but “those that do, do not sell products that contain GMO ingredients.”

Right now, U.S. food makers are dealing with a voluntary labelling situation. As James E. McWilliams recently stated on Slate.com, this “inadvertently shows confusion.” He points out that not every conventional food made with non-GMO ingredients uses the non-GMO label because a company might want to avoid the costs of testing. “Furthermore, non-GMO labels have been placed on products such as orange juice,” he says in his article, “suggesting that there are genetically-modified oranges on the market when, in fact, there aren't.”

Hetherington says baking industry members have always focused on choice in the marketplace, and that this will continue. “Providing choice is paramount for us, and individual companies will decide how to

“With food, it's about what's going into your body and what you're feeding to your loved ones. That's a very personal thing, and the science rationale to support controversial issues tends to go out the window.”

fill the needs and proceed,” he says. “Consumers will lead the way, but in order for us to provide choice to them, the supply chain needs to provide us with choice.”

“GMO wheat is coming, but the challenge is that mycotoxins and allergens such as mustard and soy are already present in the wheat provided to us, and we hear from the supply chain that these are unavoidable,” adds Hetherington. “We must ask then, if the supply chain can't handle these issues, how can they handle the segregation of GMO and non-GMO wheat? Yes, conventional soybeans are segregated now as there is a high demand for them in places like Japan, but those customers pay a premium for that. We don't think we should ever have to pay a premium for conventional non-GMO wheat.” ●

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■ BY DON DOULOFF

It's hard to remember a time so rife with innovation in the non-alcoholic beverage segment as it is today, as manufacturers respond to consumers' shifting expectations. Drinks aren't just for slaking thirsts anymore, and increasingly must bring added value.

FUNCTION AND FUN

"Functionality is front and centre, and is almost becoming mainstream," says Louis Giguère, vice-president, Innovation and Portfolio Strategy, at Enzyme, a Montreal-based food and health marketing agency. "In the old paradigm, beverages were for hydration. In the new paradigm, beverages are for functionality: food replacement and quality of nutrients."

Falling into this category is the Special K breakfast meal-replacement beverage containing vitamins, minerals and proteins, and the antioxidant-rich Cheribundi line of drinks made from tart cherries. In the U.S., Cheribundi's sales are growing at "high double digits," says Giguère.

Protein is also making its entry into the beverage category, notes Giguère, pointing to Bolthouse Farms' protein-packed smoothies that "are not a meal replacement, but just a good snack." In addition, nutrient-rich foods such as chia seeds are finding their way into beverages. These types of drinks, combining functionality with pleasure, are growing at "high double digits," according to Giguère. Popular flavours include mint and ginseng.

Another new paradigm, says Giguère, is drinks featuring soluble fibre from oats, offering consumers a "potent snack." Products include Oatworks' fruit smoothies and the Oat Drink line.

Finally, sugar is on the radar big-time, says Giguère, due to the United Nations' World Health Organization guidelines recommending consumers eat no more than 16 g of the sweetener daily — the equivalent of one can of soda pop. Consequently, beverage manufacturers are



Drink rethink

FROM COLD-PRESSED FRUIT AND VEGETABLE JUICES AND INVENTIVELY FORMULATED BUBBLE TEAS, TO HEALTH-FOCUSED FUNCTIONAL DRINKS, INNOVATION RULES IN THE NON-ALCOHOLIC BEVERAGE SEGMENT





“ In the old paradigm, beverages were for hydration. In the new paradigm, beverages are for functionality: food replacement and quality of nutrients. ”

striving to lower sugar content “without compromising taste.” Offering a possible workaround is stevia, a sweetener lower on the glycemic index than other types of sugar and now legal in Canada, he notes.

IN THE RAW

Over at Whole Foods Market, “raw is leading the category,” says Rob Luscombe, grocery/whole body buyer for the specialty retailer’s Ontario stores. Sales of raw juices — which either aren’t pasteurized at all or are processed via water-driven high-pressure pasteurization, retaining fruits’ and vegetables’ nutritional properties — have been increasing for several years at Whole Foods’ Ontario stores.

Toronto’s Live Organic Food Bar produces a line of raw juices sold at retail, including Whole Foods. And earlier this year The Good Press and Greenhouse Juice Co. both launched Toronto storefront retail operations offering their raw, unpasteurized fruit and vegetable juices made by hydraulic cold-pressing. Meanwhile, Mississauga, Ont.-based Juice Matters launched its own line of cold-pressed fruit and veggie drinks designed for pre- and post-workout and meal replacement.

The raw-juice category is still on an upswing and seems poised to remain strong for some time, says Luscombe. In the category, “anything green is big,” with kale leading the way. “We’re starting to see more functional beverages as demand continues to increase. People want to get nutritional value from their drinks. They want food to do something for them.”

Noteworthy functional beverages include Kona Red, made from Hawaiian coffee berries and very high in antioxidants, and protein drinks, “an up-and-coming category,” says Luscombe, who cites Rumble, a whey milk-based beverage whose ready-to-drink (RTD) format frees consumers from having to make a protein shake from scratch.

The “poster child for functional beverages,” however, is coconut water, an all-natural electrolyte replacer that has “grown by leaps and bounds,” says Luscombe. Coconut waters flavoured with mango, pineapple and chocolate are on the market, but when it comes to sales, plain, pulp-free varieties rule, he adds.

Other growing categories at Whole Foods include organic apple cider vinegar-based drinks, in flavours such as ginger spice and apple cinnamon, from Bragg Live Food Products; the Mamma Chia line; and beverages based on kombucha (fermented tea), some of which also feature chia seeds. ↪



The raw-juice category is still on an upswing and seems poised to remain strong for some time



By Daniel
Scholes



Diving into flavoured sparkling water



As its global growth continues at a steady pace, the business of bottled water has matured into a highly competitive, sometimes contentious, and increasingly segmented market space. As consumers seek out beverage alternatives to soft drinks, they are finding increasingly more options in bottled water, including new flavours and new fashionable or “greener” packaging innovations. One exploding segment of the category we recently explored is flavoured sparkling water.

