

# food in canada

CANADA'S FOOD & BEVERAGE PROCESSING MAGAZINE

## Stepping up to the plate

PLANT-BASED  
MEAT SUBSTITUTES  
IN THE SPOTLIGHT  
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ACCENT  
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OPENING  
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THE VOICE OF THE CANADIAN FOOD & BEVERAGE INDUSTRY



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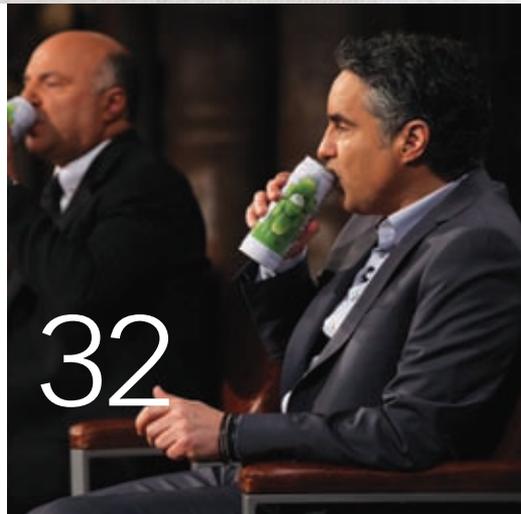
Canada's seafood industry is moving toward increased sustainability, greater consolidation, improved aquaculture and more innovative value-added products.

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## Makes sense

Have you ever wondered how the way your product looks affects a consumer's perception of its taste? According to Professor Charles Spence, the appearance of food and beverage products — the shape and colour — and the setting in which food and beverages are consumed all affect perceived taste.

Spence is head of the Crossmodal Research group at the University of Oxford, researching multisensory perception and consumer psychology. He has also consulted with food and beverage companies, foodservice chains and high-end restaurants. Writing in the November issue of the online peer-reviewed journal *Flavour*, Spence talks about shape symbolism and how our various senses perceive food. He shows, for instance, that rounder shapes convey more sweetness, while angular shapes taste more bitter. Even packaging and marketing can convey this perception, with round, flowing shapes used to advantage in logos for sweeter food and beverages.

Colours also influence our sense of taste and product quality, with darker, more saturated colours perceived as having more weight than paler colours. Our sense of smell and sound also influence taste perception. For example, high-

pitched sounds work with sweet flavours, while low-pitched sounds highlight bitter tastes. Spence notes that even the heaviness, type and colour of plates and cutlery used influence our view of the food we consume.

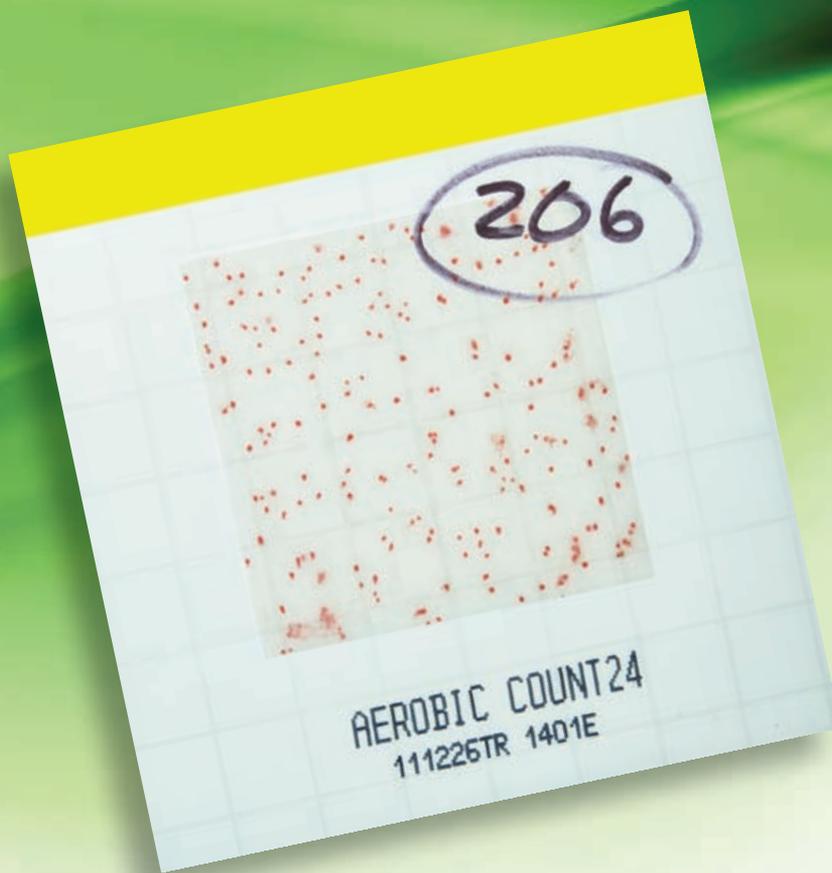
It's a fascinating area of work, and one that manufacturers should be investigating, especially as it could affect everything about a product, from research and development, to packaging and marketing efforts. Consider even how to leverage this information for potential use in retail environments — with the help of your retail partners — to influence a purchase through in-store displays, music and education.

For more on sensory research and consumer perceptions, check out a new column on pg. 22 from Daniel Scholes, director at Contract Testing Inc. (CTI). To tie into our seafood report, this month CTI tested consumer perceptions of fish varieties and taste, but in future issues the company will explore baked goods, meat, dairy and more. ●

CCooper@foodincanada.com

This month we launch our *new* website at [www.foodincanada.com](http://www.foodincanada.com) The site features exclusive online content, the digital edition of this issue, and much more.

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# Clearly Better

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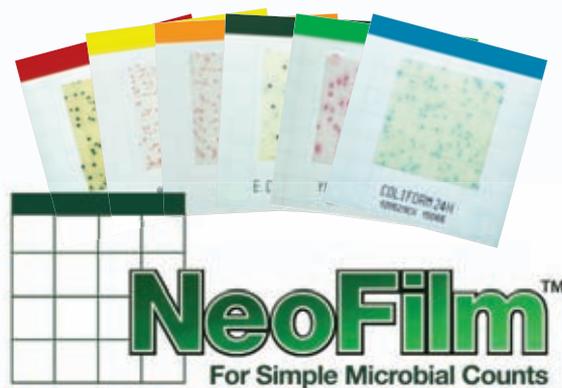
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## That's amore

Canadians love their pizza. But as Pizza Pizza discovered through a country-wide survey for National Pizza Month in October, we do have some interesting quirks when it comes to pizza. For instance, Canadians prefer to order pizza by phone, we prefer a thin crust, two in five of us will eat our pizza cold, and one in three will eat pizza for breakfast. We love our cheese (50 per cent) and pepperoni (44 per cent) toppings. And while most of us enjoy beer and chicken wings as a side order, those health nuts in the Prairies are ordering salad as a favourite side.



## News > file

### Canadian wines continue to win fans in Asia

Canadian exhibitors are lining up for the annual Hong Kong International Wine & Spirits Fair. It is a crucial first step in marketing their products to affluent Asian consumers.

"It's not just Hong Kong buyers but also those from China, Taiwan and the Philippines," says Susan Powell, Toronto-based president of the Canadian Food Exporters Association. This year's show will be her third visit. "Ice wines are still the most popular items. But interest in table wines is coming along," she says.

This year's group consists of three Ontario wineries, plus producers from Atlantic Canada, Quebec and B.C. offering assorted ciders as well as grape and fruit wines. "We need to educate buyers, so it's all about being there," says Powell.

Everett de Jong, Kingsville Point, Ont.-based Pelee Island Winery export director, echoes those sentiments. A veteran Hong Kong visitor, he began exhibiting there before 2008 when Hong Kong opened the spigots by eliminating duties on imported wine. "You really have to put in the time and effort over there. You can't just go once," says de Jong. "Start with the basics. Often I have to give Asian buyers a geography lesson by pointing out that Pelee Island is at the same latitude as northern California and the French vineyards."

Since matching wines with Asian foods can be a challenge even for Canadians, de Jong suggests that lighter and fruitier wines can easily complement multi-course



Chinese meals featuring beef, pork, poultry, fish and seafood. "They really need to offer both red and white wines," he says.

De Jong leveraged his initial success in Hong Kong to expand into China. Besides its own nine outlets there, Pelee Island now also supplies other independent retailers, and sells to other Asian markets such as Singapore.

Muwin Estate Wines Ltd. from New Ross, N.S., has done the reverse. It currently exports sweet and fruit wines to China, South Korea and Taiwan. But this will be its first trip to Hong Kong thanks to the leadership of the Taste Of Nova Scotia. "Our main emphasis will be on our Bulwark Traditional Craft Cider, Northern Compass Ice Apple Wine and Red Barn Blueberry fruit wine," says its Bangkok-based commercial director, Germain Bergeron.

Another first-timer is Summerland, B.C.'s Dirty Laundry Vineyard Ltd. "We are showcasing red and white wines made from Okanagan Valley grapes. They are quality but affordable wines," says Danny Li, the firm's Asian development agent.

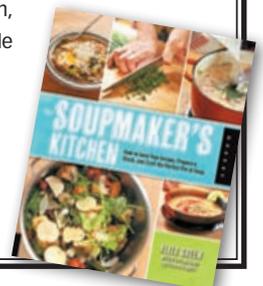
"We know that if they appeal to Hong Kong consumers, they will sell in China too."

Government support is available to exporters. At press time, Powell's application to Agriculture and Agri-Food Canada's agricultural marketing program was pending. Other sources include the Ontario Chamber of Commerce's Export Market Access (EMA), but applicants cannot combine federal and provincial funding. The Canadian consulate in Hong Kong also hosts tastings for exhibitors.

— Ken Mark

### FROM OUR LIBRARY

Making soup is far more than just following a recipe, explains Aliza Green in her new book, *The Soupmaker's Kitchen*. The award-winning author discusses the art of making soups and stocks using fresh ingredients that will save money and reduce kitchen waste. Green shows readers how to organize their kitchens and cooking processes to use every part of ingredients, and in turn extract the most flavour and nutrient value from foods. With more than 100 recipes, plus variations on each, the book is a guide to making soups, broths, potages, minestrone, bisques and borscht.





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**Grocery Innovations**

The Canadian Federation of Independent Grocers (CFIG) held the 2013 edition of Grocery Innovations Canada in Toronto from Sept. 30 to Oct. 1.

One of the best parts of the annual grocery-specific conference and trade show is the selection of food and beverage products, and this year was no exception. Here are some of the CFIG's favourites:

- Astro Kik, a new drinkable yogurt for active kids.
- Happy Water from B.C.
- All-natural protein tea from Blu-Dot Beverage Company Inc. in Oakville, Ont.

**ULTIMATE COFFEE**

Nestlé Nespresso SA has opened its second flagship boutique bar in Canada, this one in Toronto. The bar offers 21 Grand Cru capsules for Nespresso machines, and customers can return used capsules for recycling. There's also a Nespresso machine gallery and a customer relations centre where customers who order capsules can pick up their orders. In addition, the boutique offers the N Pad Bar, where consumers can interact with the brand through a dynamic application that creates personalized capsule art.



**The Earl of Sandwich's legacy**

The Angus Reid Forum and gluten-free foods manufacturer Udi's Healthy Foods, discovered that Canadians love sandwiches, consuming approximately 3.6 billion of them each year. The Angus Reid survey found that 25 million Canadians age 18 and over (97 per cent) eat sandwiches, and about 2.3 million (nine per cent) do so daily. The vast majority of Canadians (79 per cent) also say bread is important in their family's diet, while more than four million Canadians (12 per cent) are choosing gluten-free bread. The findings came just in time for International Sandwich Day on Nov. 3.

- Duncan Hines Frosting Creations, featuring base and a flavour mix packet.
- Duhaime Gourmet of Drummondville, Que. and its gourmet spreads.
- Bao Smoothies of Port Hope, Ont.
- Gay Lea Foods Co-operative's new Cinnamon & Brown Sugar Spreadables Butter.

Another highlight of the show is the Canadian Best Bagger Competition. This year's winner was Kayla Ball of Colemans grocery in St. John's, Nfld.

**The art of culinology**

In October Canadian Institute of Food Science and Technology (CIFST) members gathered at Toronto's Humber College School of Hospitality, Recreation & Tourism to watch a unique demonstration of culinary techniques by chef John Placko.

Placko, culinary director of the

Modern Culinary Academy and a teacher at Humber, presented his take on molecular cuisine and culinology — the art of combining food science and technology



with high-end cooking — and its relation to food processing. Using processes such as aeration, dehydration and compression, Placko wowed the audience with creations featuring unusual textures and seemingly unrelated flavour combinations.

**Beefing it up in Germany**

In October Canada's minister of Agriculture and Agri-Food Canada, Gerry Ritz, visited Cologne, Germany to attend Anuga, and offer tradeshow visitors a taste of Canadian beef. Anuga, one of the world's largest food fairs, is held in Germany every two years. Canada Beef had a pavilion at the show and provided cooking and product demonstrations to qualified partners.

*(From left to right) Robert Serapiglia, director, Market Development & Innovation, Canada Beef; Michelle Normand, manager, Industry & Market Development at the Alberta Livestock and Meat Agency; Gerry Ritz, Canada's Agriculture minister; Martin Lemoyne, director, Eastern Canada Market Development, Canada Beef; and Brad Smoliak, chef with Alberta-based Kitchen By Brad.*



## PEOPLE ON THE MOVE

> **Michelle Harris-Bailey** has joined Toronto-based L.V. Lomas as manager, Product Quality, Safety and Regulatory Compliance.



Hayes

> **Abbey Hayes** has joined Professional Ingredients of Mississauga, Ont. as Account manager.

> **Keith Decker** has been appointed to the newly created position of president and COO of High Liner



Decker

Foods of Nova Scotia.

> **Henricus (Hennie) Bos** has been named as the commissioner of the Canadian Dairy Commission.

> **Debra Etsell** has been appointed as a member of the Farm Products Council of Canada.

> The Agriculture and Food Council of Alberta (AFC) has elected **Amber Moskalyk** as its new chair. Moskalyk is also the Youth Director on the AFC board.



Moore

> Nestlé Waters Canada has appointed **Debbie Moore** as president of the company. **John Zupo** has been appointed Business executive manager and executive vice-president/general manager, Tea, Nestlé Waters North America.

> **Alison Wells** from Loblaw is The Packaging Association's new PAC NEXT co-chair.

> Empire Co. Ltd., the owner of the Sobeys grocery chain, has appointed **Marc Poulin** as president and CEO. He replaces **Paul Sobey**, who retired in December. Poulin was previously president and CEO of Sobeys.

