

+ 20 LOOKING FOR FOOD
SAFETY LEADERS

22 GO DIRECTLY
TO JAIL

47 PUCKER UP TO
LEMONADE

FOOD *in* CANADA

Canada's food & beverage processing magazine



The *natural* rainbow

New natural
colours are
bursting onto
the food scene
in Canada

PG.48

**ACCENT
ALIMENTAIRE
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QUÉBEC**

PG.56

**THE
TOP 100**

Canadian food &
beverage processors
PG.36



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FOOD in CANADA

Canada's food & beverage processing magazine



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- > Regulatory Affairs

And much more...

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contents



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departments

- 6 Editorial**
- 8 News File**
- 18 Market Trends**
Market outlook and highlights from Dr. Larry Martin and Associates.
- 20 Focus on Food Safety**
Looking for food safety leaders.
- 22 Food Law**
Go to jail. Go directly to jail.
- 24 Regulatory Affairs**
Allergen and precautionary allergen labelling makeover.
- 35 Ingredient Spotlight**
Luscious lavender.
- 47 Sensory Trends**
Pucker up to lemonade.
- 52 Packaging**
Food safety stewardship and the packaging industry.
- 53 Ask the Expert**
Equipment testing, evaluation and purchasing changes.
- 54 Rethinking Innovation**
Innovation prowess, with purpose.
- 65 Product Showcase**
IFT 2015, part 2.
- 67 Industry Insider**
Brampton, Ont.-based füdi.

44

Water World
Healthy, creatively flavoured plant-, fruit- and vegetable-based waters address consumers' thirst for novelty and functionality.

features

- 26 Executive Roundtable**
This year's roundtable, sponsored by Grant Thornton LLP, focuses on growth in the Canadian food industry, with input from executives representing various sectors of the market.
- 36 Top 100**
Our 24th annual ranking of the Top 100 Canadian food and beverage processors.
- 42 A year in review**
A look at the economic conditions affecting the food industry in 2015 and beyond.
- 48 The natural rainbow**
New natural colours are bursting onto the food scene in Canada, at the same time costs are expected to steadily drop.



35

22



in this issue

Accent Alimentaire sur le Québec

56 Nouvelles

60 Profil d'entreprise:
Fromagerie du Presbytère



66 AD INDEX

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Labour pains

One of the concerns I hear often from food and beverage manufacturers is the difficulty of finding and retaining skilled employees. It is even harder to find workers who are passionate about building a career in the industry.

There are some sectors — like meat processing — which are more greatly affected by this challenge, but it is an issue touching a wide range of food businesses, from bakeries to ingredient companies. On a company basis this means high turnover and less productivity, while on a national scale it translates into less competitiveness for Canadian goods on the world market.

That could change with the help of the Raising the Standards project, an initiative of the Food Processing Human Resources Council (FPHRC) that is the first of its kind in Canada. Part of a larger human resources strategy, the three-year project will build the first national competency library of occupational standards for jobs within the food and beverage industry in the areas of business, finance and administration; technical/machine operation; facility operations and maintenance; quality control; production; logistics; and research and development.

The FPHRC has already had significant buy-in from the industry. Through focus groups and webinars the council is engaging with stakeholders to identify and benchmark the detailed technical

and behavioural skill sets required for hundreds of jobs in the food processing industry. The council will also document the essential skills, like writing and communications, needed for career advancement.

The resulting online database will help manufacturers hire new recruits, produce in-house training programs, and develop performance assessment tools. Educators will gain occupational standards to develop training and certification programs. By raising the level of professionalism in the food industry, more young workers will also hopefully be attracted to the field.

While the project is scheduled for completion next summer, this month the council will launch another program that may lessen the labour pains for employers. The Pre-Arrival Food Safety Management Training Program will provide online and self-paced, accredited training of new immigrants from six different countries for careers in the Canadian food processing industry, meaning they will arrive with the skills and certifications needed to begin work. The initiative runs until March 2017.

For more information on either program, contact the council at fphrc.ca

Carolyn

CCooper@foodincanada.com



For more on the challenges and opportunities facing the food industry, turn to **pg.26** for the **2015 Grant Thornton Executive Roundtable**



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Ever wonder how many potatoes it would take to power a smartphone? Well you're not alone. The folks behind the BatteryBox blog were curious and decided to experiment. What they discovered was firstly, yes, potatoes can charge a smartphone, but it takes 110 lbs of them, along with 36 ft. of copper and zinc metal tubing. The team says they first boiled the sliced potatoes to increase the amount of ions, or energy, that can be transferred between the copper pipe and zinc tubing. It took about five hours to charge the phone to five per cent.



|||||



For years, consumers have warmly referred to Kraft Dinner, a staple for many families and students since 1937, as KD. This summer the company decided to make it official and adopted the nickname. Toronto-based Pigeon Brands designed the new packaging and logo, which has already been rolled out in grocery stores. The new name and packaging will be applied to the entire portfolio including other KD products like Extra Creamy, Three Cheese, KD Smart, KD Shapes and Deluxe.

Parmalat Canada's plans to expand its Winnipeg, Man. plant have received a boost from the city and the province in the form of a deal which would commit

According to a report in the *Winnipeg Free Press*, and corroborated by a Parmalat representative, the dairy producer — one of Canada's largest food processors — will be investing about \$50 million in the new plant. It would replace an existing plant in the same part of the city. The city would service the industrial park with water and sewer facilities, which would cost \$8.2 million. The city would pay \$2.1 million toward the water and sewer works, while the province's share would be \$2 million, and Parmalat would contribute \$1.5 million in addition to the amount the company would pay to buy the 15 acres required for the project from the city.