We wondered, given the seemingly straightforward nature of this product category, from a sensory perspective, shouldn't we expect a similar product experience from all brands? With many veteran and rookie brands now competing for this market space — whether global, niche, premium, or value — from a product perspective, do they all make a similar splash?

Testing the waters

We recruited 50 females from the Greater Toronto Area who are regular users of sparkling water and put six lemon-flavoured sparkling waters to the test. Three samples were national brands and three were private-label grocery chain brands. The samples were evaluated blind and served chilled in a seven-ounce plastic cup. To lay the groundwork we first asked our testers about brand behaviour in this category. Sixty-two per cent said they are not loyal to one brand of flavoured sparkling water, mainly because they tend to purchase what's on sale. However, most also believe that some brands taste better than others.

Not oceans apart

As might be expected, there wasn't a great deal of taste differentiation among the samples. In fact, four of the six products performed very similarly, with no significant differences in overall appeal and very little difference in flavour profiles.

Yet despite the similarities among the group, one product emerged as a strong directional winner overall, with top scores for overall liking, purchase intent and overall flavour. Conversely, one product scored consistently last on all measures of appeal.

The product attribute with the most differentiation was the strength of the lemon flavour, and the product with the weakest lemon flavour was in fact the least-liked overall. Yet the product with the strongest lemon intensity was not the winner, suggesting that intense flavour is not necessarily the key to success. Flavour delivery in sparkling water needs to be noticeable, refreshing and natural — and not overpowering.

Making a splash

Our consumers confirmed that in the absence of branding, most sparkling waters are in fact similar in taste profile and overall appeal. Yet even for a seemingly uncomplicated product like this one, subtle differences in the sensory profile are detectable by consumers and can make the difference between a good product and a great one. Consumer brand choice among sparkling waters may largely be driven by price or packaging, but if you're diving into this category, having the superior product profile may just make the difference between a big splash and a belly flop. ●

Contract Testing Inc. is an industry leader in sensory evaluation and consumer product testing, and is the only sensory evaluation and consumer product research company with corporately managed test sites in both Canada and the U.S. For questions about this research, contact Dan Scholes at info@contracttesting.com, or at (905) 456-0783.

→ from pg.57

Released earlier this year in the Canadian market were two zero-calorie vitamin waters, Rise Orange, containing vitamin C and calcium, and Squeezed Lemonade, containing vitamin B and zinc. Sweetened with stevia and erythritol, the vitamin waters are sold under the Glacéau label, a Coca-Cola Co. brand.

In all, non-alcoholic beverages represent a significant product segment, with Canadian retail sales in the fourth quarter of 2013 totalling almost \$903-million, according to figures provided by Statistics Canada.

INTERNATIONAL FLAVOURS

Overseas, innovation is rampant in the sector. In June, a line of inventive bubble teas took top spot at DrinkPreneur Live 2014. Held in London, this was the U.K.'s first specialized start-up accelerator for the RTD beverage category.

DrinkPreneur judges awarded best-in-show honours to the OOb line that incorporates nutritional elements into Taiwanese-style bubble tea. Formulated during 14 months of R&D, the line features green tea loaded with tapioca-pearl “bubbles” flavoured with superfruits: apple green tea with lychee pearls; cranberry green tea with acai pearls; and mango green tea with acerola pearls.

Ieva Petkevičiūtė, new product development manager at My Drink Beverages, a beverage development company based in Kaunas, Lithuania, reports a key trend towards natural energy drinks featuring ingredients such as gua-

rana (made from a climbing plant in the maple family), natural-source caffeine and extracts of green coffee bean, green tea and yerba mate (a plant in the holly family).

Herbal elements are common in soft drinks and weight-management beverages, says Petkevičiūtė. Weight-management drinks featuring





ingredients such as L-carnitine (biosynthesized from the amino acids lysine and methionine) and green tea extracts are especially strong. Also trending overseas are beauty drinks containing collagen, hyaluronic acid, zinc and antioxidants, notes Petkevičiūtė.

Cecilia Martinez, regional research co-ordinator at Bath, U.K.-based Zenith International food and drink consultancy, says carbonated soft drinks (CSDs) remain the largest and most popular category of non-alcoholic beverages, but “have been losing ground to other categories perceived to be healthier such as juices or flavoured waters. Innovation in categories other than CSDs has also helped shift preference away from CSDs.” As obesity has become a global issue, consumers around the world are looking for beverages with lower sugar/calorie content or those that are healthier, she says.

In the U.S., cold-brew coffees are also gaining traction. These products are either sold “black” in RTD format or mixed with sugar or milk/creamer.

“They are aimed at coffee connoisseurs looking for freshly brewed flavour and thus command a premium price over other RTD coffees.” More recently, some cold-brew coffee brands have introduced flavoured concentrates (such as Dave’s Coffee syrups) that allow consumers to customize their coffee, she says.

In June, Nescafé launched the milk-rich Shakissimo line of RTD Latte Espresso, Latte Macchiato and Latte Cappuccino chilled coffees in select European markets. Shakissimo’s cups are designed to be shaken, creating a creamy froth.

Martinez adds that beverages offering a clear benefit or function, and whose benefits can be seen, felt or measured in some way, stand to benefit the most. Juice-cleanse beverages, many of which are vegetable-based, are selling well, and vegetable-fruit juices “have also become popular among moms as a way to ensure children consume more vegetables, but without being aware of doing so.” 🍎



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Specialty trends are stirring up the coffee and tea market.