> **Nicolas Trentesaux** has taken over the leadership of the SIAL Group. He will be based in Paris.

> **Arnie Strub** is now Brand ambassador at Whyte's Foods Inc. in Ontario.

> New Jersey-based Takasago Flavors has named **Joseph Leone** as its director, Flavor Manufacturing, for the company's Flavor Division. **Craig Kostick** joins Takasago USA as a sensory analyst, and **Sarah McCabe** joins as a senior flavorist.

> GN Thermoforming Equipment of Chester, N.S., has appointed **Matthew Knight** as Technical Services manager. GN Thermoforming manufactures roll-fed, in-mould cut thermoforming machines that produce plastic packaging.



Knight

> **Rick Urschel** is now president and CEO of Indiana-based Urschel Laboratories Inc., a company that provides food cutting technology.

> WeighPack Systems Inc. of Montreal has appointed **Andy Wischmann** Sales director — Distributor Accounts.

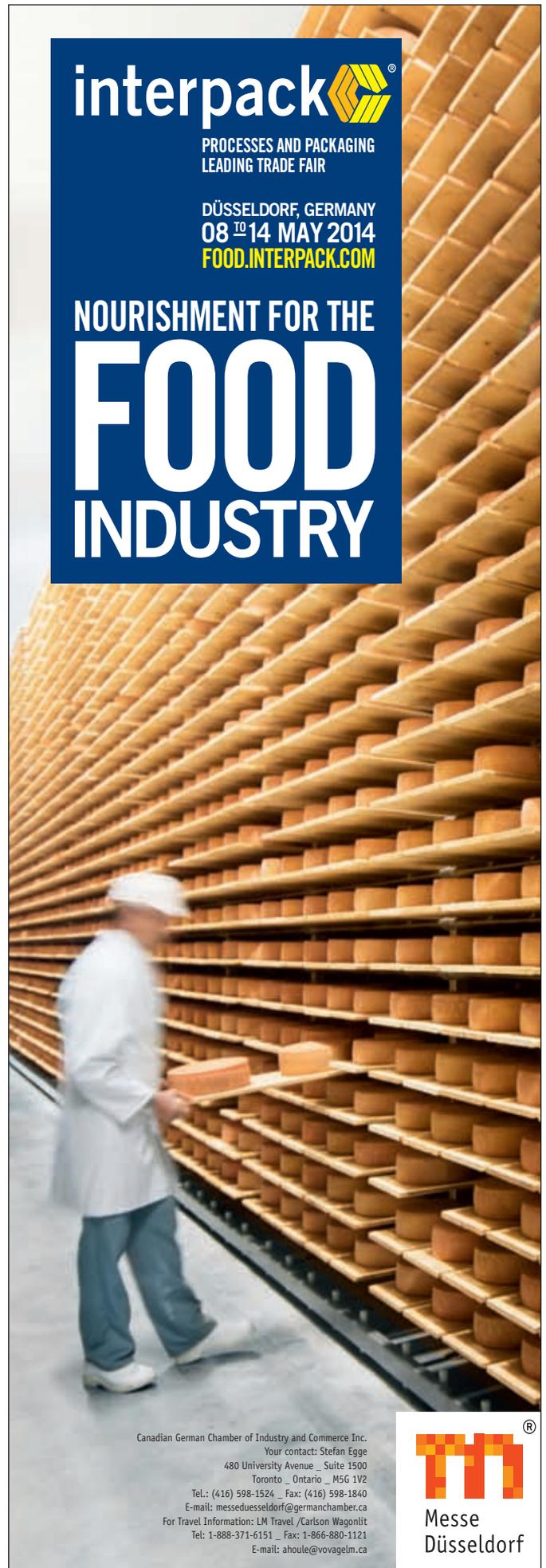
> B.C. Tree Fruits has announced several staff changes. **Rick Austin**, director of Sales and Marketing, is retiring; **Lance McGinn** will become director of Sales; **Don Westcott** is now senior director of Marketing & Planning; and **Laurel Van Dam** will take over as Sales manager.

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## IN BRIEF



> Durham College officially opened the **Centre for Food (CFE)** at its Whitby, Ont. campus in October. It is the region's first facility to focus on the culinary and hospitality industry.

> Ernst & Young held its Entrepreneur of the Year gala in November and named **Joe**



Joe Makowecki

**Makowecki**, president of Edmonton, Alta.-based **Heritage Frozen Foods**, the Prairies Entrepreneur of the Year in the manufacturing category. **Paul Mastronardi**, president and CEO of Kingsville, Ont.-based **Mastronardi Produce Ltd.**, was named Ontario's 2013 Ernst & Young Entrepreneur of the Year in the Food & Beverage Category.

> **Farm Credit Canada** is giving \$260,000 to 26 community groups in Ontario to support projects that help improve the quality of life of rural residents. In other news, FCC's Drive Away Hunger program for 2013 collected more than 6.5 million lbs of food.

> The **Canadian Spice Association** has launched a new website ([www.canadianspiceassociation.com](http://www.canadianspiceassociation.com)).

> **Atlantic Aqua Farms** of Orwell Cove, P.E.I., has become the first mussel farming company in the world to achieve the Best Aquaculture Practices Certification. Atlantic Aqua produces and processes mussels.

> **Stemmler's Meat & Cheese** of Heidelberg, Ont. has a new website ([www.stemmlermeats.ca](http://www.stemmlermeats.ca)).

> In Newfoundland, the **Fish Food and Allied Workers** union partnered with the **Centre for Fisheries Ecosystems Research** at the Marine Institute to use advanced technology to collect data on the Atlantic halibut stock in the Gulf of St. Lawrence.

> A new \$400-million federal-provincial fund will help the **fishing industry** in Newfoundland

## A Canadian flavour

Lay's Do Us a Flavour contest has announced a winner. Based on consumer votes Tyler LeFrense of Isle Aux Morts, Nfld. was the winner with his flavour Maple Moose. LeFrense received \$50,000 plus one per cent of future sales of Lay's Maple Moose potato chips.



and Labrador. The 70:30 cost-shared fund will go toward industry enhancements, R&D, and new marketing initiatives.

> **LaHave Forests** of Nova Scotia won the award for Best New Juice Product for its haskapa Haskap juice at the 2013 World Juice Awards in Cologne, Germany in October.

> Forget peanuts. Consumers can now enjoy **Lesley Stowe Fine Foods Raincoast Crisps** and **StartWell Cookies** as part of the complimentary inflight snack program on WestJet flights.

> The **Guelph Food Technology Centre (NSF-GFTC)** created the GFTC Legacy Fund earlier this year, using the proceeds of the merger between GFTC and NSF International. In the fall, six Guelph, Ont.-area charities benefited from the fund, sharing a \$150,000 donation.



> A gold and two silver medals went to Vancouver's **BETA5** at the International Chocolate Awards' 2013 World Final.

> A project to bring fresh garlic to consumers year-round has proven to be successful.

**The Garlic Box Inc.** of Hensall, Ont. and **Southcoast IQF** of Delhi, Ont. worked together to Individually Quick Freeze fresh-peeled garlic. The flash freezing method preserved the structural integrity of the cloves without compromising flavour or nutrition. Southcoast offers a freezing facility that specializes in fast-freezing local produce. The Garlic Box is a garlic grower, processor and wholesaler of value-added products made with local garlic.



> **Neechi Foods**, a Winnipeg co-op specializing in the sale of Aboriginal food and specialty products, received Manitoba's Aboriginal Business Leadership Award in October.

> In October, Montreal-based **Ronzoni Foods Canada** officially changed its name to **Catelli Foods Corporation** (Corporation D'Aliments Catelli).



> **Happy Planet** launched its Help us Feed the Hungry campaign in October. The campaign promotes and supports hunger prevention and awareness programs.

> **Nestlé Waters Canada** has donated 160,000 lbs of bottled water to the Canadian Football League's Hamilton Tiger Cat Football Club, in Hamilton, Ont., and the league's 2013 Purolator Tackle Hunger campaign. Approximately 176,400 bottles of water are being distributed to food banks in several smaller cities in Ontario. In other news, Nestlé Waters Canada collaborated with the Luciano Pavarotti Foundation to release a S. Pellegrino Sparkling Natural Mineral Water with an opera-inspired silver label featuring an image of Pavarotti.



> **Island Abbey Foods** of P.E.I. has partnered with **Orion Pharma**, a Finland-based pharmaceutical company. Island Abbey will co-brand its Honibe Honey Lozenges with Orion to create Posivil Honey throat tablets.

> **WineAlign**, an online wine site, has announced the winners of its 2013 World Wine Awards of Canada, a competition that points consumers to great wine buys by variety, price and country. For more, visit: [www.winealign.com](http://www.winealign.com)

> **Corby Distilleries Ltd.** is now called **Corby Spirit and Wine Ltd.** The company says the new name more accurately reflects its wide portfolio of products.

**SUPPLIERS NEWS** 

- > **Glazer's Inc.**, a Texas-based beverage distributor, has opened a Canadian agency/broker business. **Glazer's of Canada LLC** will be based in Toronto.
- > **Naturex**, a company that produces and markets specialty plant-based ingredients, has teamed up with the **SATIN** (SATiety Innovation) project. SATIN is a consortium of small- to medium-size companies, European universities and multinational food and beverage companies from nine European countries. SATIN researches ingredients and processing methods that play a role in satiety and how they influence energy intake.
- > **The Packaging Association (PAC)** has introduced two new initiatives. The **PAC Food Waste** initiative will focus on reducing food waste through packaging improvements throughout the supply chain. The other initiative is the launch of **PAC NEXT 2.0**, which will focus on speed, action and results.
- > FoodBev.com, the Union of European Soft Drinks Association, and wafg (Germany's trade association for non-alcoholic beverages) has awarded **SIG Combibloc's combidome**, the bottle made from cardboard, its Beverage Innovation Award.



- > After acquiring Viterra's oat and specialty grain business, **Richardson International** of Winnipeg, Man. now has an expanded line of oat ingredients, including oat groats, flakes, flour and bran. In other news, the company has established subsidiaries in Europe and Asia, based in Geneva and Singapore.
- > **Marel Townsend Further Processing** has partnered with **Risco USA**. The partnership makes Risco the sole supplier of vacuum fillers to Marel. The Townsend machines equipped with Risco vacuum fillers include

- RevoPortioner, MasterFormer, MasterLink, iLinker, TurboTwist PRO, NL Linkers and QX systems.
- > The AOAC Research Institute has certified the **DuPont BAX System** as a Performance Tested Method for detecting Shiga toxin-producing *E. coli* in beef trim and ground beef.
- > For the 14th year in a row, **SKF** has been

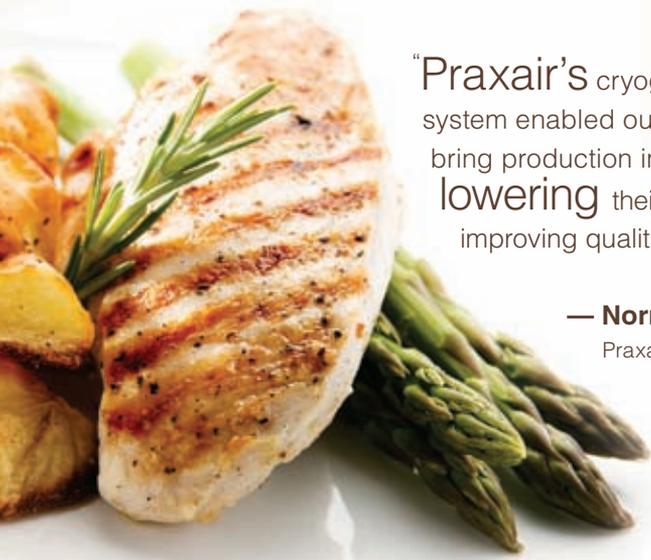
- listed as one of the world's most sustainable companies by both the Dow Jones Sustainability World Index and the Dow Jones Sustainability Index for Europe.
- > **Roquette**, a provider of renewable, plant-based raw materials, has obtained GRAS designation for its microalgae-based lipid food ingredient.

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**Hungry for growth: M&A trends in Canada's food and beverage sector**

By Mauro Fratarcangeli & Brooke Valentine

The Canadian food and beverage industry saw 54 mergers and acquisitions (M&A) transactions in the last trailing 12 months ending October 2013, up from 39 transactions a year ago — a dramatic 38-per-cent increase. Fuelled by long-term global and domestic trends, the sector is poised to see continued healthy deal activity into 2014 and beyond.

Domestically, small and mid-market players are pursuing consolidation opportunities. These deals make up the bulk of the transaction volume in the sector, as well as its most exciting growth stories. Although succession planning is a key driver behind some of these transactions, a company may also sell all or part of itself to get the financial backing it needs for further growth, or as part of a diversification strategy.

Notable recent deals in this space include Nature's Path's acquisition of Que Pasa Mexican Foods, which combined complementary strong brands in the booming organic/health food sector. Agrifoods International Cooperative's acquisition of Earth's Own Food Company and subsequent acquisition of Happy Planet is another compelling local diversification and growth story. So too is Quebec's Groupe St-Hubert Inc. acquisition of Le Maître Saladier.

The two grocer mega-deals — the \$5 billion acquisition of Canada Safeway by Sobeys and the \$13-billion purchase of Shoppers Drug Mart by Loblaw's — while exponentially larger than the mid-market deals between Canadian food producers, address similar challenges. The grocery retail sector has a limited ability for organic growth. With more competition from U.S. players for the Canadian market space, acquisitions

— especially acquisitions that come with strong brands — are critical.

In virtually all deals in this space, brand is key. But building a brand is difficult and time consuming. It's faster to acquire one. Multinational food and beverage giants are on eternal lookout for targets that have established a strong brand. Right now, they're looking closely at North American companies, as per China-based Shuanghui International Holdings Ltd's. US\$7-billion purchase of Virginia pork producer Smithfield Foods Inc. On a modest scale, but closer to home, is Canada Bread Company Ltd.'s sale of its Olivieri Foods brand to Spain's Ebro Foods. Many more deals, large and small, are on the horizon.

“The sector is poised to see continued healthy deal activity into 2014 and beyond.”

Financial players are also active buyers. They like the stability the sector provides — consumers always need what food and beverage companies sell. The 2012 acquisition of Kicking Horse Coffee by Swander Pace Capital and partners is a stellar example of this trend with the 2013 purchase of The Pita Bread Factory Limited by Chicago's Arbour Investments. The sale of North American Tea & Coffee to TorQuest Partners' owned Associated Brands, and the subsequent sale of the combined entity to TreeHouse Foods Inc., is another.