The company currently employs about 60 people at its own plant and will be hiring more staff after the expansion.

"At this time, we are still in the preliminary stages," says Parmalat Canada spokesperson Anita Jarjour.

Parmlat Canada produces milk and dairy products, fruit juices, cultured products, cheese products and table spreads with such respected brands as Beatrice, Lactantia, Astro, Black Diamond and Balderson. The company employs more than 2,900 people at 17 operating facilities across the country.

—Myron Love

**FROM OUR
LIBRARY**

A bakery in Edmonton beloved by its many fans has launched a cookbook. *The Duchess Bake Shop* cookbook includes a collection of 80 recipes for the bakery's most popular pastries. The owners of the shop, Giselle Courteau, Garner Beggs and Jacob Pelletier, say the cookbook provides instructions that make reproducing the pastries easy for anyone.

Like the bakery, the book is a feast for the eyes. The recipes include step-by-step photography and detailed instructions for everything from the bakery's tea-time treats and legendary tarts, to more complicated French classics such as brioche, macarons, mille-feuilles and the St. Honoré cake. *Duchess Bake Shop* also includes tips about equipment, ingredients and techniques such as how to properly temper chocolate and make the best salted caramel. Family recipes have also made it into the bakery's menu — and into the book — including the Courteau family Tourtiere (French-Canadian meat pie) and Aunt Debbie's Lavender Lemonade.



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Fisheries Forum

In Moncton, N.B. this past summer the Maritime Seafood Coalition held a Maritime Fisheries Forum. Provincial ministers, harvesters, processors and government stakeholders attended. The main focus of the meeting was to

highlight the challenges the sector faces in trying to recruit and retain workers.

The discussions also covered the key role the federal Temporary Foreign Worker Program has played and must continue to play in the sector. Industry representatives told elected officials and government that a stable workforce must be secured if Maritime Canada is going to take advantage of the opportunities that increases in landings of some seafood products (such as lobster, crab, mussels and oysters) will bring. With new trade agreements being developed around the world, the sector is seeking supportive government policy to be able to attract the workforce it needs to process seafood.

Canada will help to feed the world



The University of Saskatchewan has received Canada's largest federal grant. The \$37.2-million grant over seven years will help the university transform the country's capacity to produce food and help feed the world's growing population. The funding came from the Canada First Research Excellence Fund.

The funding will go toward leading-edge research and technology that will transform crop breeding and provide innovative solutions to national and global food security. ➔

Got food waste?

By Cher Mereweather

Talking about food waste is not new for those in the food and beverage industry. It has been well documented that waste is having an impact on profitability for businesses along the supply chain, not to mention on the environment and food security.

In 2014, Provision Coalition, a non-profit coalition of Canadian-based food and beverage associations representing thousands of food and beverage manufacturers across the country, released a report on food waste.

This report, which included a review of previous research, reflected much of what industry had already thought, while also telling some new stories.

Annual food waste in Canada is valued at \$27 billion (updated to \$31 billion in December 2014 — source: *The Cost of Canada's Annual Food Waste*, Value Chain Management Centre).



Thirty to 40 per cent of the food produced in Canada is lost along the value chain largely ending up in landfill.

Many manufacturing businesses, particularly those in the small- to mid-size range, are not aware of the profit loss impact of food waste to their operations.

Food waste occurs at all stages of the supply chain with the consumer being the largest contributor.

We learned from this report that there is opportunity to address food waste at the facility level by supporting management and staff with tools and the know-how to improve operational practices. Switching the focus from waste diversion to waste reduction, and even viewing waste as having value, is an important approach to embracing food waste management. Add to this a deeper understanding of related food waste issues such as energy, labour and production capacity, and a company is better equipped to make positive changes within their operations.

At Provision, we have been working with manufacturing businesses to help educate management on the impacts of food

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waste and also in directly assessing operations to identify opportunities and possible solutions. In some instances, solutions can be found by using sustainability tools to monitor and then drive change. In other situations, equipment and new technology must also be considered. Either way an improvement to the bottom line has been the outcome.

Given the size of the food and beverage supply chain in Canada, taking a manufacturing industry lens to addressing food waste is also important. Provision's Food Waste Working Group is developing a Food Waste Reduction Best Practices and Solutions Toolkit that will be made available early next year to manufacturers.

Members of this working group from Maple Leaf Foods, Redpath Sugar, Sons Bakery, Campbell Company of Canada, Oakrun Farm Bakery and Coca Cola Refreshments are



generously providing their expertise to these types of industry-based solutions. And Provision's Stakeholder Collaborative is taking the next step in finding fork to farm solutions with people from across the food and beverage supply chain participating.

Reducing food waste in Canada is achievable. There are a number of complimentary resources and tools available to Canadian food and beverage manufacturers.

For more information and to access Provision's award-winning on-line sustainability portal, visit provisioncoalition.com

Cher Mereweather is executive director, Provision Coalition. Contact her at chermereweather@provisioncoalition.com



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INNOVATION BEYOND THE ORDINARY

INBRIEF



> Orillia, Ont.-based **Leadbetter Foods Inc.** has had both of its Ontario facilities BRC Global Standards certified. The company processes beef, pork and chicken products.

> Okanagan Valley, B.C.-based **CedarCreek Estate Winery** won the Best Red Wine in Canada award for its 2012 Platinum Block 2 Pinot Noir. The winery received the award at the Decanter World Wine Awards in London, U.K.