A quality cuppa



BY VALERIE WARD

Canadians love their coffee — and increasingly, their tea as well. Our per capita consumption of coffee is among the highest in the world, and our climbing tea consumption is forecast to jump 40 per cent by 2020, says a trends report commissioned by Agriculture and Agri-Food Canada.

Collectively, we drink billions of cups of these beverages each year, purchasing them from grocery stores and foodservice outlets or sipping them at the office. A majority still buys traditional processed coffee and tea blends, but product expectations are shifting as consumers become more health-conscious and food-savvy. In addition to good taste, consumers are demanding the quality, sustainability and unique flavours often associated with

specialty coffees and teas. They're also experimenting with brewing technologies and formats that deliver a convenient, customized product experience.

The end result is that the specialty niche is reshaping the entire sector. "It's a case of the tail wagging the dog," says Adam Pesce, director of coffee at Reunion Island Coffee and a spokesperson for the Canadian Coffee Association.

HYPER FOCUS ON QUALITY AND TASTE

Driven by small, independent roasters, today's specialty mindset is hyper-focused on quality and taste. "It used to be all about flavours like Irish coffee or salted caramel," Pesce says. "Today, it's more about the coffee itself — respecting the bean, the roasting process and the work of the farmer."

Current trends include a shift to single-origin coffees rather than blends, and a preference for lighter roasts that better express a variety's characteristics. They also include organic and ethical certifications that tell consumers where and how the products have been grown, processed and traded. "Consumers really value that transparency," Pesce notes.

Large providers of good everyday coffee are paying attention to these developments. For example, Tim Hortons now offers a direct trade coffee, Starbucks has introduced a blond roast, and Van Houtte sells single-origin coffees in K-cup format.

FRESH, PREMIUM, SMALL-BATCH

At the same time, the market is creating opportunities for small independents, such as B.C.-based Kicking Horse Coffee. Launched in 1996 from the owners' garage, by 2012 it was ranked among Canada's top 10 commercial brands. Kicking Horse sells in every major grocery store nationwide and is making inroads in the U.S.

CEO and co-founder Elana Rosenfeld attributes this success to Kicking Horse's long-time focus on quality and freshness, along with its snappy branding. "From the beginning, we focused on blends of small-batch, premium coffee, roasted to a specific flavour profile, and packaged the same day to maximize freshness," Rosenfeld says. "We were also the first in Canada to offer whole bean, shade-grown, 100% organic and fair trade coffee. I think we played a part in raising consumer awareness of those values."

In the near future, Kicking Horse plans to reach still more consumers by offering ground coffee. "Research shows that 50 per cent of the market buys ground coffee, and 70 per cent of specialty coffee drinkers are willing to try ground," Rosenfeld says. "It's a market with big potential for us."



SINGLE-SERVE AND COLD BREW

Perhaps the biggest growth driver for retail coffee is consumer demand for personalized single-serve beverages, says Stéphane Glorieux, Keurig Canada's president.

Keurig's high-tech brewing machines and lines of pod coffees from multiple providers not only offer convenience, consistency and choice, they make it possible for people to individualize their beverage experience, he says. "The machines are engineered so that, at the touch of a button, I can make myself a cup of espresso and my wife can prepare her light roast one after the other and with no migration of taste."

Keurig's newest K2.0 brewer will be able to customize beverages even further, sensing whether a cup or a carafe is being used and adjusting the preparation accordingly. Before long, consumers will be able to prepare cold beverages using their Keurig machines, including carbonated and ice teas.

Adam Pesce appreciates single-serve's value-add, especially on the foodservice side. "Whether the coffee is made manually or with a machine, you can bring customers an individual experience by selecting a certain bean, for example, and brewing the coffee to the strength the customer wants."

Another emerging trend is cold-brewed coffee, in which the beans are brewed with cold water to make a concentrate. "It's ideal for summer and popular in West Coast cafés this year," Rosenfeld says. "It's delicious served on ice with a bit of cream or maple syrup." ➔



RESEARCH SHOWS THAT **50 PER CENT** OF THE MARKET BUYS GROUND COFFEE, AND **70 PER CENT** OF SPECIALTY COFFEE DRINKERS ARE WILLING TO TRY GROUND



TEA'S FUNCTIONAL BENEFITS

As with coffee, the tea market is shifting in response to specialty values such as premium quality, more diverse flavours and product certifications. Black blends still predominate, but there's increased demand for country-of-origin, herbal, green and premium black teas, says Louise Roberge, president of the Tea Association of Canada.

The revival of interest in tea stems from factors such as increased global travel and rising immigration from Southeast Asia, where tea is the beverage of choice. But most of all, Roberge says, health-conscious consumers are attracted by tea's functional benefits, especially the high levels of antioxidants that help protect against cancer and heart disease. As a result, not only are people drinking more tea, they're able to consume it in new ways, in everything from juices and chocolate bars to pharmaceutical supplements and extracts.



"People are looking for healthy alternatives to sugar-laden RTD products," says David Segal, founder of the DAVIDsTEA chain that retails loose tea and tea accessories. "We're able to bring them 150 unique-tasting teas from around the world, all without sugar or calories."

In addition to organic and straight black teas, DAVIDsTEA sells white, green, oolong, rooibos and maté collections, all with different oxidation levels. Its herbal and fruit blends often feature ingredients with health properties, like cinnamon, ginger and pomegranate.

NEW EXPERIENCES, FORMATS

This health-oriented, artisanal approach has struck a chord with consumers. Six years after opening its first outlet, the chain operates 115 stores across Canada and 21 in the U.S. "We're changing the way people shop

“Health-conscious consumers are attracted by tea’s functional benefits, especially the high levels of antioxidants that help protect against cancer and heart disease.”

for tea," Segal says. "We've created a fun, upbeat atmosphere where people can engage their senses and learn how easy and enjoyable it is to make and drink tea."