The vibrancy of the sector is reflected in the rising enterprise multiples at which its stock is trading. Public companies involved in food and beverage production, retailing and distribution are trading above where they were 12 months ago, with the mean for all North American listed companies at 10.1 times EBITDA, versus 9.3 times EBITDA a year ago.

M&A deals in the sector have had attractive pricing as well. Smaller, moderate-growth food companies tend to be valued at five to seven times EBITDA, while larger, faster-growing companies typically attract multiples of eight to 12 times.

While transaction multiples are better today than they have been over the last three years, potential sellers should consider that multiples are affected by factors such as: size and timing of the deal, brand strength, quality of the financial information, the company's growth profile, the strength of its management, and its geographic penetration, among others.

Still, this is a good time to be a seller — the buyer pool is expanding with the entry of global players into the North American market, and financial investors are recognizing that food and beverage companies are a stable investment with growth potential. Canadian companies with strong brands, profitable niches and strong track records may have an interesting menu of potential buyers to choose from in 2014. ●

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Mauro Fratarcangeli



Brooke Valentine



## MARKET OUTLOOK

The grain outlook hasn't changed much from our last column. U.S. crops are large. Western Canada had a banner year. But the extent of demand is not yet clear. While Asian importers have made some large purchases, the expectation is that they will not buy as much as they recently have.

As we suggested in October, prices continued to fall. There is evidence that bottoms have been made on corn and wheat, however, the U.S. Environmental Protection Agency (EPA) could have an impact by lowering the blending requirement. If so, we haven't seen the bottoms. The next level of major support on the corn chart is \$3.35. As unlikely as it seems, that level is increasingly possible.

Forecasts are for more acres of grains and oilseeds next year. Weather is still important and stocks/use ratios are still tentative, though building. For purchasing managers, we pointed out major support planes that will tell which way the markets are likely to move. Sugar joined the grain and oilseed complex in a downtrend. Some production was lost in

Australia and likely in eastern Asia as a result of the typhoon. However, Brazil expanded production substantially. As with the grains, the \$0.167 support plane will have much to say about the future direction of this market.

Oil prices have traded in the \$103 to \$113 range since July. While politics or economic conditions can change that range, it has been tough to get above \$115. The remarkable progress of the U.S. in increasing its energy self-sufficiency seems to put a damper on it. Currently, we don't see anything to take the market out of its range. I continue to be slightly bearish on the Canadian dollar, though as indicated, nothing yet suggests it should be much below \$0.93. ●

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](mailto:larry@agrifoodtraining.com) or at (519) 841-1698.

## MARKET HIGHLIGHTS

What a difference a year makes! Most media stories about agricultural commodities focus on how the bloom has come off. Many believe that agricultural markets are headed back to low and stable prices. Grains drifted down a little more since our last report, as production is outstripping demand growth.

> **Corn** – The USDA's November report raised the U.S. yield estimate to 160 bpa, up three bushels from the previous report and well above the 123 bpa for last year's drought-reduced crop. Total production at just less than 14 billion bushels was lower than the market's expectation and use was higher. This dropped expected crop year carryover to 14.8 per cent, compared to 16 per cent in the last report. This actually stopped the slide in prices, with March bottoming out at \$4.27, while forming a key reversal bottom and rallying higher. At press time, the market waits for the EPA to set next year's blend rate for ethanol. Many people expect it will be reduced. If so, the bottom of the corn market has not been reached. If the blend rate is unchanged, buy market dips towards contract lows. If it is reduced, then wait and find a new level of support below the current market.

> **Soy oil** – Large crops of soybeans in the U.S. and Brazil, with another expected large Brazilian crop, puts continuous downward pressure on soy oil prices, with January bottoming out at \$0.39 in early October. The typhoon in Asia and the palm oil crop provided a small amount of support. If prices can bottom in that \$0.39 range, then this may be the new lower entry point we've been waiting for.

> **Wheat** – Wheat fundamentals are a little stronger than corn, but the corn market dragged wheat down with it. The wheat market is going to be swamped by the potential for a drop in blending rate for ethanol. March futures showed a low at \$6.47 early in October and are approaching it again. This should be a good entry point for buyers, but pay attention to the EPA and the corn market.

> **Sugar** – The rally in sugar futures was short lived. Brazilian production is higher than anticipated. Prices started into a modest decline with the March currently trading at \$0.176. There is major support at \$0.167. If it holds, buyers should enter there.

> **Natural gas** – Our suggestion to hedge at the August key reversal and lift it just below \$0.041 worked well. Since then, prices have moved down to a new recent low at \$0.0347. We

would enter on the long side on any move back down to that level.

> **Crude oil** – Reduced tension in the Middle East and sluggish world economic growth worked together to keep a lid on oil prices. Since peaking on the January contract at \$113, they backed off to \$103 before rallying to the current \$105.75. While there is very little risk of breaking through the \$115 level, the only risk management we would do as purchasers is to buy calls around \$115. Otherwise, we would look to the strong support levels around \$97 and \$98 for an entry.

> **Canadian dollar** – As many forecasters suggested, the loonie has trended downward since October 2012. Most of this was created by the inclination of the Bank of Canada to follow the U.S. Fed on interest rates. We see no change in Bank policy and do not expect the Canadian dollar to rise markedly against the U.S. currency. Moreover, many Canadian commodity prices are declining, therefore reducing the demand for Canadian dollars by importers. The trading range on the March contract is \$0.935 to \$0.98. If your currency risk is a falling loonie, then sell the top of this range, and if it is that the loonie will soar, then buy the bottom.



Ron Wasik



## In the home stretch

It is estimated that one out of every eight North Americans suffers some form of foodborne illness each year. If you do the math, that's approximately four million Canadians and 40 million Americans. It is reported that nearly half of all contaminations occur in restaurants, cafeterias and food-service outlets, leaving us to conclude that the remainder happens in processing facilities, on the farm or at home.

For food processors there are myriad challenges to address. Raw material management, handling temperatures, processing and sanitation techniques, and intervention programs are all key critical control points in HACCP plans. However, ensuring that foods are microbiologically safe at the time of shipment presents ongoing challenges. The industry is in dire need of testing protocols that can provide processors with validated information enabling them to make a "ship" or "hold" decision before the first product is sent out to the public for distribution.

Of course one way to do this would be to hold all product until verification is received. However, it may be impractical and expensive to store large quantities of food even for a few days. It takes, for example, six days to confirm the presence of *Salmonella* in a food sample using conventional methods. Additionally, some of these fresh foods have a very short shelf life and the consumer is not yet ready for a 100-per-cent frozen supermarket. There needs to be a fast and accurate way to test our foods for pathogenic bacteria.

There are currently several diagnostics companies trying to develop just such a tool. Most are using some kind of immunoassay or PCR (polymerase chain reaction) method. Others are testing bioluminescence as a possible technique. To date most of the tools have shortened the length of some testing procedures, but only marginally, and not always with the same level of confidence of accuracy that we have with traditional methods.



There is one company approaching the problem from a completely different direction that holds out real promise for true rapid testing. That company is Adept Diagnostics, a sister company of Adept Chemical Technology based in London, Ont. They are devoted to developing leading-edge technologies in the food safety arena. This is just one of several projects under development at the moment. All of the research is being conducted at the Robarts Research Institute at Western University in London under the direction of Dr. Michael Rieder. This enabled the research teams to access Western's renowned medical and research personnel as well as their facilities.

We have known for some time that all cells have a fingerprint, just like humans. But laboratory techniques have only recently been mastered to identify them at a specificity level considered equally reliable to current standard methods of detection to ensure specificity and reliability in identifying the pathogen in question. The sensitivity level of the test then becomes the critical issue to complying with current standards, typically one CFU per 25 g of product, or 30 cm<sup>2</sup> for a swabbed surface for pathogenic bacteria. Current research has *Listeria monocytogenes* identification down to approximately nine hours of enrichment to ensure a high level of certainty. Generic *E. coli* can get down to one CFU per 100 mL of water in about seven to nine hours. Ongoing research on generic *Staphylococcus*, *Salmonella typhimurium*, *S. enteritidis* and *Campylobacter* as well as *E. coli* O157:H7, O154:H4 and the six USDA-identified STEC adulterants are underway.

When these kits have been validated to current standards by the authorizing bodies, they will be available in multiple units of 10-, 50- or 100-kit packages. They will be used on the farm, at the exporter/importer level, by processors, hotels, restaurants and foodservice providers and even by public health inspectors to ensure our food is safe and that our foodborne illness incidence is improved significantly. The company believes the kits will be available in early 2014. Stay tuned. 🍎

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## Scientists behaving badly

“**T**he zeal to recommend extreme reductions in sodium... is a case of ideology replacing good science.” Is this the statement of some right-wing newspaper columnist or food industry executive? No. This is Dr. Salim Yusuf, the Heart and Stroke Foundation chair in Cardiovascular Disease at McMaster University, arguing that there has been far too much focus on the policy of sodium reduction as a means to curb cardiovascular disease. Immediately, another leading Canadian scientist, Dr. Norman Campbell of the University of Calgary, came out swinging, not only disputing Yusuf’s science as having “fatal flaws,” but getting down in the scientific gutter questioning his competence in the field by claiming that Yusuf “is way off his expertise... he doesn’t have a strong understanding of what the evidence is.” Not to be outdone, Yusuf countered that while he considers that Campbell is well-meaning, the poor chap is basing his dramatic public health measures on “scant” evidence. Moreover, “Norman has been one of those — in polite terms — evangelists about sodium — in impolite terms, Talibans about sodium.” Them’s fighting words!

With this level of “scientific” debate, what’s the consumer or policy-maker to do? Only two years ago sodium reduction was widely presented as an area of relatively settled science, and senior managers (and the minister) were criticized for not following more aggressively their scientists’ advice to get tougher with the food industry.



The salt controversy clearly reveals how much we need to engender a broader debate about the role of science and scientists in policy-making.

Interestingly, the tide seems to be shifting. Hypertension Canada reviewed the science and announced just this month that Health Canada should significantly back down from its target for sodium reduction. And the respected U.S. Institute of Medicine (IOM) reviewed 10 studies and concluded that there is insufficient scientific evidence to advise major cuts in salt ingestion (Campbell avers that the IOM study is “not one of their stellar efforts”).

I’m just an old lawyer not qualified to assess the science underlying this exchange, but it provided an excellent basis for an interesting discussion with my food science students on the relationship between science and policy. As my students know, scholars of science have long ago shown that you can’t take policy out of science. As Harvard’s Sheila Jasanoff has concluded, “Studies of scientific advising leave in tatters the notion that it is possible, in practice, to restrict the advisory practice to technical issues or that subjective values of scientists are irrelevant to decision making.” This is especially true for public policy issues where the science is uncertain and complex such as in much of nutrition science and, dare I say, climate change. Science, policy and politics cannot be separated: they are inextricably intertwined. Yet it is surprising how much our public discourse is still dominated by the quaint Utopian view that science and policy can be separated.

Consider, for example, the current kerfuffle over the government’s supposed



“muzzling” of science, triggered by government scientists marching in the streets. Media portrayal of these scientists as apolitical nerds in white lab coats with no economic interest in the level of science funding was naive, at best. Aided and abetted by mainstream liberal media looking for controversy, government scientists and their highly partisan unions have managed to frame the debate as one between their neutral, objective, evidence-based decision making versus decision making on the basis of ideology or just crass politics, conveniently ignoring that all science risk assessments are replete with policy considerations and that science is only one factor to consider when policies are developed. While we need science-based risk assessment, in our democratic system it is the responsibility of senior government managers and their elected political masters to carry out policy-based risk management, which involves making a judgement after the weighing of social, environmental, economic, political, and ethical considerations. Science is important in policy making but rarely determinative, especially when the science is uncertain, as it so often is.

The salt controversy clearly reveals how much we need to engender a broader debate about the role of science and scientists in policy-making. We need to better understand not only how science is politicized, but how policy is scientized. ●

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## Canada's changing regulatory landscape creates Team Food Safety

As of Oct. 7, 2013, the control and supervision of the Canadian Food Inspection Agency (CFIA) was transferred from Agriculture and Agri-Food Canada (AAFC) to Health Canada. In addition, the powers, duties and functions of the minister of AAFC related to food safety under all other Acts of parliament, including the new *Safe Foods for Canadians Act* when it comes into force, are transferred to the minister of Health.

The transfer was made on the direction of the prime minister, under the *Public Service Rearrangement and Transfer of Duties Act*. In April 2013, the control and supervision of the Domestic Terrestrial Animal Pathogen Unit by the CFIA and certain other responsibilities of the minister of AAFC were transferred to the Public Health Agency of Canada (PHAC).

We have entered a period of significant reforms in the federal food safety and regulatory landscape. The changes, which are still being developed and which will be implemented over the next few years, are the most ambitious we have ever seen. The CFIA became operational in 1997 — something that was itself significant as it brought various federal food authorities under one roof. This included those from AAFC, Fisheries and Oceans, and Health Canada. The administration of the CFIA was then under the Agriculture

minister. In those days that made sense, as about two-thirds of the agency is related to agriculture.

While the spotlight has since been on the CFIA as Canada's frontline food agency, Health Canada has maintained its role as the key federal player on matters of food safety. The creation of the CFIA did not, however, consolidate legislation such as the *Meat Inspection Act*, *Fish Inspection Act* and the *Canada Agricultural Products Act*. These are obstacles in developing a unified, risk-based food safety system, as it perpetuated arbitrary partitions among food commodities and the government sectors that had to administer them. It was always part of

“The changing landscape in Canada will most predominantly affect the way the federal food inspection system operates.”

the vision of the CFIA that regulatory reform would happen. In fact, several efforts in the past have failed due to the politics of the minority governments at the time and a string of federal elections that followed.

In contrast to similar reforms underway in the U.S., Canada has also undertaken the further consolidation and restructuring of its federal food inspection system. It is not just creating new regulations; it is dismantling the old and building something significantly different. The changing landscape in Canada will most predominantly affect the way the federal food inspection system operates. As a consequence, the relationship of

industry to the CFIA and the federal governance over food is also evolving.

So how does the transfer of responsibilities fit into the bigger picture? The manner in which this was introduced was stealthy, but in retrospect not really a shocking surprise. Food safety has always been a key part of Health Canada. PHAC is also relatively new, having been established in 2004. This agency is under the authority of the minister of Health and is responsible for managing and preventing public health threats, including those related to food. If one thinks about this in Canadian terms, like a game of hockey, Stephen Harper is the team manager, the minister of Health is the coach, and they now have a great defensive and offensive lineup with the CFIA and PHAC. In addition, there is great bench strength already within Health Canada that supports the team.