> **Peter Smolarz**, Fine Wine director at Calgary's Willowpark Wines & Spirits, has been selected to compete at the La Chaîne des Rôtisseurs International Jeunes Sommeliers Competition in Adelaide, Australia this month.

Young Entrepreneur Award. Second place went to the Farm to Table project submitted by St. John's, Nfld.-based businesswoman **Melissa Butler**. Butler's project will help her company — Real Food Market — invest in local greenhouse operations as part of its strategy to create a sustainable, year-round food system on the island. The second-place award included \$25,000 in consulting services.

> **Silver Hills Sprouted Bakery, One Degree Organic Foods** and **Little Northern Bake-**



> Richmond, B.C.-based **Nature's Path Foods** has purchased the **Country Choice Organic** brand from New Century Holdings Inc., a subsidiary of Grain Millers Inc. Acquiring the brand means the company now has seven organic products to add to its portfolio, including canister oats and cookies.

> Edmonton-Alta.-based **The Little Potato Company** launched Little Chef, a new program that aims to provide parents with tools and tips for cooking with their kids. The program will include a collection of Little Chef Approved recipes. Parents can find the program at LittlePotatoes.com/LittleChef or through Facebook, Pinterest and Twitter.

> The Business Development Bank of Canada announced the winners of its **2015 BDC**

house are now all under their parent company, Abbotsford, B.C.-based **Vibrant Health Products**.

> Ontario-based **Muskoka Brewery** was awarded Best New Product Launch — Beer at the LCBO Elsie awards in June in Toronto. The Elsies are an annual industry awards program now in its 21st year. The brewery was also chosen as one of the LCBO's top 10 beer picks of 2014.

> The province of Nova Scotia and the federal government have set aside \$1.08 million over three years for the **Lowbush Blueberry Development Program**. Wild blueberries account for more than half of the value of all fruit production in the province. The program aims to improve production techniques like harvesting and pruning, and expand cultivation.

> P.E.I.'s **Food Island Partnership** is a new industry-led, government-supported partnership, which will engage primary industries, food producers, culinary experts and research

institutions to expand P.E.I.'s food exports, create new products and cement its reputation as a culinary destination. The partnership will encourage more entrepreneurs to enter the food business and help existing companies diversify their product range. Over the next three years, governments will provide more than \$1.6 million to support the partnership.

> Kingsville, Ont.-based **Mucci Farms** is expanding its greenhouse facilities by 30 more acres. The greenhouses will be state-of-the-art and sustainable facilities. With the expansion, the company will own and operate 180 acres of greenhouses.

> Vancouver-based **DeeBee's SpecialTea Foods Ltd.** has received financing from Export Development Canada to help the company expand its business into the U.S.

> Halifax, N.S.-based **Clearwater Seafoods** and **GlaciAr Pesquera S.A.** have added a new state-of-the-art factory vessel to their Argentine scallop fleet, replacing and retiring two other vessels.

> Quebec-based **PUR Vodka** hit LCBO stores this summer. The vodka has won 35 awards since its debut.



> **The Bay of Fundy, Scotian Shelf** and **Southern Gulf of St. Lawrence lobster trap fishery** (in Nova Scotia and New Brunswick) has achieved certification to the Marine Stewardship Council standard.

> Winnipeg, Man.-based **Richardson International Limited** has donated \$618,000 to support 24 different community projects across Canada.

WE ASKED YOU

FoodinCanada.com's latest poll asked readers if they are reformulating their products this year so that they have cleaner labels. Here's what they said:

YES 89%

NO 11%

To take our next poll, visit foodincanada.com

> Gatineau, Que.-based medical marijuana producer **Hydrothecary** says it became the first licensed cannabis oil producer to set a price for its new oil products. The company will sell cannabis oil for \$75 for a 60-mL jar for most oil bases. Health Canada granted Hydrothecary an oil production license this past August. The company says it will begin shipping immediately. A 60-mL jar will typically provide a user with 12 treatments. The oil can be consumed as is or it can be included in food.



SUPPLIER NEWS



> Vancouver-based **Renaissance BioScience Corp.**, with its wholly owned subsidiary Renaissance Ingredients Inc., has filed a provisional application to the U.S. Patent and Trademark Office for the patent of its non-GMO acrylamide-reducing (AR) baker's yeast. The application protects the company's work over the last two years in developing baker's yeast strains (*Saccharomyces cerevisiae*) that naturally reduce acrylamide by up to 95 per cent in a variety of food products by degrading the precursor compound asparagine.

> Westchester, Ill.-based **Ingredion Incorporated** has acquired **Kerr Concentrates Inc.**, a producer of natural fruit and vegetable concentrates, purées and essences. The transaction is valued at US\$100 million.

> Minneapolis-based **Cargill Inc.** has completed its acquisition of **ADM's** global chocolate business in a transaction valued at US\$440 million.

> Aginon, France-based **Naturex** has unveiled its 2015 Sustainability Report. The report includes both an update on current sustainability actions and the company's new global 2020 goals.

> Israel-based **Hinoman Ltd.** has been granted self-affirmed GRAS (Generally Recognized as Safe) status for its Mankai, a vegetable whole-protein ingredient with high nutritional value.



> **Nestlé USA** awarded **Rockwell Automation** its **2014 North America Procurement Supplier of the Year award** for technical procurement — maintenance, repair and operations.

> New Hampshire-based **Klüber Lubrication** has introduced a new content hub at

www.klubersolutions.com. The site provides insights on how lubricant solutions can save energy, protect equipment and enhance processes.

> **Parabel USA Inc.** received the **Innovation Award at IFT15** in Chicago for its product Lentein, an innovative plant protein ingredient that is 100-per-cent sustainable.