Tea drinkers are also opting for new formats, using fewer tea bags, and trying loose leaf or pods instead. Mainstream tea-makers are diversifying in response. For example, Unilever, which owns the Lipton, Salada and Red Rose brands, launched K-cups in 2013 and is adding new flavours such as Enlighten Green, Indulge Flavoured Black, Chai Delight and Refresh Iced Sweet Tea. What's more, the company is ramping up commitments to sustainability and social responsibility, pledging that 100% of its tea sold in Canada will be Rainforest Alliance Certified by the end of 2014.

According to Unilever spokespersons, in such a competitive market, it's essential to evolve and provide consumers with the variety they need and expect. 🍎



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A man with brown hair, wearing a dark grey suit, white shirt, and a red and white striped tie, is smiling and looking towards the camera. He has his arms crossed and is wearing a watch on his left wrist. The background is a large industrial warehouse with high ceilings, metal beams, and rows of tall shelving units filled with colorful bags of material.

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Closed-loop process cooling systems save energy and improve the bottom line when manufacturing PET bottles and pasteurizing beverages

It's not unusual to be skeptical when someone offers something for "free." That's because there's usually a catch.

But that's not the case when the right technology is employed to cool the water used in manufacturing polyethylene terephthalate (PET) bottles and cooling the filled bottles as part of the pasteurization process.

Actual "free cooling" is made possible with the latest closed-loop process cooling systems. And it's just one of the ways these systems can help Canadian PET bottle manufacturers and bottlers save energy, while also improving profitability.

Plenty of reason for change

Never heard of free cooling? That's not surprising. Most food and beverage companies don't make process cooling a top priority because they're focused on a host of other issues. As such, many companies stick to the traditional method used to meet process-cooling needs: open cooling tower systems in combination with central chillers.

The problem is that an outdated cooling tower-chiller system can consume nearly 20 per cent of the energy used by a typical manufacturing facility. Conventional cooling towers are simply wasteful when it comes to water consumption. That's because they use a continuous evaporative process to cool the water used in manufacturing and bottling processes.



What it comes down to is that these inefficiencies put pressure on the bottom line, especially since energy costs will only climb and natural resources are finite. It points to the need for better cooling solutions.

The need for change is even more compelling since Canadian companies stand to benefit from incentives offered by local electrical providers. These programs typically offer lump sum payments to companies that purchase equipment to lower electrical consumption. In many cases, incentives can reduce the payback period for a process cooling investment to less than one year.

Letting Mother Nature pitch in

That brings us back to free cooling, and the differences between a conventional open cooling tower and a closed-loop process cooling system.

Unlike a conventional cooling tower, a closed-loop system uses ambient air

to cool the process water. That means there's no need for energy-intensive chillers when ambient conditions permit. Instead, the system can automatically shut down the chillers and let Mother Nature do the work, hence the phrase "free cooling." The concept of free cooling is especially suitable for Canadian companies given the climate. In fact, a closed-loop system can provide the same water as a chiller for up to six months per year given the Northern climate.

A technically advanced closed-loop system also delivers energy savings in other ways — including variable speed fans that reduce fan energy use by as much as 25 per cent compared to typical on/off fans, and highly efficient pumping systems that can reduce energy consumption by as much as 50 per cent when compared to conventional systems.

And energy savings are only part of the equation. The closed-loop system uses significantly less water compared to conventional cooling tower systems — up to 98 per cent less. Additionally, it saves on maintenance and chemical treatment costs. It's not uncommon for a payback of two and a half years on a typical system, thanks to all these factors.

Everyone knows there is no free lunch. But there is such a thing as free cooling and energy efficiencies in process cooling with closed-loop cooling technology. There's also such a thing as government incentives for energy efficiency. The bottom line is a better bottom line, which is definitely an advantage in an industry where margins are razor thin. ●

Al Fosco is the Global Marketing manager for Frigel North America. For more information, visit www.frigel.com/better-yet-ecodry



Gold standard bakery product innovation

The bakery industry is experiencing an unprecedented demand for new products that is creating many category crossovers, including breads containing vegetables, fibre from inulin, chia and a large variety of ancient grains and seeds, to name a few. And because of other consumer trends, these new loaves must also be low in sodium and fat, as well as GMO-free.

There is also an emergence of tightly crumbed breads with no crusts, and ethnic breads with a wide variety of flavours in smaller portion sizes and untraditional shapes, such as pizza on naan bread or tortillas, buns with bacon, and onion and cheese used as part of the crumb. Also popular are handheld foods in myriad fillings that do not drip, and pastry casing that does not crumble.

Consumers also want their products to be high in fibre, multigrain, and available in a cultural rainbow of culinary styles to accommodate all meal and snack times — from new variations of classic British meat pies and pasties, to empanadas and Jamaican patties. Flavour profiles are also wide ranging, and include specialties like southwestern pulled barbecue, Indian butter chicken, classic English meat pies and Ethiopian Bareki. Now take all that and make it gluten free!

Many small- and medium-size bakeries are finding that the largest challenge is often creating the gold standard quality product that can be precisely — and

efficiently — replicated in much larger quantities.

As evidenced in episodes of the CBC TV program “Recipes to Riches,” it’s never a simple matter to scale up a 12-portion recipe to 1,000 or even 12,000 portions. Flour, yeast and fats all react differently in larger volumes, while herbs, spices and aromatics, whether fresh or freeze-dried, all intensify differently with varying percentages.

Product developers in mid-size companies are also often working to develop their bakery recipes and processes within tight time frames and with constrained resources. That means the evaluation and selection processes for product development and production equipment are more critical than ever.



Innovative bakery equipment and ingredient companies, including Handtmann, are now investing heavily in facilities, technology, personnel and intellectual capital to create innovation centres where they can help bakeries develop new products and adapt existing products to new consumer demands. These full-service testing centres are equipped with commercial scale mixers, tumblers, volumetric depositing and downstream process solutions to replicate high-volume commercial portioning.