The popular belief that the transfer was due to AAFC's shortcomings is not relevant. The tide of change has become so strong that this now seems to be a practical and strategic move. The AAFC continues to have authority in the federal landscape and within the CFIA for food matters related to standards of composition, grades and container sizes. It will continue to promote the Canadian agricultural sector. The outcome here simply amounts to a realignment of Canada's food safety team. In future seasons we could expect greater alignment with provincial and international partners. ●

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# Oceans of Opportunity

BY CAROL NESHEVICH

*W*ith the Pacific Ocean to the west, the Atlantic to the east, the Arctic Ocean up north and the Great Lakes in between, Canada seems naturally suited to succeed in the seafood business. The industry is certainly important for the Canadian economy: Canada was the world's fifth-largest fish and seafood exporter in 2011, with exports to more than 130 countries. And in 2012, Canada's fish and seafood exports brought in \$4.1 billion, an increase of \$41 million over 2011.

But like any industry, the seafood business in Canada has its own unique challenges. These days, issues such as sustainability, consolidation and aquaculture, among others, are providing the Canadian seafood industry with a number of challenges — as well as enormous opportunities.

## Environmental footprint

Sustainability is undoubtedly the number-1 issue in seafood today. "Sustainability is certainly high on everybody's agenda," says Henry Demone, president and CEO of Lunenburg, N.S.-based High Liner Foods Inc. As the world population grows, he explains, "seafood is a great way to feed people — if it's sustainable. Sustainable wild seafood has a lower carbon footprint, lower freshwater use, lower feed use...is lower in pesticides, lower herbicides, lower antibiotics...it really has a lower environmental footprint than any other protein."

Sustainability has been a growing concern in the industry since the 1990s, but the movement has gained particularly strong momentum in the past two to three years. Interestingly, Demone says this hasn't really been driven by consumer demand. "I'm not saying there aren't any consumers out there looking for this, but generally it's been a retail-driven phenomenon," he says, noting that typically it's been NGOs pressuring retailers, and then retailers pressuring the brands and suppliers to comply.

Linda Fox, director of Marketing, Frozen Business Unit for Markham, Ont.-based Sofina Foods Inc., agrees that it's not largely a consumer-driven initiative. Sofina purchased Janes Family Foods in 2012, and as a producer of frozen packaged fish products the Janes brand has been using only fish



AS 2014 APPROACHES, CANADA'S SEAFOOD INDUSTRY IS MOVING TOWARD INCREASED SUSTAINABILITY, GREATER CONSOLIDATION, IMPROVED AQUACULTURE AND MORE INNOVATIVE VALUE-ADDED PRODUCTS



Battered Haddock from Janes Family Foods.



that is certified by the MSC (Marine Stewardship Council — the international body working toward implementing sustainable fishing practices around the world) since 2011. As Fox explains, Leger Marketing conducted an online survey of 1,500 Canadians in May 2011 for the Janes brand, and according to Fox, “the survey revealed that only one in 10 Canadians choose their seafood in grocery stores or restaurants based on seafood sustainability. Taste and price were ranked as having the highest influence.”

There have undoubtedly been some financial costs associated with insisting on sustainable practices, but “it’s the cost of doing business these days,” says Sal Battaglia, vice-president of Marketing at Vaughan, Ont.-based wholesaler Seacore Seafood Inc. The sustainability movement has definitely changed the way Seacore operates in the last couple of years. “Before, we weren’t really looking if our resource product was sustainable or not, but now it’s actually one of the most important things,” says Battaglia. “The cost of not using certified sustainable seafood is larger in the long run.”

And the good news is that things are beginning to level off in terms of higher costs, as the seafood world has moved closer toward full sustainability. “It’s always particularly difficult during transitions, but I think the worst is over for that right now,” says Demone. “Let’s say, for example, that cod comes from four different countries, one of which is certified sustainable. Well, that country [with the certified cod] is going to charge more for their cod, given equal quality and other attributes. But once you get most of the cod fisheries certified, then it just becomes the going cod price.”

### Larger players

Another major trend affecting Canada’s seafood industry today is consolidation, as mergers and acquisitions tighten up a previously very fragmented industry. For High Liner in particular, says Demone, the company’s sales went from under \$300 million six or seven years ago to somewhere between \$1.1 billion and \$1.2 billion today, and most of that growth has been due to mergers and acquisitions. “We’ve bought four of our competitors in the last six years,” Demone explains. “I think this is all positive for the industry, because the seafood industry, compared to other food categories, still remains highly fragmented. The fact that we’re one of the larger players at a run rate of just under \$1.2 billion...well, we just wouldn’t be one of the larger players in most parts of the food business [with those numbers], but in the seafood business we are, and that speaks to the fragmentation. So I think having larger players who can make the commitment to sustainability, who can develop the new products, who can provide proper marketing support for new product launches...I think that’s key.” →

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**ONLY ONE IN 10 CANADIANS CHOOSE THEIR SEAFOOD IN GROCERY STORES OR RESTAURANTS BASED ON SEAFOOD SUSTAINABILITY. TASTE AND PRICE WERE RANKED AS HAVING THE HIGHEST INFLUENCE ON THE TYPE OF SEAFOOD SELECTED.**



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**CANADA WAS THE WORLD’S FIFTH-LARGEST FISH AND SEAFOOD EXPORTER IN 2011, WITH EXPORTS TO MORE THAN 130 COUNTRIES**



Indeed, Fox says the acquisition of Janes by Sofina has been positive for the company. “We now have access to a wide range of experienced professionals, the ability to pull together promotions among our own complementary brands, manufacturing facilities across Canada, and new protein products previously not in our repertoire, for example,” she maintains.

Derek Butler, executive director of the St. John’s, Nfld.-based Association of Seafood Producers, thinks all this consolidation is a good start, but feels this is just the tip of the iceberg. “There has been some consolidation in recent years, but more is needed. We are a very fragmented industry, very ‘small scale’ in terms of our competitors. That adds costs. Just to compare on one indicator, Alaska has a crab fishery with four major ports, while we have around 200. They have an average landing size of over 100,000 lbs, and we are just over 7,000 lbs,” he explains. “On the processing side, plants are closing, particularly in shrimp, as the quota reduces, or [they] were closed by external factors, and then they opted not to re-open. We need more consolidation, and more economies of scale, to get more work out of the fisheries and higher incomes for all participants.”

## Farmed fish

Aquaculture is another high-profile — and often controversial — issue in the seafood industry these days. Opponents of aquaculture criticize the practice for the potential waste, water pollution and spread of disease that can be associated with fish farming. That said, most of the industry players *Food in Canada* spoke with agree that aquaculture has a vital role to play, as long as it’s done with best practices in mind. “I think everyone recognizes that aquaculture is an important source of fish protein all over the world, just like we get most other animal protein from farms,” says Butler.

Adds Demone: “Aquaculture has a big role to play in helping to feed a hungry planet. It is controversial in certain quarters...but when you compare aquaculture to land-based protein production, whether it’s the carbon footprint or the feed conversion ratio, aquaculture performs very well.” While Demone doesn’t say it’s perfect, he admits, “just like in the wild fishery, pressure to operate sustainably will bring good change, and I think that will happen in aquaculture as well. I think generally, aquaculture’s going to supply the growth, so we’ve got to get comfortable with it and we’ve got to do it right.”

## The naked truth on naked fish

By Daniel Scholes

Whether you’re bringing a fish product to market or putting one on the menu, the choice of species may be the most basic of questions. While market prices are a key factor, and popularity, awareness and environmental sustainability certainly might drive sales — what about taste preferences? When it comes down to it, does the average fish consumer prefer the flavour of cod to haddock — can they even tell the difference? Does the texture of tilapia even compare to the mouth-watering tenderness of sole? What is the naked truth on “naked” fish? We sampled 50 consumers of fresh fish to find out.

### 🐟 The methodology: recruiting a school of testers

We recruited females between 25 and 59 who do most of the shopping and cooking in their household, and who consume white fish at least once every two weeks. We sourced fresh fish samples from our local seafood supplier and prepared them in our test kitchen. They were baked “en papillote” with a light seasoning of salt, pepper and lemon and served blind in two-ounce portions.

We tested two meatier fish — cod vs. haddock — and two flat fish — sole vs. tilapia. Half of the respondents started with cod and haddock (in rotated order), while the other half began with sole or tilapia, with a short break in between to cleanse the palate.

### 🐟 The results: fishing for compliments

First impressions of the cod and haddock were that the haddock was more visually appealing. But once tried, there was no contest: cod is king, with a significant percentage of consumers (82 per cent) preferring it to haddock. And it was both the flavour and the texture that scored the win for cod.

Texturally, firmness made the difference: the consumers felt cod was significantly firmer than haddock (interestingly, they noted no differences in flakiness or moistness). In terms of flavour, cod simply had more of a good thing — it was sweeter, saltier, and the aftertaste was stronger and more pleasant.

The differences were less evident between sole and tilapia. The testers preferred them equally, with no differences on all measures of liking. Only in the product profiles did significant differences arise: tilapia was viewed as being firmer in texture, while sole was saltier.

Even though the testers were regular fresh fish consumers, most did not know what kind of fish they were sampling. Roughly a quarter of respondents claimed to know what kind of fish they had just tried...but most of them were wrong.

### 🐟 The takeaway: take this fish story to the bank

Consumers may not be experts in gastronomy, and many can’t tell you what tilapia is, but decades of blind sensory testing have shown us that consumers’ taste buds work as intended. Consumers can detect differences and they know what they like. All of this can be effective input into your business decisions — and there’s nothing fishy about that. 🍎

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





There have been a few new farmed species making waves in recent years. “Every once in a while, a new species makes it into the mainstream,” says Demone, “and the two that have done that in the past 10 years in Canada have been tilapia and pangasius, which are both farmed fish, but farmed fish that have a low environmental impact because they’re mainly herbivorous.” Since both of these tend to be a little lower in cost — particularly pangasius — these new introductions have filled a need in Canada’s lower-priced white fish market, explains Demone.

Although the Janes brand currently doesn’t use farmed fish, the company isn’t ruling it out. “When we committed to having all of our products MSC-certified, we made a commitment we intend to keep,” says Fox. “However, it is also clear to us that there are types of farmed fish that some consumers enjoy. Tilapia, which is only farmed, and salmon, of which a significant percentage is farmed, both come to mind.” So while Janes currently sells only MSC-certified, wild-caught whole fillet products, she says, “we recognize there may come a day when we need to take a look at other certification programs like ASC (the Aquaculture Stewardship Council). The number of farmed fish that exist is large and growing, while some wild fish populations are declining. These facts, together with the exponential growth in the number of people on earth, makes it necessary for us to be on the lookout for good, sustainable, healthy ways to source protein.”

Meanwhile, in the arena of processed

and value-added seafood products, the industry continues to make headway with interesting new innovations. “Retailers are looking for new ways to market seafood, while consumers are looking for convenient and user-friendly ways to prepare seafood,” says Jeff Duffin, vice-president of Global Marketing for Bedford, N.S.-based Clearwater Seafoods LP. “For example, Clearwater has recently entered this retail space with new products like Scallops & Sauce and Bacon Wrapped Sea Scallops...By offering great-tasting and convenient options, we’re helping make seafood a part of consumers’ everyday lives.” Fox adds that smaller package sizes of plain frozen fillets seem to be gaining in popularity — “likely the boomer effect of smaller households,” she explains. Fish tacos are also a popular trend that value-added producers would do well to consider, says Fox. “Janes recently launched Fish Bites, which is a small battered piece of whole fillet that works well in a taco or on its own as a finger food for dipping — very family friendly.” ♣

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Stepping  
up to

# the plate

BY TREENA HEIN

**m**ore and more consumers across Canada are taking a pass on animal-based protein. Indeed, the use of meatless products is now becoming mainstream, says Ashlyn Neff. “It’s not just for vegetarians and vegans anymore,” notes the brand manager at Richmond, B.C.-based Garden Protein International, the maker of Gardein products. “Large numbers of meat-eaters are consuming plant-based proteins.” Tebbie Chuchla, spokesperson for Toronto, Ont.-based Hain Celestial Canada, producer of Yves vegetarian products, agrees: “We have seen a growth in the number of consumers who are becoming ‘flexitarians,’ and that increase has occurred across most demographic groups.”

For many, it’s about health. Millions have read books like *The China Study*, written by Dr. T. Colin Campbell in 2005. Campbell points to links found in his research studies and that of others between animal-based protein — including casein in dairy products — and disease. He says the consumption of a diet rich in animal products (which are high in cholesterol and protein, low in fibre, vitamins, minerals and antioxidants, and can be high in saturated fat) leads to inflammation, cancer promotion, diabetes, diseases of the heart, brain, kidney and eye, weight gain, digestive problems and autoimmune reactions.

## Nutritional advantage

But those reaching for vegetarian options are likely not solely focused on avoiding the health risks of animal-based protein. They’re also looking to gain a nutritional advantage. “Studies in recent years have recognized soy for a range of health benefits,” says Annalisa Gross, marketing specialist at Earth’s Own

Plant-based proteins step into the spotlight as sales of vegetarian products surge in North America



Food Company in Vancouver, B.C., which makes So Good beverages and frozen desserts. “Fortified soy beverage is valued as an alternative source for protein and important vitamins and minerals.” She adds, “People from all walks of life are looking for better-for-you alternatives. Plant-based foods are just one of the options that are increasingly available to help people on their quest. People are interested in choice.”

“We’ve noticed a definite trend in our customers equating healthier eating with eating more vegetarian or vegan meals a week,” adds Claudia Howard, vice-president of Marketing at Holy Crap cereals in Gibsons, B.C. “Customer comments on our website and social media sites reflect the positive health benefits they are experiencing with a plant-based diet, including weight loss, lowered cholesterol, lowered blood pressure and increased energy.” Holy Crap sells its gluten-free, vegan, organic cereals in Canada, and exports varieties to 40 other countries. The cereal has even travelled to the International Space Station. The original recipe features chia, buckwheat, hulled hemp seeds, raisins, dried cranberries and more, 65 per cent of which are Canadian ingredients.