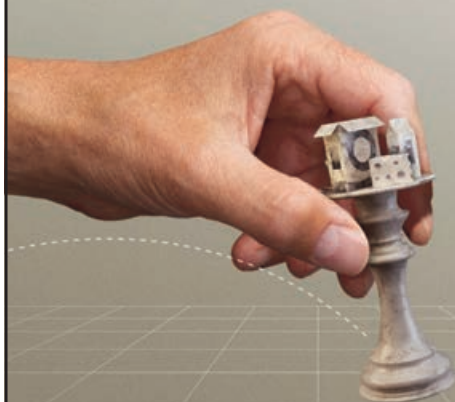
> Japan-based **Omron Corporation** will acquire **Delta Tau Data Systems Inc.** (DT) of California. DT is a control device company. The acquisition will help Omron promote its development of factory automation technology.

> Barlett, Ill.-based **Herrmann Ultrasonics Inc.** celebrated its 25th anniversary this summer. The company provides ultrasonic welding technology.

> **Adisseo** and **Novozymes**, both in animal nutrition and feed additives, have partnered to develop and market a probiotic for poultry. The partners expect to launch the product within the next 12 months.

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PEOPLE ON THE MOVE



Jain

> Toronto-based raw material supplier CK Ingredients has hired **Gagan Jain** as its new director of Sales. Jain has over 22 years of specialty chemicals and ingredients experience and will lead CK Ingredients' sales

and marketing efforts in both the food and natural health products industry.

> **Danny Houghton** has been named the vice-president of Sales and Marketing for Vibrant Health Products.



Moore

> Okanagan Valley, B.C.-based CedarCreek Estate Winery has appointed

Alexis Moore as its new winemaker.

> The Canadian Seed Growers' Association has appointed **Glyn Chancey** as its new executive director. Chancey will work with **Dale Adolphe**, current executive director, during the transition.



Long

> **Glen Long** has joined Reston, Va.-based PMMI, The Association for Packaging and Processing Technologies, as its new senior vice-president. PMMI

also promoted **Andrew Dougherty** to vice-president of Member Services.

> Kentucky-based DDW The Color House has promoted **Elaine Gravatte** to president and COO.



Gravatte

> The B.C. Food Processors Association has five new members on its board of directors and a new executive committee. The new directors are **Rattan Bagga** (CEO, New World Foods Inc. & Everland Foods); **Jo Heron** (principal, Sisu Solutions); **Anne Chong Hill** (president, Global Gourmet Foods Inc.); **Kirk Homenick** (president, Naturally Homegrown Foods/



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COLLEGE RECEIVES \$7 MILLION INVESTMENT

Toronto's George Brown College is celebrating a windfall investment of \$7 million from the Federal Economic Development Agency for Southern Ontario. The investment will go toward expanding the college's applied research capabilities.

Beginning this fall, industry professionals from the food and beverage sector will have access to a full-scale platform for product development and commercialization including company incubation, product launch into GTA markets, and commercialization support.

New state-of-the-art applied research spaces located at George Brown's Centre for Hospitality and Culinary Arts will provide small- and medium-size companies access to equipment, testing and development space. The \$7-million investment is also being matched with donor and industry support for a \$14-million total expansion.

Hardbite Chips); and **Christina Lui** (general manager, Fine Choice Foods). The new executive committee includes **Rick Gagner** (principal, 2plus2 Solutions) who is now president and chair; **Dave Eto** (CEO, B.C. Dairy Association) is past chair; **Jim Pratt** (partner, Prosnack Natural Foods) is first vice-president; **Rita Cheng** (president, Superior Tofu) is second vice-president; **Jozef Hubburmin** (CFO, Fresh Direct Produce) is treasurer, and **David Guthrie** (partner, KPMG) is secretary.



> Kansas-based Bunting Magnetics Co. has named **Paul Hansen** as its new director of Marketing.

> **Marc Guay**, president of PepsiCo Foods Canada, has announced he is retiring. The company has promoted **Jason McDonell**, currently the vice-president of Field Sales, to replace him.



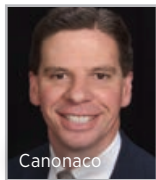
> **Scott James** is now sales manager at Arlington Heights, Ill.-based Knipex Tools LP.

> Marshfield, Wis.-based ESE Inc. has named **Bob**

Iossi as its new senior account executive/Sales management. ESE helps design and develop plant automation systems.

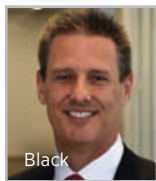
> Florence, Ken.-based

Balluff Inc., a sensor specialist and system provider, has appointed



Tony Canonaco as president.

> **Robert Black** has joined Omron Corporation's Automation and Safety business as its president and COO.



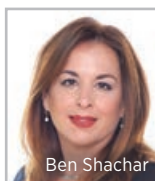
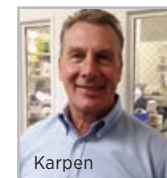
> Brewerton, N.Y.-based Schneider Packaging Equipment Co. Inc. has appointed **Craig Johnston**

to Regional Sales manager.

> Carol Stream, Ill.-based Prinova has hired **Bill**

Karpen in the newly created position of Innovation Director. Prinova supplies

ingredients, flavours and nutrient fortification



as Marketing manager and **Dror Levy** as Retail Export manager. Salt of the

products.

> Israel-based Salt of the Earth has named

Revital Ben Shachar



Earth develops low-sodium sea salt and gourmet sea salt products.

> Chicago-based Intelligrated, an automated material handling solutions provider, has promoted **Bruce Sudler** to Sales manager.