Committed equipment companies are also now working closely with food ingredient businesses and other suppliers

to help customers develop a more comprehensive understanding of their new products when exposed to highly mechanized processes.

In addition, many national customers begin by requesting bakery products for regional distribution, meaning that emerging bakeries are finding they need to start production at more than 1,000 portions per hour, with a clear path to much higher production speeds. Those opportunities are making flexible equipment like the Handtmann FS 510 forming system more valuable because of features such as quick shape and size changes, blade and wire cutting, six- to 24-lane configurations at up to 250 cuts per minute, and servo drives for precise portion control at all sizes and speeds.

Carefully selecting equipment in the early stages of development can reduce downstream reformulation issues and costly equipment changes at the very time expansion hassles are most expensive. Before making an investment, consider asking suppliers the following questions:

- How adaptable is the equipment to doughs and ingredients, sizes and shapes, production speeds and performance demands?
- Do you have a test facility?
- What access will we have to your facility and to your team?
- What collaborative equipment, ingredient and other supplier relationships do you have?
- How well versed are your sales, testing and service teams with the types of products you are developing? 🍪

Philippe Trepanier is a Certified Chef de Cuisine and is the Bakery Specialist for Handtmann Canada, Ltd., Bakery Division. Contact him at philippe.trepanier@handtmann.ca

sur le Québec

NOUVELLES



Agropur en voie de doubler ses activités de transformation aux États-Unis

Moins d'une semaine après avoir annoncé qu'elle acquérait Miramichi — une coopérative laitière de Northumberland au Nouveau-Brunswick — et qu'elle concluait une entente de partenariat stratégique avec Sobeys, Agropur coopérative a acquis les actifs de transformation laitière de Davisco Foods International, une entreprise spécialisée dans la fabrication de fromage et d'ingrédients laitiers située à Le Sueur au Minnesota.

Agropur de Longueuil dit que cette acquisition aura pour effet de doubler ses activités de transformation aux États-Unis et son approvisionnement mondial en lait, tout en renforçant sa position sur le marché international des produits laitiers. Il s'agit de la plus importante transaction réalisée par l'entreprise au cours de ses 76 ans d'histoire.

Davisco est une compagnie familiale qui transforme annuellement 1,7 milliard de litres de lait, plus de 170 millions de kg de fromage et 80 millions de kg d'ingrédients à base de lactosérum. L'acquisition comprend trois usines Davisco de transformation du fromage situées à Le Sueur (Minnesota), Jerome (Idaho) et Lake Norden (Dakota du Sud), ainsi qu'une usine d'ingrédients à Nicollet (Minnesota) et une boutique fromagère à Le Sueur. Elle inclut également des bureaux de vente à Eden Prairie (Minnesota), Shanghai (Chine), Singapour (Asie) et Genève (Suisse), ainsi que des centres de distribution à Rotterdam (Pays-Bas) et Tianjin (Chine). ➔

ENBREF



> Le Fonds de solidarité FTQ a investi 5 millions \$ dans **Produits alimentaires Viau** de Laval, un producteur de charcuterie. L'investissement permettra à l'entreprise d'agrandir ses installations de Laval, d'optimiser son usine de Montréal et d'acheter de l'équipement de transformation utilisant la technologie haute pression. Cette initiative permettra de créer environ 100 emplois sur une période de trois ans.



> La compagnie **Metro** a annoncé qu'elle allait utiliser uniquement du poulet élevé et transformé au Québec pour la confection de ses produits de marque privée Irrésistibles dans les épiceries Metro, Super C et Marché Richelieu de la province. Les produits seront marqués du logo Aliments du

Québec pour en faciliter l'identification. Cette mesure s'inscrit dans la politique d'achat local du détaillant qui a été annoncée en mai 2013.

> **Suzanne Blanchet**, présidente et chef de la direction de Cascades Groupe Tissu, a été nommée vice-présidente principale, Développement de l'entreprise, pour Cascades inc. Le directeur de l'exploitation, **Jean Jobin**, assumera désormais les fonctions de président et chef de l'exploitation de Cascades Groupe Tissu.

> **Groupe-Nutri** de Saint-Hyacinthe est devenu propriétaire, par l'intermédiaire de Nutri-Oeuf, de la compagnie **Les oeufs Ovale**, un calibre d'oeufs situé à



Dulude

Saint-Lambert-de-Lauzon. Cette acquisition stratégique porte à six le nombre d'usines à haut rendement du Groupe-Nutri à travers le Canada, assurant une sélection de produits encore plus vaste pour les consommateurs et une commercialisation de produits optimale pour les producteurs d'œufs locaux.

Comme autre nouvelle de la société, **Claude Dulude** a été nommé directeur général du Groupe-Nutri.

> Le transformateur de volaille **Exceldor** a reçu le feu vert du Bureau de la concurrence pour acquérir **P&H Foods**, une entreprise de transformation de la dinde à Hanover en Ontario, laquelle produit et vend des produits sous la marque Butterball au Canada. La transaction inclut l'usine de transformation primaire de P&H à Hanover ainsi qu'une participation coentreprise avec Golden Valley Farms, une autre usine de transformation à Arthur en Ontario.

> **La prép** de Montréal a lancé sa propre gamme de cafés, composée de produits haut de gamme provenant à



100 % de plantations certifiées Rainforest Alliance. Elle est parmi les premières chaînes de restauration rapide au Canada à avoir fait ce choix.



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Lassonde fait l'acquisition d'un fabricant de jus américain

Industries Lassonde inc. de Rougemont a fait l'acquisition d'Apple & Eve, SARL de Port Washington dans l'État de New York, pour une somme de 150 millions \$ US.

Selon les conditions de l'entente, Lassonde détient une participation de 90 % dans Apple & Eve et sa gamme complète de marques de jus et boissons distribuée à la grandeur des États-Unis. Des membres de la famille Lassonde détiennent la participation restante de 10 %.