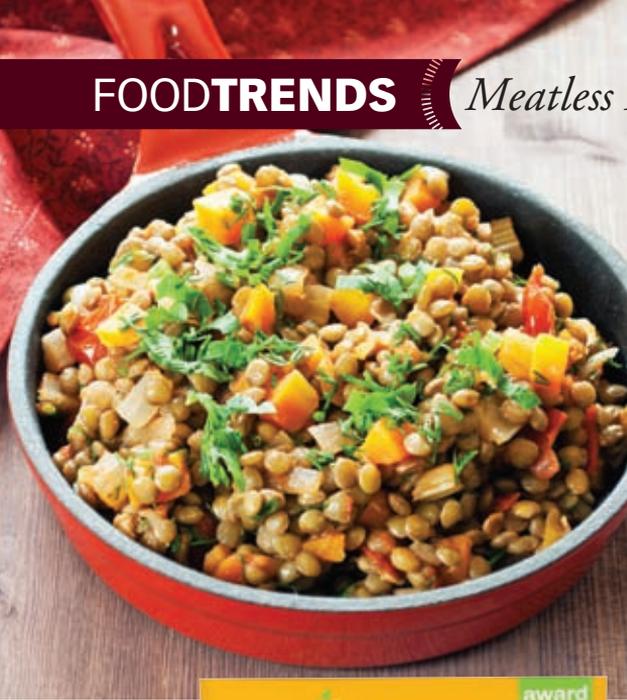
Besides health, there are other significant reasons behind the increased interest in vegetarian food. Neff says consumers are worried about the authenticity and safety of meat, as well as the significant impact of livestock farming on the environment. He notes that if every North American ate meatless just one day per week, it would mitigate the annual greenhouse gas emissions of over a half a million cars on our roads.

### Beyond the bun

In response to all of this, companies are now offering a greater variety of vegetarian products than ever before. As Neff says, the meatless category originally started with veggie hot dogs and burgers, but has now moved “beyond the bun.” Consumers are interested in both ready-to-eat meals and meal components for cooking at home. “We are growing the category through centre-of-plate products,” says Neff, “like our award-winning Seven Grain Crispy Tenders, Mandarin Orange Crispy Chick’n, and Beefless Tips.” Other Gardein products include frozen holiday “roasts,” breakfast sandwiches, meatless meatballs, beefless sliders, beefless strips, BBQ “wings,” meatless ground, chili and a variety of prepared meals. Yves’ products range from veggie “shrimp,” grain strips, “tuna,” hot dogs and bratwurst, to skewers, strips, deli slices and meatless ground. ➔



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RESEARCH SHOWS THAT IN CONTRAST TO WHAT WAS BELIEVED DECADES AGO, WE DO NOT HAVE TO CONSUME ALL OF THE NINE AMINO ACIDS ESSENTIAL TO THE HUMAN BODY AT THE SAME MEAL.

It's also important that vegetarian foods are perceived as, and actually are, easy to prepare. This is why customer support through recipes and meal ingredient ideas are essential. "People need to know how to prep and cook vegetarian products in order to buy them regularly," says Amelia Lee, spokesperson for Sunrise Soya Foods in Vancouver. The company makes a wide range of tofu products using non-genetically modified (non-GMO) soybeans grown in Canada. One of Sunrise's popular products is Soyganic Smoked Tofu. "All you need to do is slice it thinly and place it into sandwiches for an easy meat alternative option," says Lee. "It has a great smoky taste and meaty texture."

Canadian companies in this sector are also offering a variety of dairy-free vegetarian dips, spreads and yogurt-like snacks and dessert products. "There has certainly been an increase in demand for dairy alternatives, also referred to as analogs, over the past five years," says Francis Lo, co-founder of Cambridge, Ont.-based Yoso. His customers include vegans, families contending with food allergies and food sensitivities, those who prefer a dairy-free and gluten-free diet, and those wishing to support small Canadian family businesses. The main source of protein in the Soygo product line is non-GMO organic and locally grown soybeans from southwestern Ontario. "Soybeans still remain as one of the few sources [of plant-based protein] which provide a complete protein with all the essential amino acids," explains Lo.

Earth's Own also uses non-GMO soybeans in its So Good beverages and frozen desserts, while Sunrise markets non-GMO Pete's Tofu, a preservative-free, yogurt-like snack or dessert with fruit on the bottom.

**Protein sources**

Like companies in many other sectors, vegetarian food companies guard their formulations closely. "With our wide variety of products, we have many different formulations, cuts and seasonings we use to produce the best taste and texture," explains Neff. Gardein products contain non-GMO soy and wheat protein, and pea protein. Regarding Yves protein sources and formulations, Chuchla says "Our products are predominantly wheat and soy-based," adding, "We are always looking for new high-quality sources of protein, such as pea protein found in our new Garden Ground Round."

Whatever formulations companies use, they do not have to ensure that vegetarian meal products contain "complete" protein. That is, research shows that in contrast to what was believed decades ago, we do not have to consume all of the nine amino acids essential to the human body at the same meal. As long as they are ingested over a 24-hour period, these essential amino acids can be used by the body as complete protein for growth, tissue repair and so on.

"Our recommendations for vegetarians are to consume a variety of foods," explains Dietitians of Canada Media Relations manager Kate Comeau, "and by doing so they will meet their essential amino acids needs." With all the new ready-to-eat options and meal ingredient ideas now available in Canada, that's easier than ever. 🍎

## NOUVELLES

### Le rapport sommaire de l'AECG inquiète les producteurs laitiers

Le gouvernement fédéral a publié plus de détails sur les termes de l'Accord économique et commercial global (AECG) de libre-échange entre le Canada et l'Union européenne (UE).

Un résumé de l'accord de principe de libre-échange a été déposé à la Chambre des communes le 29 octobre. Intitulé Résumé technique des résultats finaux de la négociation, le rapport sommaire de l'accord suggère que les exportateurs européens vont sauver trois fois plus en paiement de droits de douanes annuels que les exportateurs canadiens, selon CBC.ca.

Aux dires de la Presse canadienne, une analyse interne de l'accord par l'UE a conclu que les exportateurs de l'Union européenne économiseront plus de 670 millions \$ par année en droits, comparativement à environ 225 millions \$ pour les exportateurs canadiens. Une des raisons expliquant cet écart dans l'élimination tarifaire, de préciser CBC.ca, réside dans le fait que l'Europe exporte actuellement davantage au Canada que l'inverse, ce qui signifie que les exportateurs de l'UE paient actuellement plus de droits.

Le gouvernement fédéral explique que la perte de 670 millions \$ de recettes tarifaires sera compensée par des gains économiques.

Le résumé contient une explication sur la façon dont l'accord affectera 179 noms d'aliments et de bières



### ENBREF

> Le mois dernier, le chef pâtissier **Christian Faure** décoré Meilleur Ouvrier de France, a officiellement ouvert l'école de pâtisserie Maison Christian Faure à Montréal. L'école est destinée aux chefs professionnels et amateurs sérieux.



> **Ungava Canadian Premium Gin** est maintenant disponible dans 55 pays. Produit en petites quantités et lancé sur le marché québécois en 2010 par

**Domaine Pinnacle** de Frelighsburg, ce gin de première qualité au goût frais, floral et épicé a remporté de nombreux prix dont des médailles Or au World Spirit Awards et au Spirits International Prestige (SIP) Awards. L'entreprise a augmenté sa production de microdistillation et elle continue d'accroître sa distribution.

> Le transformateur de viandes de porc **Olymel** de Saint-Hyacinthe a annoncé qu'il s'engageait à soutenir la **Chaire nationale pour le bien-être porcin** avec une contribution de 15 000\$ par année pendant cinq ans. La Chaire conduira des recherches conjointement avec l'Université de Saskatchewan et le Centre porcin des Prairies de Saskatoon, grâce aux contributions des entreprises membres de l'industrie porcine canadienne et aux subventions du Conseil de recherches en sciences naturelles et en génie du Canada.

> Le brasseur **Unibroue** de Chambly a remporté plusieurs prix lors World Beer Awards qui s'est tenu récemment en Angleterre. La Seigneuriale a remporté le prix de la Meilleure bière de type belge au monde, la Quatre-Centième a été déclarée Meilleure bière blonde de type belge au monde, et l'Éphémère Pomme, Meilleure bière aux fruits au monde. Par ailleurs, La Fin du Monde et la Blanche de Chambly ont récolté la médaille de bronze des Amériques, dans leurs catégories respectives.



couramment utilisés par les compagnies canadiennes, mentionne Canada.com. Par exemple, peu importe l'origine des produits, les producteurs canadiens peuvent utiliser les noms orange Valencia, jambon forêt noire, bacon tyrolien, parmesan, bière bavaroise et bière de Munich. Cependant, les producteurs canadiens de jambon forêt noire ne pourraient pas utiliser le terme allemand Schwarzwälder Schinken.

L'Union européenne veut également que certains noms soient protégés parce qu'ils sont associés à des régions géographiques de leur territoire. Par exemple, en vertu de l'accord:

- » "Brie de Meaux" sera protégé, mais les producteurs canadiens pourront utiliser le terme "brie" seul.
- » "Gouda de Hollande" sera protégé, mais les producteurs canadiens pour-

ront utiliser le terme "gouda" seul.

- » "Édam de Hollande" sera protégé, mais les producteurs canadiens pourront utiliser le terme "édam" seul.
- » "Mortadelle de Bologne" sera protégé, mais les producteurs canadiens pourront utiliser les termes "mortadelle" et "Bologne" séparément.

L'accord concède aussi des droits à l'EU liés aux indications géographiques pour les termes asiago, feta, fontina, gorgonzola et munster.

Toutefois, cette mesure ne touchera pas les producteurs canadiens qui utilisent actuellement ces termes au Canada, mais les futurs producteurs ne pourront les utiliser qu'en les précédant d'expressions comme "sorte", "type", "style", "imitation" ou autre expression similaire.

Thérèse Beaulieu, porte-parole des Producteurs laitiers du Canada, a signifié à ↗

Canada.com que l'entente est injuste et qu'elle va affecter négativement les fromageries canadiennes qui tentent de pénétrer le marché. Les producteurs laitiers canadiens sont déjà contrariés par la clause qui permet l'entrée au pays d'un 15 000 tonnes de fromage européen additionnel, doublant ainsi la limite actuelle. "Nous avons toujours considéré ces appellations comme des noms communs, précise Mme Beaulieu. Il ne s'agit pas de saveur ni

d'imitation; il s'agit de produits bien réels fabriqués par nos fromagers."

Ed Fast, ministre du Commerce international du Canada, soutient que la protection des termes géographiques spécifiques aux produits constitue une priorité pour l'Union européenne, et que faire des concessions sur ce point pourrait ouvrir la porte à des gains pour le Canada dans d'autres domaines.

Parmi les autres faits saillants du rapport sommaire, notons les suivants:

- » Élimination complète des droits sur tous les produits non agricoles.
- » 99 % des biens industriels seront libres de droits de douane immédiatement (100 % après sept ans), incluant les produits forestiers et chimiques ainsi que les matières plastiques qui seront libres de droits de douane au jour 1.
- » 95,5 % des poissons et fruits de mer seront libres de droits de douane immédiatement (100 % après sept ans), incluant le homard vivant, le homard surgelé et les crevettes surgelées.
- » 94 % des lignes tarifaires agricoles seront éliminées, avec les droits de douane éliminés immédiatement sur des produits comme le sirop d'érable, les fruits frais et congelés, les cerises, les pommes fraîches et la nourriture pour chats et chiens.
- » Les producteurs de boeuf canadiens pourront vendre 50 000 tonnes de viande de boeuf à l'UE, et les producteurs de porcs pourront vendre 81 000 tonnes de viande de porc.
- » Il y aura aussi un accès sans droits de douane et non contingenté au marché des produits laitiers de l'UE.

Bien que l'accord doit encore être peaufiné, et qu'il ne sera vraisemblablement pas ratifié avant deux ans, il est prévu d'offrir aux exportateurs canadiens le plein accès aux marchés de l'UE et de supprimer 98 % des droits de douane de l'UE sur un large éventail de produits canadiens.

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marocain. Jean Émond a remporté 10 000 \$ pour son sandwich au filet d'agneau nord-africain avec harissa et figes sur petit pain ciabatta ACE. Il a également reçu un montant de 10 000 \$ à offrir en don à l'organisme de



Jean Émond

bienfaisance de son choix : le Fonds mondial pour la nature (Canada). M. Émond a disputé le titre du grand prix lors d'une compétition en direct à Toronto en présence de trois autres finalistes régionaux.

## BIENS DE CONSOMMATION



> **Saputo** a lancé une boisson protéinée prête-à-boire faite de lait frais. Le nouveau **Lait's Go Sport** contient 26 g de protéines par bouteille de 325 ml, ce qui favorise non seulement la réparation musculaire après un effort physique, mais permet aussi d'atténuer la faim. Disponible dans les saveurs de chocolat et de vanille, cette

boisson constitue une source de cinq nutriments essentiels et vitamines, et il renferme 70 % de l'apport quotidien recommandé en calcium. On retrouve le Lait's Go Sport dans la plupart des épicerie à un prix suggéré entre 1,99\$ et 2,49\$.

> Les **mélanges sans gluten de dinde** et de **sauce brune Club House** sont les deux nouveaux venus de **McCormick Canada**. Les deux mélanges ne contiennent ni colo-



rant artificiel ni saveur ajoutée et contiennent 25 % moins de sel que les sauces Club House ordinaires. Ces sauces faciles à utiliser — il suffit d'ajouter de l'eau ou du jus de cuisson et de l'eau — sont maintenant disponibles pour la planification des repas des fêtes.

> **Première Moisson** a lancé une nouvelle gamme de produits de boulangerie au Québec et en Ontario, lesquels seront bientôt disponibles partout au Canada. La marque 189 Harwood est une étiquette gourmande créée spécialement pour les clients en épicerie. Les premiers produits proposés par la gamme de viennoiseries sont les microcroissants dorés et feuilletés, les chocolatinnes fourrées de chocolat noir et les pains aux raisins regorgeant d'une crème pâtissière parfumée de vanille et de rhum ambré. Les produits de chaque variété peuvent passer directement du congélateur au four, et ils sont prêts en 30 minutes seulement. Les microcroissants se détaillent 4,69 \$ la boîte de 10, alors que les minichocolatinnes et les minipains aux raisins se vendent 5,19 \$ la boîte de 8.