> **Rick Kaiser** is now vice-president of Sales for Aker BioMarine Antarctic U.S. Oslo, Norway-based Aker BioMarine supplies krill-derived products.

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Brewery helps in fight against fires

When the forest fires of British Columbia and Alberta caught up to parts of northern Saskatchewan, it was time for a beer brewing company to step in.

Halting production of some end products, Labatt Canada began a new sort of beverage assembly line to produce plain, clean water bottled in beer cans for the volunteers and firefighters who were battling the blazes in the forests and remote areas of north Saskatchewan. In a statement released by Labatt Breweries of Canada, part of Anheuser-Busch InBev, the company stated that “When there is a disaster, the company switches to producing drinking water.”

In fact, 48,000 355-mL cans of Labatt Drinking Water were in production to be

shipped out in 2,016 cases to where they were needed. This is a routine occurrence for Labatt when spring and summer heat can turn the forests into fire.

For B.C., Alberta, and Saskatchewan, any forest fire help they can get has been greatly needed. This year there have been more than 580 wildfires, compared to 205 in 2014. “It’s about people helping people, and it’s a large co-ordinated effort

for us to respond quickly,” says Sharon Mackay, director of Corporate Affairs for Labatt.

Formed in 2012, Labatt’s Canadian Disaster-Relief Program provides drinking water where Canadian communities have just had a natural disaster. Labatt’s U.S. operators have been volunteering since 1988 for disaster-relief water.

— Yvonne Dick



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Meb Gilani, President, Gilani Group
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COMMENTARY: The TPP debate continues

Canada's "debate" about the Trans Pacific Partnership (TPP) and agriculture generates more heat than light and is doing a disservice. The Andrew Coynes of the world say that Canada should just end supply management because the cost of supply management to Canadian consumers is reflected in the tariffs. Casual analysis of prices shows that domestic prices, at least for dairy, are much lower than the tariff wall. He also ignores complex pricing behaviour between farm and retail prices, especially for milk with its hundreds of products.

Then there is the University of Waterloo's Bruce Muirhead, supply management's academic supporter taking facts completely out of context. A favourite is that removing supply management would not result in lower consumer prices because New Zealand's are as high or higher than Canada's. This conveniently ignores that New Zealand has thousands of kilometers of transportation costs and legal protection for its domestic industry. He also conveniently waits until world milk prices fall to conclude there is a world-wide glut of milk,

and that the dairy industry outside of Canada is not very profitable, ignoring that the past four or five years were likely the most profitable in the past century, and that good financial managers know how to deal with cycles.

If, as some observers who were in Maui for the negotiations believe, Canada's stance on the dairy industry is one of the reasons for TPP's failure, then failure to take the middle ground on these two positions underlines the ridiculousness of Canada's position. With from 200 to 300 per cent tariff protection the dairy industry could give up at least 40 per cent of the tariff with very little impact on domestic farm prices, especially with a \$0.76 dollar. It would be a huge mistake to lose the opportunity for other components of the economy in order to maintain unneeded protection for a small part of it. ●

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

MARKET HIGHLIGHTS

Last month the market talk was "flood makes mud." As usual with a wet spring, that eventually translates to "rain makes grain!" A huge crop is now expected in the U.S. OPEC continues to expand oil production, thereby putting more pressure on energy prices and the loonie.

> Grains: The USDA shocked the market on Aug. 12 with higher than expected yield estimates for this fall's crops of corn and soybeans. While drier weather increased U.S. crop outlook, wetter weather in Western Canada and southern Europe also improved prospects there. With large grain crops in Brazil and Eastern Europe, expect a build-up of inventories and low prices.

> Corn: The USDA raised yield to 168.8 bu/acre vs 166.8 in July and trade expectations of 164.5. This translates to a 13.69 billion bu crop compared to the 13.33 billion expected and ending stocks next year of 1.71 billion bu vs the expected 1.42. December futures dropped the full \$0.30, but recovered late. They are currently up a little at \$3.75. Long-term support is at \$3.57 and in the \$3.10 area. Buyers should buy hand to mouth and watch to see if either of those hold. If so, they will be excellent places to do a significant amount of forward pricing with

futures, options or forward contracts.

> Soy oil: Soybean production also got a USDA shock with a 3.9 billion bu forecast vs 3.7 expected. That, the strong U.S. dollar, and continuing pressure on palm oil prices sent soy oil to new contract lows. September futures are at \$0.289, having just broken below short-term support and approaching long-term support at \$0.279, which has held since 2008. Buyers should watch that support plane and take positions if it holds.

> Wheat: Wheat prices were least affected by USDA; first because it actually reduced expected production marginally, and second because wheat prices already sank almost to long-term support. Chicago December futures are currently at \$5.10. U.S. wheat is increasingly competing with Black Sea product, where there is a large crop and where exporters are lobbying the Russian government to reduce export taxes. That outcome would add more pressure. Major short-term support is at \$4.85, and strong long-term support is at \$4.60 and \$4.25.

> Sugar: The sugar charts look like road maps to Florida – as the world industry stumbles under a huge supply, weak demand and mounting debts. October futures are at \$0.1068, approaching the \$0.085 low in 2007. As with everything else, we're looking for a bottom to

signal any long-term pricing.

> Natural gas: Natural gas continues to move sideways between 2.4 and 3.1 cents on the September, currently 2.8. Gas inventories are rising again. Lock in near the bottom and/or protect above 3.1.