Apple & Eve est une entreprise familiale offrant plus d'une centaine de produits de jus différents vendus sous sa marque phare, Apple & Eve, et sous d'autres marques incluant Organics, Fruitable, Quenchers, Waterfruits et Sesame Street.

L'acquisition d'Apple & Eve devrait augmenter la masse critique de l'entreprise de façon à lui permettre de mieux servir ses clients sur l'ensemble du territoire américain, grâce aux avantages d'une logistique, une distribution et des achats combinés, ainsi que d'autres économies d'échelle. Elle offre également de nouvelles occasions de croissance à Lassonde au sud de la frontière.

Metro devient majoritaire de l'entreprise Première Moisson

La chaîne d'épicerie Metro inc. a annoncé qu'elle avait fait l'acquisition d'une part majoritaire des actions de la boulangerie Première Moisson de Vaudreuil-Dorion.

La transaction a été mise de l'avant par la signature d'une entente de partenariat entre le président et chef de la direction de Metro, Éric La Flèche, et la présidente de Première Moisson, Liliane Colpron. La famille Colpron-Fiset, qui a fondé l'entreprise en 1992, continuera à la gérer et conservera 25 % de son capital.

Première Moisson est un important producteur de pains artisanaux, pâtisseries et charcuteries de haute qualité. La société exploite 22 boulangeries dans la région du Grand Montréal, et une autre à Ottawa. Ses produits sont également vendus dans les chaînes d'épicerie à travers le Québec et l'Ontario. 🍎

BIENS DE CONSOMMATION



Option sans viande

Sol Cuisine a lancé un nouveau poulet sans viande, sans gluten et sans OGM à base de soja. Les plats végétaliens, qui offrent des mélanges de saveurs sains et délicieux, sont rapides et faciles à préparer, et ils peuvent être utilisés dans une variété de recettes. Chacun des trois mets au poulet végétalien — Tinga aux Chipotles fumés; sauce teriyaki, lime et gingembre; et sauce barbecue piquante à la coréenne — sont emballés dans des sachets verticaux refermables sans BPA et ils peuvent être convenablement préparés en seulement six minutes sur la cuisinière ou dans le four à micro-ondes. www.solcuisine.com

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énergétiques sans gluten certifiées par l'Association canadienne de la maladie coeliaque. Ces barres savoureuses sont disponibles dans une variété de saveurs succulentes, y compris arachide énergisante, élan chocolaté, citron énergisant, chocolat noir et mandarine, ainsi qu'ananas et noix de coco. www.soloenergybar.ca

Saveur des îles

Ananas et noix de coco est la plus récente saveur de la gamme Grace Famous Island Sodas de Grace Kennedy. La nouvelle saveur est déjà un goût populaire dans les Caraïbes, et elle vient compléter les saveurs établies de la famille, incluant pomme verte et banane, pamplemousse, citron-lime et soda mousse. Disponible en paquets de 12 unités faciles à transporter, la gamme de boissons est vendue chez les détaillants à travers le Canada. www.gracefoods.ca



Boisson santé

Le Kéfir de Liberté est une boisson biologique effervescente à base de grains de kéfir véritables et de lait de vache. Il renferme deux milliards de cultures probiotiques issues de dix souches différentes. Fabriquée à la manière traditionnelle de l'Europe de l'Est, la nouvelle boisson au lait fermenté peut être consommée nature, versée sur des céréales ou mélangé avec des fruits à la manière d'un frappé aux fruits. Le nouveau Kéfir est disponible en formats de 1 l au prix de détail suggéré de 4,89 \$. Il est offert en trois saveurs: nature, fraise et mangue. www.liberte.ca



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Maison Le Grand en pleine croissance

PAR MARK CARDWELL



Bernard Le Grand aimait bien le vieux bâtiment juste à l'ouest de Montréal où lui et sa femme Tatiana Bossy ont développé leur entreprise familiale et l'ont regardée devenir l'un des plus grands fabricants de sauces fraîches du Québec. Mais le musicien rock devenu entrepreneur alimentaire explique qu'il ne pourrait plus imaginer retourner là-bas, maintenant qu'il a goûté aux nouvelles installations à la fine pointe dans lesquelles le couple exploite désormais les activités de l'entreprise à Blainville dans la couronne nord.

“Il y faisait beau et chaud”, commente M. Le Grand en parlant de l'ancienne école qu'il a convertie à la fin des années 1990 lorsque son entreprise de fabrication de pesto en pleine croissance était devenue trop grande pour le petit atelier qu'il avait aménagé en arrière de la maison familiale à Saint-Joseph-du-Lac. “Mais nous avons une si formidable usine maintenant, dit-il. Nous avons tout ce dont nous avons besoin pour prospérer.”

Sans l'ombre d'un doute, la nouvelle usine de trois millions de dollars à l'intérieur de laquelle la Maison Le Grand a déménagé en Octobre 2013 représente un grand pas en avant pour l'entreprise, et elle constitue un témoignage des solides convictions des propriétaires en ce qui a trait à qualité alimentaire et au concept de se nourrir sainement. Construite selon les spécifications de M. Le Grand par Syscomax — un spécialiste dans la construction d'installations alimentaires situé à Mirabel — le bâtiment moderne de 15 000 pieds carrés comprend plusieurs conceptions originales pour l'industrie alimentaire. Parmi celles-ci, notons des

LE COUPLE D'ENTREPRENEURS DÉVELOPPE DES NOUVEAUX PRODUITS DANS UNE NOUVELLE USINE





Photos: Le Grand



Maison Le Grand a déménagé dans ses nouvelles installations de transformation à la fine pointe en octobre 2013.

bureaux séparés par une vitre (de sorte que les propriétaires et les 20 employés de l'usine peuvent toujours voir et être vus), ainsi qu'une aire de production avec de grandes fenêtres extérieures. "C'est agréable de regarder à l'extérieur et de voir les arbres et la lumière du jour lorsque vous travaillez", fait valoir la copropriétaire Mme Bossy.