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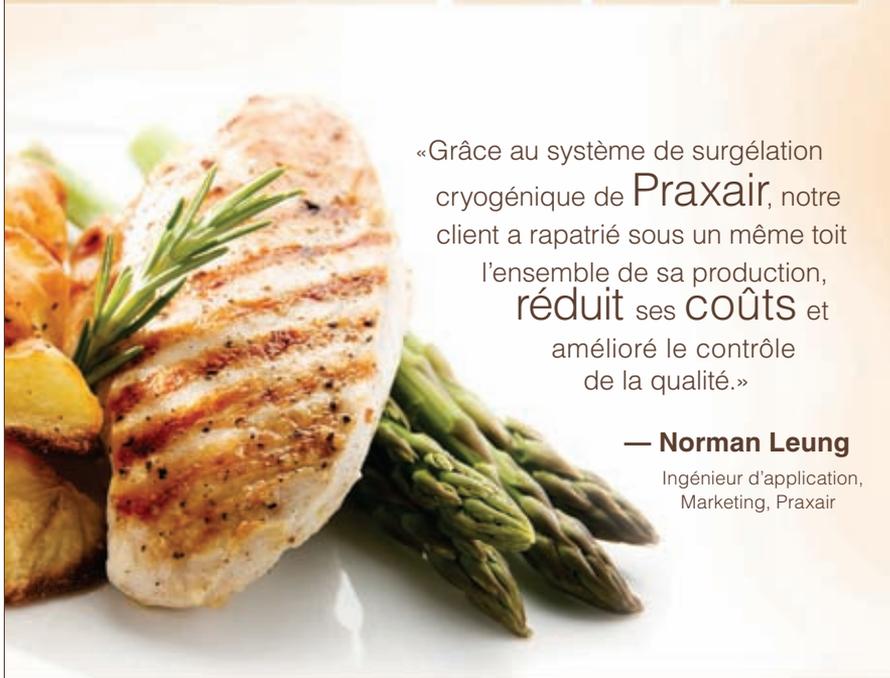
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— **Norman Leung**

Ingénieur d'application, Marketing, Praxair

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L'entreprise alimentaire montréalaise Temple Lifestyle a quitté l'émission *Dragon's Den* sans avoir conclu de marché, mais elle s'est trouvée des détaillants à travers le Canada et les États-Unis

Propriétaires de Temple Lifestyle (de gauche à droite): Michael Magnone, Mark Cigos, Christopher Magnone et Kaila Magnone.

PAR MARK CARDWELL

**i**maginez le portrait: il n'est pas encore 7 h 00 du matin et, après 45 minutes à vous tenir debout devant les projecteurs aveuglants de la télé en répondant aux questions en rafale de cinq investisseurs aux yeux perçants et à la langue acérée, vous avez deux minutes pour décider si vous acceptez, refusez ou faites une contre-offre à plusieurs propositions financières concurrentielles qui pourraient changer le destin de votre compagnie de fabrication et de distribution alimentaire à l'avenir prometteur.



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Au-delà des normes d'aujourd'hui.



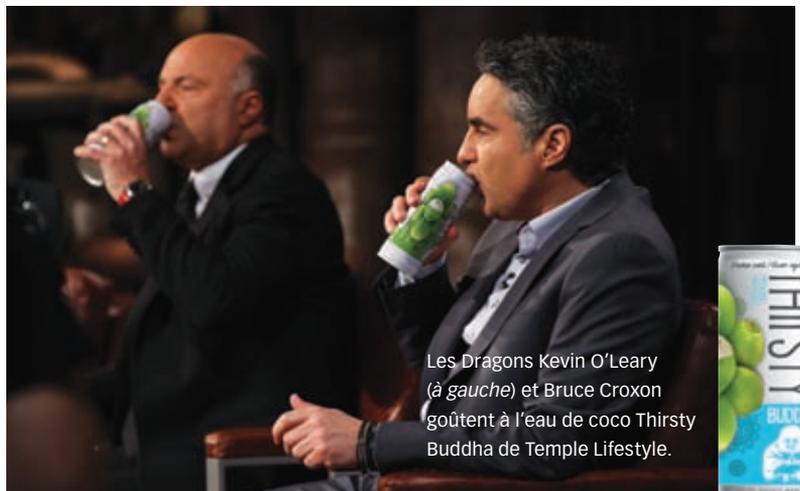
C'est exactement ce que les jeunes entrepreneurs de Montréal Chris Magnone et Mark Cigos ont vécu au printemps dernier lors de leur apparition sur le plateau du réseau de télévision anglophone CBC pour la populaire émission *Dragons'Den* (dont la version francophone s'intitule *Dans l'oeil du dragon*).

Ils cherchaient à obtenir 350 000\$ en échange d'une participation de 10% dans Temple Lifestyle, leur compagnie fondée en 2008 qui s'adonne au courtage, à la distribution et la fabrication de plusieurs aliments et boissons entièrement naturels destinés au marché de la santé et du mieux-être. L'entreprise a connu des ventes d'environ 1,4 million\$ en 2012 et elle s'attend à presque tripler ce montant en 2013 pour atteindre 3,5 millions\$.

En plus de détenir les droits de distribution nationaux de plusieurs marques bien connues — dont Chia, Quinn Popcorn, Rhythm Superfoods, Muesli Fusion et NurturMe — la compagnie fabrique une eau de coco appelée Thirsty Buddha. Les ventes de cette boisson désaltérante remplie d'électrolytes, sans gras ni cholestérol — disponible en quatre saveurs et vendue dans plus de 4000 magasins à travers le Canada — représentaient 30% des ventes en 2012.

“Nous sommes une jeune entreprise dans un secteur à forte intensité de capital”, commenta M. Magnone le jour suivant l'épisode de *Dragons's Den* diffusé à la mi-octobre. “Nous y sommes allés à la recherche de partenaires stratégiques qui pourraient nous aider à faire grimper [nos ventes] à 7 millions\$, 10 millions\$ et plus.”

Comme le souligne M. Magnone — qui s'est présenté à l'émission télévisée avec M. Cigos et leur directrice du marketing et des relations publiques, Sabrina Silvestri — le trio s'est rendu à Toronto à ses propres frais et a séjourné dans un hôtel à proximité des studios de CBC au centre-ville. Débout à 4 h 00 du matin, ils étaient sur le plateau deux heures plus tard, enfin M. Magnone et Mme Silvestri y étaient. En guise d'entrée en matière, M. Cigos arriva en joggant, exténué et torse nu, à peine quelques secondes après le début de la



Les Dragons Kevin O'Leary (à gauche) et Bruce Croxon goûtent à l'eau de coco Thirsty Buddha de Temple Lifestyle.



présentation. “J'arrive d'une bonne séance d'entraînement et, mon dieu que j'ai soif!”, lança M. Cigos en saisissant, ouvrant et calant une canette de Thirsty Buddha. “Ah! l'eau de coco, un super aliment dans la catégorie de boissons qui connaît la plus forte croissance dans le monde aujourd'hui.”

De la présentation de 45 minutes qui a suivi, les téléspectateurs ont seulement vu un extrait de sept minutes pendant lequel MM. Magnone et Cigos ont d'abord été mitraillés de questions sur les chiffres de l'entreprise. La vedette de l'émission, Kevin O'Leary, a visiblement pâli quand il a entendu qu'ils avaient seulement réalisé un bénéfice 50 000\$ en 2012.

Toutefois, à la suite d'une pause publicitaire, chacun des cinq soi-disant Dragons ont fait des offres aux jeunes entrepreneurs. “Les téléspectateurs n'ont cependant rien entendu de nos projections de croissance ni de notre liste de clients nationaux”, raconte M. Magnone. Cette liste inclut Loblaw, Sobeys, Esso et 7-Eleven. Les offres allaient de 350 000\$ pour une participation de 15% dans Temple Lifestyle à 350 000\$ pour 25% de sa valeur nette et 3% de redevances.

Après s'être retirés dans une pièce pour délibérer pendant deux minutes, laquelle délibération a été filmée, MM. Magnone et Cigos sont retournés dans la salle pour faire une contre-offre à un consortium de quatre des cinq Dragons (M. O'Leary exclu) de 450 000\$ pour une participation de

15% et aucune redevance. Cette offre a rapidement été rejetée par les quatre Dragons, sous le signe d'au revoir cynique du cinquième précédemment mis de côté, et cela au grand étonnement des candidats. “Il y a une bonne leçon à tirer de cela, poussa M. O'Leary alors que les participants ➔

# INNOVATION<sup>3</sup>

Nouveau système

**automatisé haute vitesse** d'accrochage et de découpage

## SOUPLESSE VITESSE FIABILITÉ



Système d'alignement automatisé



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Chargeur de boyau automatisé

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- **Production haute vitesse avec des boyaux naturels, cellulose et collagène**
- **Poids et longueurs de haute précision**

**handtmann**  
*Ideas for the future.*



quittaient le plateau: Quand on devient cupide on n'obtient rien!"

"Ils nous ont dépeints comme cupides, se remémore M. Magnone, mais si nous avions eu plus de temps pour discuter [des offres], nous aurions pu prendre une autre décision." Néanmoins, ni lui ni M. Cigos, ni leur troisième partenaire (le frère aîné de M. Magnone, Michael) n'ont de regrets sur leur passage à l'émission, au contraire. "Ce fut une plateforme formidable et peu coûteuse pour nous donner une visibilité nationale, fait remarquer M. Magnone. Il y avait un grand risque en cause. Imaginez si [les Dragons] avaient dénigré notre produit. Merci mon dieu,

cela n'est pas arrivé, et ce fut une expérience très plaisante de laquelle nous avons beaucoup appris."

Quelques semaines après leur apparition à la télé, la compagnie signa un accord avec Ralph's — une division de Kroger, le plus grand épicerie du monde — et lança Thirsty Buddha aux États-Unis. De plus, dans les heures qui suivirent l'émission, ils ont été bombardés de courriels et d'appels de propriétaires de magasins, de sympathisants et d'investisseurs potentiels de partout au Canada. Commente M. Magnone: "Les gens ont été très encourageants et ils ont l'impression que les Dragons ont fait une erreur."

En tous cas, M. Magnone et ses partenaires semblent constituer un bon pari pour réussir en affaires. Élevés dans l'Ouest de l'île de Montréal, les frères Magnone et M. Cigos sont devenus amis dès la petite enfance, et les trois gars se sont lancés en affaires après avoir terminé leurs études. Les Magnone ont démarré leur entreprise de distribution de vêtements en 2004, procédant à l'importation de marques prestigieuses pour les magasins de vêtements haut de gamme comme la chaîne Simons. De son côté, M. Cigos est devenu représentant chez un fabriquant de suppléments alimentaires pour les sportifs.

Selon M. Magnone, l'idée de fonder une compagnie de distribution qui mettrait l'accent sur des aliments entièrement naturels et santé est née autour d'une pizza un soir en 2007. "Mon frère et moi avons pensé que le secteur de l'alimentation serait plus stable que celui du vêtement, qui s'avère plutôt cyclique, souligne M. Magnone. Et Mark, qui est dans le domaine de la mise en forme, a apporté l'idée de se concentrer sur des produits axés sur un mode de vie sain."

M. Magnone ajoute qu'ils sont à la fois enthousiastes et confiants que leurs années de travail acharné, de sacrifices personnels et de dépenses minimales vont bientôt commencer à payer de gros dividendes. "Nous sommes sur la route presque à chaque semaine et je ne prends pas de salaire", confie M. Magnone depuis leur siège social de 20 000 pi ca. à Montréal, où travaillent moins de 10 employés — incluant ses parents et sa sœur, Kaila, qui est désormais un partenaire — à remplir des commandes et expédier de la marchandise à travers le Canada et les États-Unis. "Nous sommes engagés dans notre entreprise et nous sommes en extase devant nos chiffres. De plus, nous compterons plus de grands noms de produits et desservirons plus de magasins en 2014." 🍎



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# One, two, three, export!



## Considering exporting as a new growth strategy? Know your business and your new market first

By Deanna Rosolen

**Y**ou're a food processor in Canada, doing well and growing steadily. Maybe it's time for a new growth strategy. That's when many companies start to consider exporting to international markets.

The Canadian Trade Commissioner Service notes that it's a myth to think you're too small to be an exporter. To succeed in international markets, companies don't need to be huge firms. Small- to medium-size Canadian companies — with foreign sales of between \$30,000 and \$5 million — are currently exporting and doing it well. But how do you know if you're export ready? And if you're not there yet, how do you get to that stage? The federal and provincial governments can help answer those very questions.

### First steps

The preliminary steps in getting export ready can be costly, so it's imperative to assess your resources and answer some critical questions about your business. According to The Business Link from Alberta's Business Information Service and its document *Writing an Export Plan*, on average, "it takes about a three-year commitment to establish a presence in a foreign market. This will require the resources of people and finances during this developmental period. Assessing the feasibility of the venture is an essential step before you go global."

This "diagnostic evaluation" should assess the objectives for exploring foreign markets and the risks, and should include an examination of current trends and the growth potential for your industry. For instance, a declining industry, a highly competitive industry, or a saturated domestic industry may be the motivation for seeking growth potential in markets abroad. Also examine your expectations, human resources requirements, financial and legal resources and competitiveness.

Part of this is to evaluate your export potential, specifically looking at:

- Current customers — Who they are and their relationship with your product.
- Product modifications — Do you need to make changes to appeal to foreign customers?
- Transportation — How costly and easy is it to transport your product?
- Local representation — Do you need a local representative to help market your product?
- Capacity — Will you be able to serve both existing customers and the new foreign customers?

### Planning ahead

Next, begin preparing a well-developed export plan, which will help when trying to secure funds from financial institutions or other lending agencies. According to The Business Link, the plan should include a company description, a description of the product, a foreign marketplace analysis, market entry strategies, international law, financial analysis, and risk management. The Trade Commissioner also suggests including a market overview and regulatory and logistical issues.

There are more than 190 countries Canadian businesses can target for exporting, so it's important →

**Disclaimer:** The information is from federal and provincial websites, and is meant only as a guide. Please contact your local trade commissioner or the Canadian Food Inspection Agency area and regional offices for more detailed information.

## HANDI FOODS, TORONTO

Jerry Chizick joined Handi Foods — which manufactures pita pockets, Greek flatbread pita, mini-pitas, breakfast pita and low-fat pita snacks (double-baked products) such as pita puffs, chips, crisps and crackers — six years ago and since then has helped grow the company's export business. When he first started the company was exporting some of its pita snacks and pita breads into Michigan and Upstate New York. At that time, about 94 per cent of the company's business was in pita bread and about 90 per cent of that business was in Ontario.