> Crude oil: Brent crude is in an even steeper decline than sugar. U.S. inventories increased dramatically and OPEC continues to defend its market share. September broke through short-term support at \$53.20 and dropped to \$48.65. There is moderate support at \$45.20. Below this is \$36.20, the 2008 low. Buy hand to mouth.

> Canadian dollar: Nothing seems positive for the poor loonie. The Canadian economy is verging on recession, oil and agricultural prices are dropping like rocks, and the Bank of Canada lowered interest rates. A little good news was the decline in the current trade account deficit; an island in a torrential stream. The loonie, at \$0.7625 on the September, dropped below its low in 2008. If it closes lower than \$0.7629 at the end of August, the next level of technical support is \$0.7135 from 2004. In the short term, the loonie will follow oil and will likely weaken. We suggested buying \$0.815 Puts as insurance, and would hold or roll them, barring some unexpected change. Be covered below \$0.7135.





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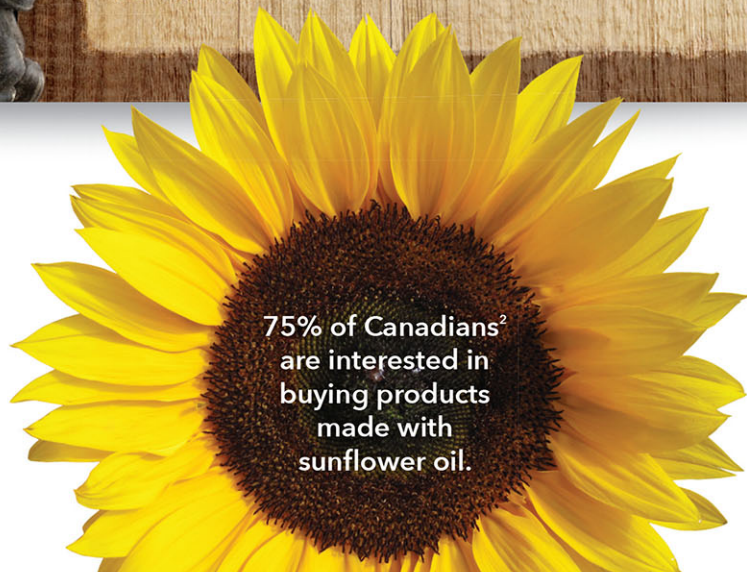


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1. Fry study conducted by Cargill, spring 2009.

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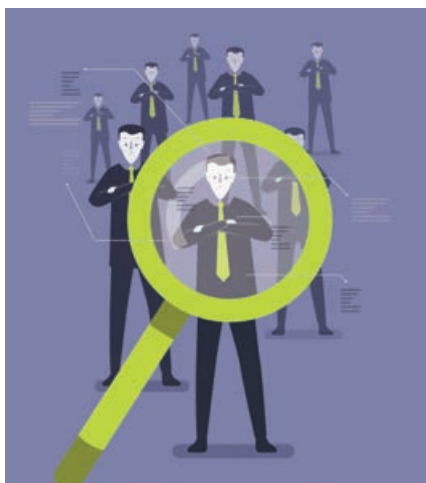


Looking for food safety leaders

The challenges of providing safe and wholesome food profitably are endless. Your employees are the single most valuable asset in overcoming these challenges. With food safety being at or near the top of the list of challenges, recognizing and cultivating employees in quality assurance (QA), quality control (QC) and sanitation is now more important than ever before.

Certainly, everyone in the firm needs to be part of the food safety and quality teams. Nice as it is to say this, just how everyone gets engaged in delivering food safety and quality varies greatly, as do their contributions to the same. However, most will agree that the QA, QC and sanitation departments shoulder the greatest responsibility for food safety. Hiring, recognizing and cultivating personnel within these departments is vitally important to a company's food safety programs. Unfortunately, some firms still don't seem to appreciate this.

I still find QA, QC and sanitation personnel being promoted into management positions simply because they have been around longer than others in the department vs merit related to the job. Other signs that show a lack of appreciation for these teams include high turnover, hiring of unqualified people, no formal training programs, poor wages, inadequate equipment and facilities, and interpreting initiative as a challenge to line management. Knowing what's at stake in a recall and subsequent litigation, this shouldn't be happening today in any size of company.



A new paradigm

There have been a few articles published recently about the characteristics food safety leaders should possess and demonstrate. All emphasize an advanced education, strong analytical skills including statistics, and the ability to network outside of the firm in areas of food safety and quality. I agree that these qualifications are good to have, but I believe that there is a lot more to being or becoming an outstanding food safety leader.

A number of attributes come to mind, such as: problem solving skills, persistence, team leadership, accountability, functional knowledge, communication skills, teaching effectiveness, consideration, respected across functions, intellectual curiosity, patience, reliability, passion for quality, willingness to go the extra mile, being self-effacing, flexibility, ability to empathize, and an understanding of major aspects of overall corporate performance, team turnover, team development, performance to budget, customer complaint handling, recall management, crisis management, supplier management, audit performance, inventory days on hold and regulatory compliance management. In

the space I have left I'll outline a basic food safety leader's score card using some of these attributes.

Personal performance — My personal recommendations, in no particular order, are: demonstrated functional knowledge across all team activities, communication skills, functional corporate and team leadership skills, teaching effectiveness, accountability, management reporting, performance to budget, intellectual curiosity, team building, regulatory knowledge and crisis management.

Team performance — My recommendations include: audit performance, regulatory compliance, recall management, supplier management, days on hold, production quality reporting, cross-functional team participation/performance/leadership, deviation reporting and resolution, off-specification products score card and down-time due to direct functional mishaps.

Formal education — Performance and education, formal and otherwise, should have a strong, positive correlation with each other, which is to say that the more education and experience one has, the better one's performance should be.