Néanmoins, c'est l'équipement de pointe qui se retrouve dans l'aire de production ainsi que le travail qui se fait dans la cuisine expérimentale de la Maison Le Grand, ajoutés à la recherche et au développement effectués par Thomas Sérouart un expert de la fermentation qui a antérieurement travaillé pour la compagnie de levure Lallemand — qui révèlent la véritable raison d'être de l'usine: un développement et une production décuplés de la populaire et croissante gamme de sauces fraîches de la Maison Le Grand.

Ces produits comprennent le pesto d'origine qui a fait la renommée de Le Grand dans l'industrie alimentaire (et qui, selon Mme Bossy, bénéficie maintenant d'une part de marché de 63 %, en faisant l'une des cinq principales sauces fraîches de toute nature vendues au Québec), trois sauces rosées sans produits laitiers, quatre sauces pesto d'accompagnement et trois sauces nouvellement lancées : alfredo, bolognese et ratatouille. Chaque sauce est emballée dans un contenant chic de style japonais ressemblant aux anciens pots Mason. Elles sont vendues dans les grandes chaînes d'alimentation du Québec où elles se détaillent entre 6 et 7\$. On les retrouve dans les épiceries Loblaw en ➔



“ Les produits frais ont une durée de vie plus courte; ce qui explique pourquoi de nombreuses entreprises ne les utilisent pas. Mais nous croyons en la fraîcheur et nous ne prenons pas de raccourcis. ”

Tatiana Bossy et Bernard Le Grand.





Ontario et dans les chaînes spécialisées comme Whole Foods Market et The Fresh Market dans le nord-est des États-Unis. Le couple espère ajouter bientôt d'autres grands détaillants, incluant Costco, à leur liste de clients.

Les possibilités d'expansion sont toutefois limitées du fait que les produits Le Grand sont entièrement fabriqués à partir d'ingrédients frais du jardin. «Les produits frais ont une durée de vie plus courte; ce qui explique pourquoi de nombreuses entreprises ne les utilisent pas, explique Mme Bossy. Mais nous croyons en la fraîcheur et nous ne prenons pas de raccourcis.»

C'est pourquoi la nouvelle usine utilise des systèmes d'injection de vapeur à la fine pointe de la technologie pour chauffer les produits et les ingrédients plutôt que des bouilloires, qui sont la norme dans l'industrie alimentaire canadienne. «Ils ne sont pas donnés», précise M. Le Grand en parlant des systèmes de fabrication allemande utilisés par l'entreprise. «Par contre, quand vous utilisez de la vapeur, la protéine dans la nourriture n'est pas détruite. Et fabriquer les meilleurs produits possible est notre objectif premier.»

Cette orientation a commencé il y a 20 ans quand Bernard Le Grand — un joueur de batterie et un entrepreneur alimentaire en herbe du Manitoba qui, pendant une brève période, a exploité une entreprise de fabrication de sandwichs végétariens qu'il livrait à vélo s'est rendu compte qu'il pouvait gagner plus d'argent en fabriquant et vendant des pestos et des sauces fabriqués avec des produits frais et naturels qu'en jouant du rock'n'roll. «Comme pour la musique, j'ai toujours été passionné de cuisine, dit M. Le Grand. Et comme pour l'écriture de la musique, lorsque vous créez une recette, il faut qu'il y ait du rythme entre le goût, la façon de manger et la digestion.»

Le problème à l'époque, fait-il remarquer, c'est qu'il y avait





peu de demandes pour les produits gastronomiques comme les siens. “Nous étions un peu en avance de notre temps [et] ce que nous faisons était encore assez marginal.” Mme Bossy en parle différemment: “Il y a 15 ans, nous avions du mal à écouler notre pesto. Les gens trouvaient qu’il contenait trop de basilic. Mais les tendances alimentaires ont changé et nos produits sont maintenant considérés délicieux et totalement dans le courant | alimentaire.”

“ Comme pour la musique, j’ai toujours été passionné de cuisine. Et comme pour l’écriture de la musique, lorsque vous créez une recette, il faut qu’il y ait du rythme entre le goût, la façon de manger et la digestion. ”

M. Le Grand attribue une bonne partie du succès de l’entreprise à Mme Bossy pour la prise en charge de l’aspect administratif de l’entreprise et pour son soutien constant à leurs trois enfants. “J’étais créatif, mais je perdais la bataille de la gestion », écrit M. Le Grand sur le site Internet de l’entreprise. “Tatiana s’en est vite rendu compte et elle a apporté sa contribution en travaillant depuis la maison. Ce fut le début d’une nouvelle relation entre nous. Au fil du temps, elle a développé ses compétences et est devenue un leader naturel et une superbe organisatrice. Je pouvais donc rester un artiste.”

Cependant, le succès n’est pas venu du jour au lendemain. Il y a 10 ans, la compagnie ne générait encore que 15 000\$ par mois en vente de pesto, à la fois pour les marchés du détail et des services alimentaires (ces derniers constituant désormais

environ 10 % des ventes de l’entreprise) dans la région de Montréal. Néanmoins, les ventes annuelles ont atteint 1 million \$ l’an dernier, lorsque la décision a été prise d’investir dans une nouvelle usine qui pourrait soutenir une production accrue pour une gamme croissante de produits et de marchés.

Bien que la période de transition qui a suivi cette décision s’est révélée éprouvante — M. Le Grant explique qu’ils sont passés d’un manque d’espace à un arrêt complet de 10 jours, puis à un démarrage de production dans un nouvel espace moderne et spacieux — le couple a bon espoir de pouvoir accélérer la production dans les prochains mois afin de répondre à la demande projetée. “Notre objectif est maintenant d’atteindre 10 millions \$ en ventes dans deux ou trois ans”, commente Mme Bossy.