Chizick quickly realized the company was missing out on opportunities. Pita bread wasn't the way to compete in the U.S. and grow the business. Pita bread is a fresh product, while the double-baked, low-fat pita snacks have a longer shelf life, meaning the company could expand further with it. "With pita bread we were to some degree landlocked," says Chizick, who is now vice-president and general manager of the Toronto-based company. "It's harder to go after the U.S. market because there's a lot of local suppliers, and with the cost of freight, etc., it's hard to compete. Where we can compete effectively is on the double-baked products (low-fat snacks) where we're a very cost-effective producer, and innovative." The company has installed new and updated equipment to add more production efficiency.

By the end of this year, Chizick predicts closer to 80 per cent of the company's business will be in the double-baked, low-fat pita snacks, and the majority of that is exported to the U.S. Today 40 per cent of the company's business is in pita bread.

So there's no question the company is growing. In recent years it has landed contracts with several U.S. grocery retailers to stock its product and to produce private-label products for several of those chains. But Chizick says it's key to manage that growth. "I'm reluctant to chase too far, too fast. [Managing growth] is also about staff. You've got to find the right people and put the right plan in place," says Chizick.

Now the company is looking even farther afield with opportunities in the U.K., Japan, China and Southeast Asia. "We started a long time ago but we really were small potatoes back then," he says. "Now we're much bigger, faster at what we do, and we're succeeding, with more opportunities coming."

TAKE THE CANADIAN TRADE COMMISSIONER SERVICE'S EXPORT READY QUIZ AT [WWW.TRADECOMMISSIONER.GC.CA/ENG/STEP1.JSP#QUIZ](http://WWW.TRADECOMMISSIONER.GC.CA/ENG/STEP1.JSP#QUIZ)

to know which is most likely to provide a market for your product. As well as considering the political, economic and cultural factors, that will affect business, research should include market information through direct contact with potential customers or other sources. You will also need an export marketing plan, says the Trade Commissioner, covering market characteristics, how competitors approach the market, an assessment of the best promotional strategy to use, and how you will adapt your existing marketing materials or even your product.

Another consideration is market demand and how it will affect your product price. For most consumer goods, says the Trade Commissioner, per capita income is a fairly good way to gauge the market's ability to pay. Food and agri-food companies can use Canada Brand International, which is an initiative designed to leverage Canada's strong international image, to increase the sales and profile of Canadian agri-food products.

## Making the leap

The next step is to design an entry strategy, which businesses can do with the help of Foreign Affairs and International Trade Canada. The different market entries include direct exports, indirect exports, partnerships, acquisitions and investments, selling to foreign governments, and using an agent and representative.

When considering the appropriate shipping method, it's crucial to first understand the market's import regulations, product standards, labelling regulations, local laws, necessary export documentation and licensing requirements. You may need to secure export permits if the destination country is on the Area Control List or if your goods are on the Export Control List. To help businesses select the right shipping method, Agriculture and Agri-Food Canada's Agri-food Trade Service website offers shipping resources.

Other areas to be aware of and to plan for are issues such as contracts for the sale of goods, transfer of title and the effects of transfer, acceptance or refusal of goods, unpaid seller's rights, negotiating in other business cultures, corporate social responsibility, meeting international standards, protecting intellectual property rights and resolving disputes.

It may seem like there's a lot to cover when exporting — and there is. But while exporting is different from doing business at home, it doesn't need to be any riskier. Just remember to plan ahead to keep both you and your business safe.



## AN EXPORTER'S VIEW

Jerry Chizick doesn't mince words. When it comes to exporting, the vice-president and general manager of Toronto-based Handi Foods Ltd. knows his stuff. In fact, Chizick has often advised non-competing smaller companies on how to get started.

His number-1 piece of advice? Chizick tells smaller companies not to expect to get all their business out of distributors. Instead he recommends going to the end users, such as the foodservice outlets or grocery retailers, directly. "Don't go through the middleman. It's not that they are bad, they're required once you get the business, but a lot of companies that are growing fall into the trap that they can get business through a distributor but they may get you nowhere," he says.

As he explains, distributors often

have salespeople who can't represent a company's product as well as the company can. They'll also add a markup to the product price that could inhibit the company's ability to sell that product. "You need to go to the end users who will then tell the distributors, 'You're carrying this product,'" says Chizick. "I've seen many smaller companies make a mistake here. They don't have to avoid distributors, but don't focus on them, focus on the end users."

His second piece of advice is to have a go-to-market strategy. If a company plans to export, there are some questions that need to be covered:

- Where are we going to go first?
- How are we going to go after that market?
- Who's going to go after that market?

• If we're successful in that market, how are we going to manage that market?

Chizick adds that if companies already have experience exporting, they could go to any market and make it work. From each province there are regions in the U.S. that make more sense for exporting than others. But if a company is based in Southern Ontario, for example, and just starting out, then it should probably focus on New York and New England or the mid-U.S. market such as Michigan, Illinois and Ohio. These are regions that are easy to get to, easy to communicate with and offer lower costs in terms of shipping. "Test the waters in places where you can manage the growth first," says Chizick. "If you can't, don't chase it." 🍎



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# Opening the door to sustainability

The Online Sustainability Portal provides a **one-stop resource** for food and beverage companies

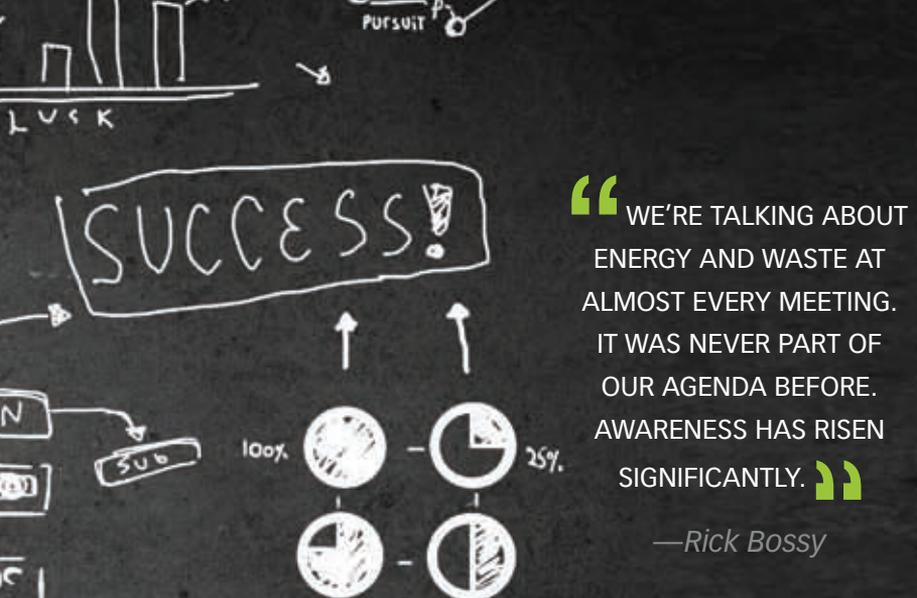
BY BERNARD TOBIN

**S**ons Bakery managing director Rick Bossy never imagined he would be sitting on an industry panel sharing insights on his company's sustainability program.

But a two-year journey led him to that very seat when Provision Coalition launched its Online Sustainability Portal in October. Sons Bakery, which manufactures buns for the quick-serve market and artisan breads for retail out of its Calgary, Alta. and Brampton, Ont. bakeries, was one of four companies to test sustainability tools and resources developed by Provision, a coalition of 11 food and beverage manufacturing associations representing more than 4,000 companies across Canada.

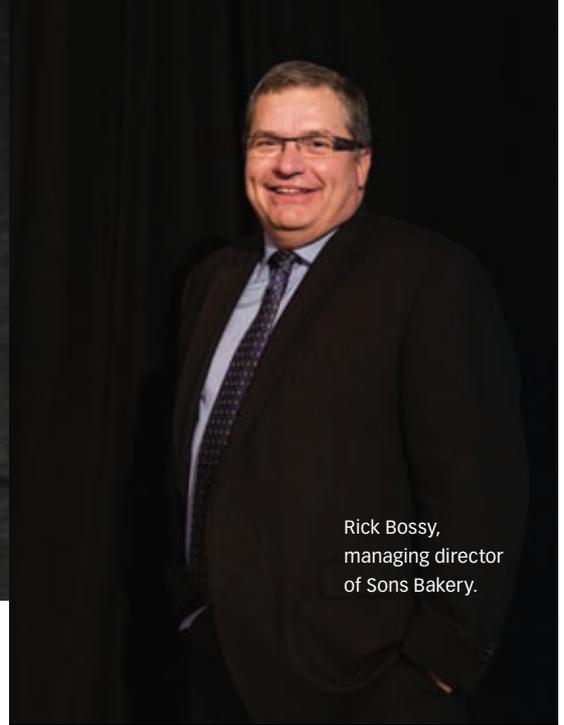
Food and beverage manufacturers face increasing demands for sustainable production, but meeting customer needs can prove challenging for many small- and medium-size businesses, says Cher Mereweather, Provision Coalition's executive director. She explains that the portal is really a one-stop sustainability resource designed to help companies like Sons Bakery.





“WE’RE TALKING ABOUT ENERGY AND WASTE AT ALMOST EVERY MEETING. IT WAS NEVER PART OF OUR AGENDA BEFORE. AWARENESS HAS RISEN SIGNIFICANTLY.”

—Rick Bossy



Rick Bossy,  
managing director  
of Sons Bakery.

“It really gives these companies access to the opportunities and benefits sustainable production can bring to their business and makes it achievable and affordable,” says Mereweather. “The tools available in the portal will provide value whether a company is just getting started on sustainability, halfway through the process, or in the homestretch.”

So what tools are available in the portal? How has Sons Bakery used them and what did they achieve?

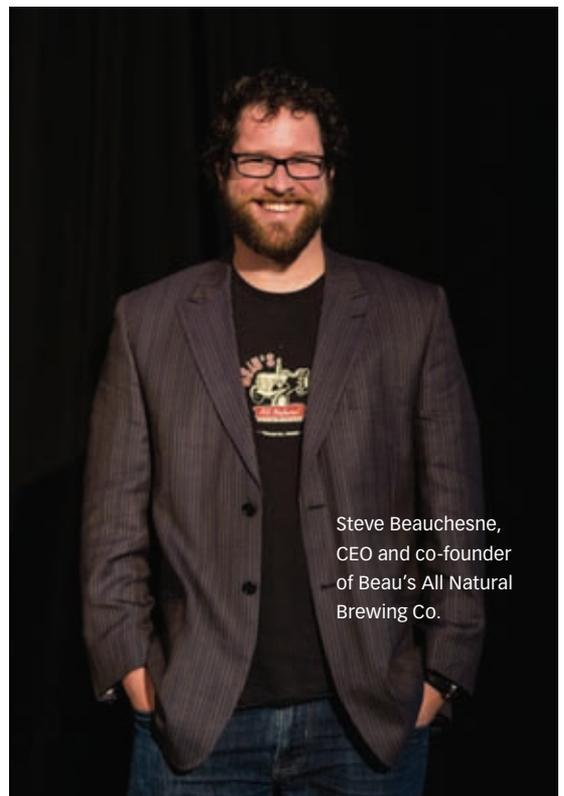
“Customer focus and operational efficiency has always been an integral part of our business, but two years ago we decided that sustainability would be a requirement for the long-term health of our business,” explains Bossy. Several months later Sons Bakery launched the development of a formal sustainability program. The company used the portal’s sustainability integration framework to help it develop a corporate mission and vision that incorporated sustainability.

Sons used the portal’s Self Assessment Survey, which includes a series of operational questions that identify sustainability strengths and potential gaps, to produce a numeric score used to see how the company stacks up against its competitors. It also allowed Sons to create benchmarks to track progress over time.

Bossy and his team also used the online portal’s Key Performance Indicator (KPI) Scorecard. This tool allowed Sons to enter and crunch its own production data, including energy, water and waste generated per unit of production, to develop KPIs that can be tracked monthly and annually to establish performance targets.

The program has already yielded substantial benefits for Sons. Electrical costs have been reduced by 16 per cent for a savings of \$60,000 annually. Total non-ingredient water consumption has been cut by 11 per cent due to operational changes in the CIP system and tray wash, and natural gas savings are pegged at 10 per cent due, primarily, to better oven control.

Bossy has also witnessed a significant cultural shift at Sons Bakery. Employees are engaged, they’ve embraced sustainability and are actively coming up with new ideas to make the company more efficient, reducing its environmental footprint and saving money. “We’re talking about energy and waste at almost every meeting,” says Bossy. “It was never part of our agenda before. Awareness has risen significantly.”



Steve Beauchesne,  
CEO and co-founder  
of Beau’s All Natural  
Brewing Co.

“EVERY TIME WE DO THE RIGHT THING FOR THE RIGHT REASONS WE GET REWARDED WITH A WHOLE LOT OF GROWTH.”

—Steve Beauchesne

Steve Beauchesne, the CEO and co-founder of Beau's All Natural Brewing Company, sat beside Rick Bossy during the portal launch panel discussion. His company also tested the portal tools. Since launching in 2006, the Vankleek Hill, Ont.-based organic craft brewery has grown to 80 employees and now produces 2.5 million litres of beer annually, which is sold at 800 restaurants and 400 retail outlets.

Beauchesne insists the company has been on a sustainability journey ever since it launched seven years ago, and that its customers have rewarded them for their commitment. "Every time we do the right thing for the right reasons we get rewarded with a whole lot of growth," he says, noting that the company has grown by at least 50 per cent every year since it opened for business. "We've always bought into sustainability but we don't have a pile of engineers and scientists on staff to figure out a lot of things that are confusing for us," says Beauchesne. "One of the big challenges for us is how do we properly track what we need and make the progress we want."

That's where the sustainability portal plays an important role. "We started about five months ago and we're seeing real value," says Beauchesne. "The visioning process helped align sustainability with our mission, vision and tactical goals. And the Self Assessment Survey helped us identify gaps from a behavioural, managerial and policy perspective. The KPI Scorecard gave us solid benchmarks to work off and allowed us to set targets," explains Beauchesne.

The portal tools helped build on some earlier sustainability work Beau's did with the Guelph Food Technology Centre (NSF-GFTC). And the results have been impressive. Beau's has reduced its energy use per litre of beer produced by 50 per cent — from 6.05 gigajoules

to 3.03. Greenhouse gas emissions per litre produced have been cut in half as well.

Beauchesne notes that the tools also played a key role in helping Beau's become the first brewery in Canada, and only the third in North America, to earn B Corporation status. B Corps are certified by the non-profit B Lab to meet rigorous standards of social and environmental performance, accountability and transparency.