The role of the food safety leader, be they in QA, QC or sanitation, is to develop and manage programs that are essential to providing safe and wholesome foods in a manner that also ensures the sustainability of the company. It is every CEO's responsibility to hire, develop and promote excellence in these functional teams. 🍎

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

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After warrants were issued for their arrest, the two food company executives turned themselves in to the police and then they were led into the court for their arraignment in shackles. The Jensen brothers faced a possible six years in jail for the misdemeanor of failing to ensure the quality and safety of the food product they were selling. They did not go to jail primarily because they pled guilty. Last January they were sentenced to six months home detention and five years probation, and ordered to pay \$150,000 in restitution. The evidence was clear: neither of the corporate executives had any idea that their food product was adulterated or that they had done anything wrong. What's going on here?

In this and several other recent cases, the United States Department of Justice has made it clear that it has adopted a new enforcement policy to aggressively use criminal prosecution against food company executives. Citing the serious public health consequences of food borne illness, with 48 million Americans sickened every year and an estimated 3,000 deaths, Assistant Attorney General Stuart Delery has publicly warned corporate officers that they were now going to be held personally and criminally responsible if their companies failed to adequately control the quality of their food products. Delery has emphasized that introducing adulterated food into

interstate commerce is a strict liability offence, meaning a company violates the law when it distributes an adulterated food whether or not it intended to do so.

In adopting this new aggressive policy the prosecutors have resurrected the old and mostly dormant 1975 U.S. Supreme Court decision in *United States v Park*, which held that corporate executives could be prosecuted criminally even for unintended violations of food laws by their companies. "This apparent revival of the Park Doctrine is a huge concern for the industry" asserts U.S. food law attorneys McGuireWoods.

This dramatic change in U.S. food law is evident in many recent cases. For example, in 2014 Iowa egg company executives pled guilty in a deal that included prison time and millions of dollars in fines after an outbreak that had sickened almost 2,000 people in 2010. In May 2015, arising from a tainted peanut butter recall in 2006, prosecutors extracted a settlement with the food giant ConAgra Foods that included a fine of \$11.2 million, the highest criminal fine in U.S. food safety history.

This rising threat of criminal prosecution for food industry executives is real and has not gone unnoticed by food companies and their lawyers. Washington lawyer Gary Jay Kushner, a partner with Hogan Lovells and one of America's leading food law lawyers, told me recently that "this is a serious development for food company executives. We're

seeing this increasing trend in a lot of cases."

The most recent case that has garnered so much media attention involves the Peanut Corporation of America (PCA) in which an investigation revealed that its adulterated product had led to over 700 reported infections and at least nine deaths. After a six-week trial, a federal jury found PCA president Stewart Parnell and two other company executives guilty of violating several food safety laws and obstruction of justice. Because company employees falsified lab results and made several false and misleading statements to FDA investigators, prosecutors are seeking life sentences for PCA executives.

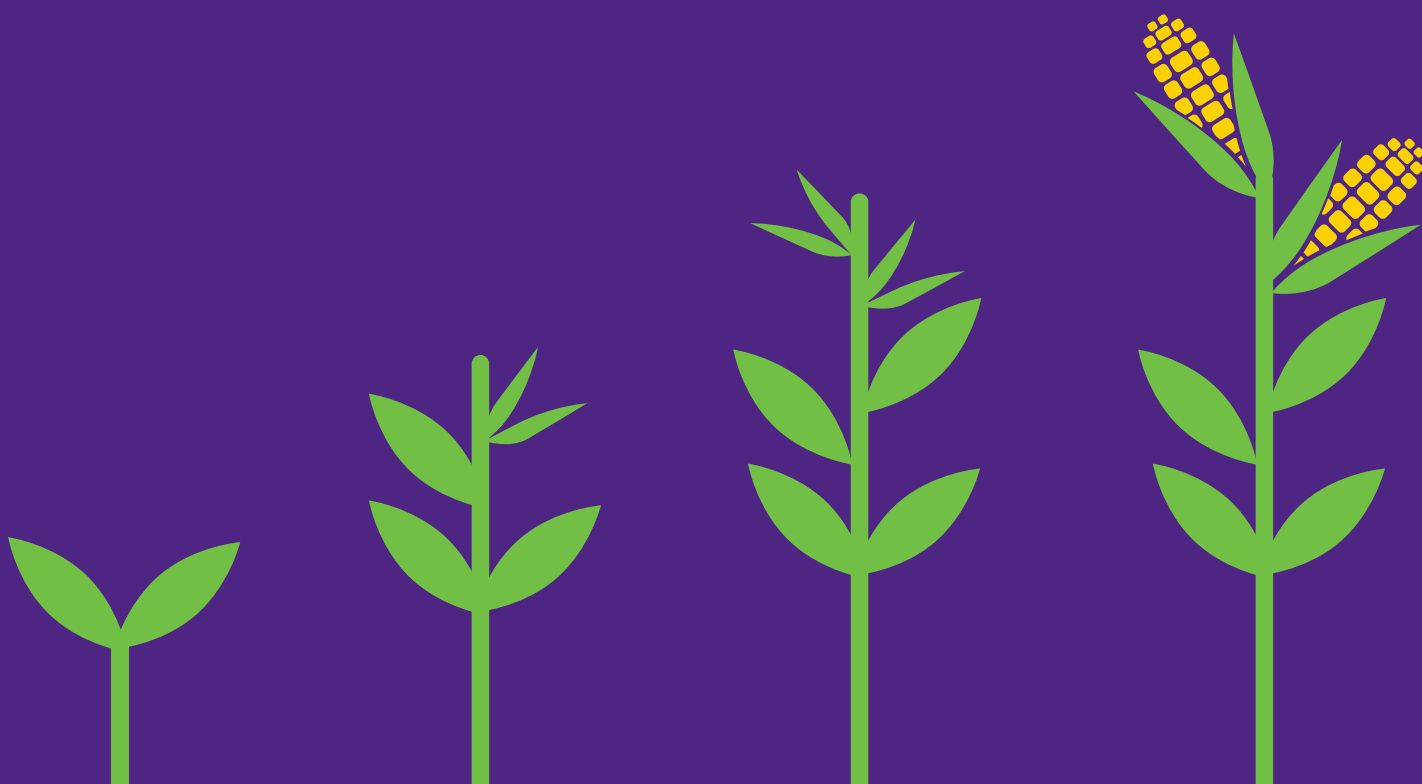
Criminal prosecution of company executives is not new in Canada. The Canadian Food Inspection Agency regularly brings charges in the criminal courts. What we haven't seen yet in this country is major prosecutions of executives after recalls or prosecutors seeking jail terms for company executives who were unaware of any violation, though I know that this has been seriously considered in at least a couple of instances.