Ce que l’augmentation de la production et des ventes ne changera pas, insiste le couple, c’est l’approche de fabrication des sauces fraîches. “Je ne suis pas un chef, je suis un cuisinier, précise M. Le Grand. J’essaie de reproduire en usine ce que je fais dans la cuisine, qui est d’essayer de concocter des aliments sains, savoureux et également vivifiant et de belle apparence.”



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Smaller footprint

The X5 SpaceSaver X-ray System is a versatile, reliable new X-ray inspection system from Loma Systems. The stainless steel unit, which measures just 39-in. wide, incorporates a computer vision system that uses proprietary image processing. The X5 SpaceSaver features an industrial-grade PC, digitally controlled wide angle, self-cooled high performance X-ray tank, and sloped surfaces for easier wash-down. The belt is capable of running at speeds of up to 75 m/min with optimum performance. www.loma.com

Omega-3 sources

Cargill Inc. has introduced a new oil blend called IngreVita, a blend of high oleic canola oil, fish oil and proprietary antioxidants that delivers long-chain omega-3s (EPA and DHA). According to the company, the product's similarity to canola oil means it is easy to use, offers good shelf stability and does not introduce off-flavours. It can also boost the nutritional benefits of food products. IngreVita is well suited for use in bread, dairy products, meal replacement beverages, dressings, sauces, spreads and crackers. www.cargillfoods.com/ingrevita

Whey to go

Arla Foods Ingredients offers proteins for sports nutrition and lifestyle categories. The company's Lacprodan HYDRO.365 whey

protein hydrolysate is a dairy protein that is absorbed more quickly by the body, which helps with muscle recovery after exercise. The ingredient can be included in beverages and bars, as well as powders and tablets. It is fully soluble, UHT stable, pH neutral and has a low bitterness profile. The company also offers Lacprodan DI-7017, a 100-per-cent whey protein concentrate that is UHT-stable and offers neutral pH. It is especially suitable for manufacturers who want to develop long shelf-life products designed for weight management. Lacprodan DI-7017 contains the essential and branched chain amino acids that can optimize the body's muscle-building and satiety response mechanisms. www.arlafoodsingredients.com

Dry conveying

Emerson Industrial Automation's Power Transmission Solutions business introduces the new System Plast NG Evo conveyor chain. The unit features a proprietary, low-friction material for dry conveying in food packaging applications. The new chain provides a higher breaking load, greater elasticity, lower coefficient of



friction, and greater abrasion resistance than the company's original NG chain. As a result the unit expands options for dry conveying to meet sustainability and water conservation goals. The companion Nolu-S wear strips and guides also reduce noise, energy consumption, squeaking and chain pull/belt fatigue, while reducing the use of lubricants for high-speed conveyor operations. www.emerson.com

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Deanna Rosolen



Planning bagging operations are: Andrew Ogilvy, president of Engi-O (left) and Kelly Beaulieu, COO of Canadian Prairie Garden Puree Products.



After some research, Beaulieu, along with partners Harvey and Martin Pollock, decided to create a purée business to use the vegetables and fruit. The first phase began in July 2010, says Beaulieu, with a pilot-scale machine installed at the Food Development Centre in Portage La Prairie. It worked. The pilot yielded high-quality purées and enough interest from purée

users that the company's shareholders raised the financing for the second phase. That part of the plan included a commercial scale up of the pilot process.

The company produces 22 different types of pure fruit, vegetable and pulse purées (with no preservatives, chemicals or dyes) for food ingredient buyers, food-service, bakeries and healthcare facilities. Some of the newest products include a potato purée and green bean purée. And you can't beat the company's cauliflower purée, says Beaulieu. "Our system doesn't bruise it when it's cooking. So we're able to get a white cauliflower purée. Other aseptic systems end up with a bruised cauliflower that's dark brown and caramelized. So it's not as white or vibrantly flavoured as ours. For our foodservice clients, it's a lot less work and tastes so fresh." 🍎

Canadian Prairie Garden Puree Products Inc., Portage La Prairie, Man.

Not everyone dreams of starting up and running a food processing company. That certainly wasn't Kelly Beaulieu's plan. But she did help establish and is now COO of Canadian Prairie Garden Puree Products Inc.

The agronomist, who had worked in research and development, was happily employed in the agriculture sector. But it troubled her to see how much fruit and vegetables — between 30 and 60 per cent — local Manitoba farmers were throwing away due to minor visual imperfections, all of it otherwise perfectly edible. "So much product was being discarded," says Beaulieu. "I got so frustrated and kept saying, 'somebody ought to do something here.' And that somebody ended up being the person in the mirror."

Q&A

Q: Were local farmers on board right away?

A: "Absolutely. They saw this as an opportunity to take a waste stream and get revenue for it. Losing 50 per cent of your crop is no one's idea of a good business. And the farmers really see this as an opportunity to use all of their crop. We don't just take culls. We take everything. Culls are crooked carrots, for example."

Q: Were there challenges?

A: "Because we wanted to differentiate ourselves in the marketplace we had to prove that our innovative technology was capable of meeting our requirements for quality, shelf life and food safety.

We also had to conform to very strict food safety regulations that apply to low-acid aseptic processing. And we had to build a small-scale pilot plant to prove ourselves before we could engage investors to build a large-scale commercial processing plant. The technical challenges in designing and building a totally innovative plant required resources and the dedication of a large team of very skilled people. Once we proved the technical concept, the next challenge was to engage with investors capable of bringing not only money but expertise and experience to our board. By April 2014, Canadian Prairie Garden Purees became Canada's newest fully commercial, environmentally friendly aseptic processing plant."



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