Mereweather says the sustainability success of Beau's and Sons Bakery is evidence of the important role the portal can play. "In the food and beverage business where sustainability is really customer driven, the portal can really help you adapt, compete and succeed. There is no charge for portal access for food and beverage companies. All you need to do is invest some time," she says. "As we've seen with these companies, the return on investment can be substantial." ●

## INSIDE THE ONLINE SUSTAINABILITY PORTAL

Provision Coalition's Online Sustainability Portal is located at [www.provisioncoalition.com](http://www.provisioncoalition.com). Companies that register with the portal and login have access to a range of sustainability tools. These include:

- » **Self Assessment Survey**
- » **Key Performance Indicator Scorecard**
- » **Environmental Benchmarking Tool**
- » **Sustainability Funding Database**
- » **Consultants Database**
- » **Resource Library**

Provision Coalition also plans to add additional resources, including sustainability training modules and an interactive discussion forum, in the near future. Registration is free for food and beverage companies. Stakeholders in other parts of the value chain are required to pay an annual \$350 fee.

## AD INDEX

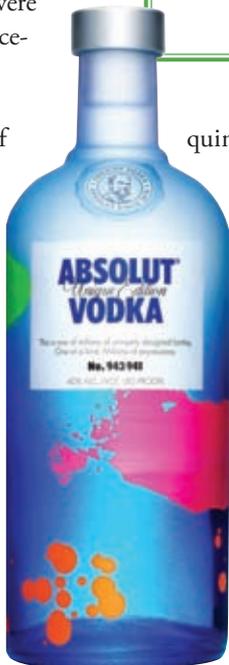
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## Pentawards highlight world's most beautiful packaging

Smart marketers know that consumers shop with their eyes first, meaning that what's on the outside of the box is often as important as what's on the inside of the box.

This fall some of the world's most creative new packaging was celebrated in the seventh edition of the Pentawards. The international competition, which focuses exclusively on packaging design for consumer goods, drew more than 1,400 entries from 49 countries this year, in categories including food, beverage and luxury. Winners for 2013 were fêted at a gala event held in Barcelona, Spain in late September.

This year's top award, the Diamond Pentaward for Best of Show, went to Family Business (Sweden) for its design of close to four million limited-edition Absolut Unique vodka bottles. Each of the multi-coloured bottles were individually painted and numbered using a dedicated production line that allowed for an endless sequence of colour combinations. Absolut Vodka even calculated that based on the 35 colours and 51 patterns used in production, up to 94



### Platinum Pentawards, by category, went to:

**Beverages** – Metaphase Design Group, Inc. (U.S.) for its bow-tie shaped Budweiser can.

**Food** – Design Bridge (U.K.) for its design of Tiger Nuts bags for Walkers (Lays).

**Luxury Category** – Here Design (U.K.) for the wooden case for The Balvernie 50 whisky.



quintillion bottles could have been created before the design was repeated.

Canada was represented among the winners by Mississauga, Ont.-based Davis Design, which took a Silver Pentaward in the Food/ Confectionery and Sweet Snacks category for its tattoo-inspired packaging for Stride's Fearless Fruit gum.

To view the entire list of winners, or to find out how to enter the 2014 Pentawards competition, visit [www.pentawards.org](http://www.pentawards.org)



## Special coverage: Process Expo and the International Dairy Show

From Nov. 3 to 6 approximately 20,000 industry professionals visited Process Expo, the Global Food Equipment & Technology Show, and the International Dairy Show, co-located for one event at McCormick Place in Chicago. With more than 800 exhibitors on 314,600-sq.-ft. of space, the two shows featured a range of processing and packaging equipment, ingredients, food safety solutions and distribution services. The biennial show returns to Chicago Sept. 15 to 18, 2015. Here's just a sample of products from this year's event.

### Cool technology

Air Products' "Cold Zone" showcased the company's cryogenic technology applications and the benefits of liquid nitrogen and carbon dioxide for process cooling and food freezing. By removing heat from their processes manufacturers can improve the quality, throughput and shelf life of their products. The company displayed its Freshline QS tunnel freezer, a quick-start cryogenic freezing system. Visitors to the booth were also treated to Air Products' "CO<sub>2</sub> Bar," with carbonated beverages to celebrate its recent acquisition of EPCO Carbon Dioxide Products. [www.airproducts.ca](http://www.airproducts.ca)

### Breading machine

The Stein Heritage Breeder is new from JBT FoodTech. The system is designed for flour and fine granular free-flowing coating materials. It has a small footprint and can still provide the same production capacity as larger Stein breaders. It can be used as a preduster or as a final breading applicator. The Stein Heritage Breeder's design offers less adjustments, is easy to clean and is energy efficient.

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



### Reliable monitoring

GEA Tuchenhausen displayed the T.VIS A-8 Control Module for reliable valve monitoring and control of all process valve functions in breweries, dairies and fruit juice production facilities. With low investment costs the unit is cost-efficient and adaptable, and will reduce operating costs through reduced energy consumption. The unit allows for clear visualization of the valve status, and offers easy-to-use, reliable parameter setting. [www.tuchenhausen.com](http://www.tuchenhausen.com)

### Dairy stabilizers

TIC Gums demonstrated its formulation abilities with a cucumber dill dip made with the TIC Pretested Dairyblend YG DP-2. The company's Dairyblend stabilizers are a cost-effective option to improving body and mouthfeel in dairy applications, control ice crystal formation, and replace ingredients like sugar or fat. [www.ticgums.com](http://www.ticgums.com)

### Meat safety

The Infrared Pasteurizer System from Unitherm improves the safety of pre-cooked meats by eliminating 99.9 per cent of pathogens from the surface of meat products. The unit raises the surface temperature of meat products above 170°F, for a 10,000-fold reduction in risk. The process also extends the shelf life of products by between 20 and 30 per cent. The Infrared Pasteurizer is available in both single and double units.

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

### Easy dicing

Reiser demonstrated the Holac Cubixx 100L for dicing meat or cheese to different specifications. The computer-controlled unit is designed to be compact and versatile, and is on wheels for greater flexibility. It features a fully sealed product loading chamber with open drainages and a touch screen for easy operation, and is quick and easily adaptable to a range of cutting applications.

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

## Perfect packaging

Mylar Cook Films from Multivac are thermoformable films developed for food preparation in temperatures of up to 425°F. Meat products can be stored in the Mylar Cook Film in the refrigerator or freezer until ready to use, and can then be cooked in the oven, microwave or on the grill, while remaining in the original sealed pack. The seal seam of the pack opens once a predefined pressure is reached, allowing cooking vapour to escape. As a result, the product retains more vitamins and moisture, while it is able to brown in the open pack. [www.multivac.com](http://www.multivac.com)

## Manage it

Mettler Toledo showcased its ProdX Product Inspection Data Management Software, which helps users better manage production lines, improve productivity and ensure product quality. If changes are made on product setup, ProdX can implement the changes on multiple product inspection devices with less reliance on line operators for data entry and product set-up maintenance. ProdX also warns users if there are non-conforming products on the lines, and offers remote monitoring of rejects and other events. [www.mt.com/pi](http://www.mt.com/pi)

## Good gut health

DuPont Nutrition & Health highlighted digestive health solutions. Choozit MK5 is a culture blend that acidifies milk to provide the mild, acidic flavour of kefir and deliver the benefits of probiotics. DuPont's Lactase enzyme for dairy can break down lactose naturally and reduce or remove lactose. It can create a kefir that lactose-intolerant consumers can enjoy, and enhances sweetness so there's no need to add sugar. The company also highlighted its HOWARU Premium Probiotics and Litesse polydextrose low-calorie carbohydrate. [www.food.dupont.com](http://www.food.dupont.com)

## Seal it

The TT1815 and TT1512 Automatic Double clippers from Tipper Tie offer a closure technology for many food applications, such as semi-finished confectionery products, cheese or soups. For sausages, the TT automatic double clippers can seal portions precisely to produce individual, string and ring sausages without sausage meat residue in the casing ends. The TT automatic double clippers can be connected to all conventional filling machines. [www.tippertie.com](http://www.tippertie.com)

## Air filtration

The SteriVent 500 from Fischer Planning Ltd. helps protect tanks and products from airborne contaminants, making it an ideal food safety solution in dairy, beverage or juice processing. The high-efficiency, sterile air filtration system cleans air to Class 100 standards, ensuring products stay clean and safe, with a longer shelf life, while offering manufacturers lower energy costs and higher processing efficiency. The unit can be added to new or existing equipment. [www.fischerplanning.com](http://www.fischerplanning.com)



## Easy lifting

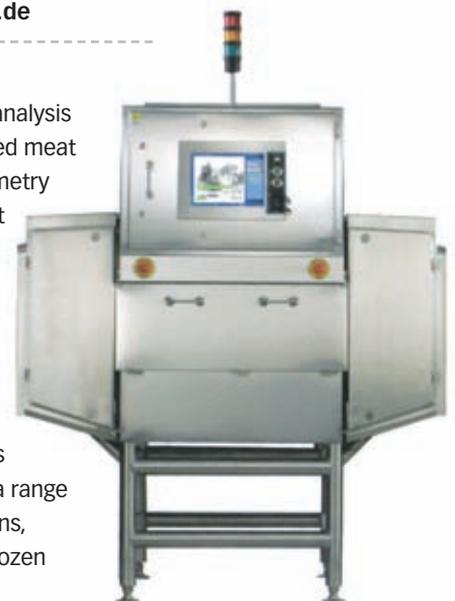
TAWI USA Inc., a company that specializes in lifting technologies, showcased its VacuMove vacuum lifter. The VacuMove can handle different loads weighing up to 270 kg. It can secure goods of all shapes and sizes to lift and move them safely. The vacuum is created by using a vacuum pump that can be as far away as 30 metres from the lifting point. [www.tawi.us](http://www.tawi.us)

## Portion control

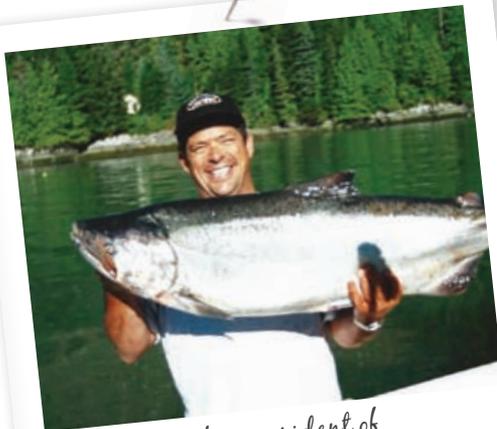
Handtmann's RF 440 round former can be used for dumplings, balls, croquettes, hamburgers and cevapcici. It can be used for meat, fish and vegetarian products, and dough processing. The company says the system can produce products with a diameter of 10 mm to 94 mm at a capacity of up to 150 portions per minute. Each portion will have excellent weight and form accuracy. [www.handtmann.de](http://www.handtmann.de)

## Fat analysis

The FA720 PACK from Eagle offers fat analysis and contaminant detection for packaged meat products. Dual Energy X-ray Absorptiometry technology measures the amount of fat absorbed by the fat and lean portions of meat, calculating chemical lean values. The unit also verifies package weight and inspects for contaminants such as metal, glass, mineral stone and calcified bone, and is able to work at speeds of more than 2,500 packages per hour. The FA720 PACK works with a range of packages, including cardboard cartons, plastic crates and vacuum-packaged frozen blocks. [www.eaglepi.com](http://www.eaglepi.com)



Deanna Rosolen



*Michael Denike, president of Sundance Seafoods.*

## Sundance Seafoods Ltd., Surrey, B.C.

It's not too many companies that can boast that their products are out of this world. But in the case of Sundance Seafoods Ltd., its West Coast Select brand soft-chew salmon jerky literally has that distinction. Michael Denike, president of the Surrey, B.C.-based company, didn't quite believe it either when NASA came calling. The agency requested samples, which were put through stringent food safety testing. The product passed with flying colours and went on four space missions.

Not bad for a company that had a far more humble earthbound beginning. Denike was a commercial fisherman who also worked in the grocery retail business. But with two young daughters Denike decided he didn't want to be away from home as much anymore. So in 1990 he launched the company Sundance Seafoods, producing smoked salmon products. Today the company produces 140 different products, including smoked salmon, both cold and hot smoked, salmon jerky, pâté, Indian

candy, barbecue salmon, and raw frozen salmon, and has just introduced salmon bacon. All Denike's products are made from high-quality wild salmon, which he buys from several local fishermen.

For the first five years of the business Denike tapped into the tourist market, which was hungry for high-quality Canadian salmon products. For the first year, Denike drove to Whistler, B.C. every day to sell product, take orders and personally deliver product to stores and restaurants. "There was so much business up there that was untapped, so I started there and worked my way back down to Vancouver," he says.

During those early years Denike continued to sell to restaurants and gift-stores throughout Vancouver and Banff. Then one day the duty-free shop at Vancouver's airport approached Denike wanting to stock his products. That successful arrangement spread to duty-free shops across Canada, from Victoria to Halifax. Sundance Seafoods now has distributors in Calgary, Winnipeg, Ottawa, Toronto and Montreal, and products are found in grocery stores and health food stores. The company also produces private-label products for higher-end grocery chains and it has managed to grow every year. In addition it will launch new products in 2014.

And Denike hasn't wavered from his mandate to sell high-quality wild salmon products. Today's more educated and informed consumers are also helping West Coast Select products stand out. "The trend in healthy eating has been nothing but positive for us," says Denike. "Wild salmon is super healthy and full of omega-3. Consumers are getting smarter and smarter and care much more now about what they eat." 🍷



## Q&A



**Q:** What makes your smoked salmon unique?

**A:** "It's done with extreme care, all by hand. It's carefully watched, it's not mass-produced. It's hand brined. A lot of people are under the assumption that smoking salmon will hide its insufficient quality. That's not true. The better the quality you start with, the better quality you end up with."

**Q:** What are the opportunities in your sector?

**A:** "For us they're endless. We have really just scratched the surface of the market in Canada. But there's a ton of opportunity to export to the U.S., Japan, China. I've also gone into a line of nutritional products called West Coast Select Nutrition from the Sea. I do salmon, halibut, cod and krill oils. All these are full of omega-3."

# FCC Drive Away Hunger



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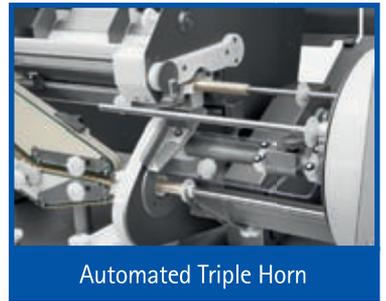


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