There is also another important distinction between Canada and the U.S. We have a longstanding, if narrowly defined, defence of due diligence in cases of strict liability offences; a defence that deserves to be better known, and the subject of next month's column. 🍎

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

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Allergen and precautionary allergen labelling makeover



Not overwhelmed with regulatory modernization yet? Don't be disappointed. Health Canada and the Canadian Food Inspection Agency (CFIA) are just getting started. The June 2015 *Canada Gazette I* proposed regulations on nutrition and ingredient labelling were among the first few shots on modernization. Those are just the numbing introduction. More intoxicating changes will be served up soon. This includes the much-anticipated *Safe Food for Canadians Regulations*, and of course even more food labelling changes. Get your Alka-Seltzer ready for the modernization hangover that is coming.

The June 2015 *Canada Gazette I* also includes a makeover for allergen and precautionary allergen labelling. Allergen labelling in Canada, even though practiced voluntarily for more than 20 years, was only formally introduced in August 2012. It is not prescribed in Canadian legislation. Such statements as "May contain" can be objected to by the CFIA where they are considered misleading. Blindly making statements that a food may contain a food allergen, gluten or sulphite when there is no rationale for that, could misrepresent the character, composition or safety of the food.

Under the proposed amendments to the *Food and Drug Regulations* (FDR), precautionary allergen labelling would

for the first time be formally governed in Canada. The proposed regulations would prescribe where the statement must be located and what style of lettering, type size and background must be used. Other than how to identify food allergens, gluten sources and sulphites, the format of the statement is left to the discretion of manufacturers.

The use of an allergen contains statement on a label is not mandatory when a list of ingredients identifies all Canadian priority food allergens, gluten sources and sulphites by their common names. However, it must be prefixed with the word "Contains," must appear after the list of ingredients if included, and include all applicable food allergens, gluten sources and sulphites, even if already declared in an ingredient list.

Precautionary allergen labelling is currently voluntary. The CFIA would not object to the use of such statements as long as they are not made indiscriminately and are presented in a clear and non-misleading manner. While neither regulations nor guidelines specifically state that an allergen risk assessment must be conducted, such an assessment for practical purposes would be essential in ensuring statements are warranted.

An allergen contains statement is referred to in the proposed regulations as "food allergen source, gluten source and added sulphites statement." It still commences with the term "Contains," but it

must be bold, and in a type size at least two points larger than the remainder of the declaration, which must be at least six points. Smaller type sizes are permitted only where the nutrition facts table is also permitted to use smaller point sizes or where the available display surface of the package is 100 cm² or less. Mixed case letters must be used, and allergens, gluten sources and sulphites are to be separated by bullet points. It must appear on the same background colour, and within the box or the lines of the ingredient list, on the same continuous package surface. English must be grouped with English, and French with French.

Precautionary allergen statements would have to be shown after an allergen statement if included, or the list of ingredients if not. As with the allergen contains information, it must start on a separate line, on the same continuous surface of the package and on the same background colour as the list of ingredients. The type must be regular and the same size as that of the list of ingredients. The statement would remain voluntary. When such a statement is included it must, however, use the prescribed terminology for allergens, gluten sources and sulphites as per the FDR.

Contrast the proposed changes to the current rules that do not prescribe typeface, colour, separators, background or even type size. A type size of 1/16 inch is good enough now. Better get some extra Alka-Seltzer, this hangover is going to be around for some time. 🍷

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



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2015 GRANT THORNTON > EXECUTIVE ROUNDTABLE

THE PARTICIPANTS:

Back row (from left to right): Michael Givens, president La Rocca Creative Cakes; David Gelbloom, general counsel, Fiera Foods; Matt Larochelle, co-owner, Matt & Steve's; Michael Gazer, president Heart to Home Meals; and Jim Menzies, partner, Grant Thornton LLP.

Front row (from left to right): Rick La Ferriere, CFO, Eastern Meat Solutions; Jackie Rowe, owner, The Garlic Box; and Rosanna Lamanna, partner, Grant Thornton LLP.

Photography by Stephen Ferrie

> Food in Canada is pleased to again partner with Grant Thornton to present our annual executive roundtable. This year we've gathered executives from a range of food and beverage sectors to discuss growth and the challenges and opportunities facing processors in the Canadian industry today.

As we see it

This year, Grant Thornton once again had the honour of partnering with *Food in Canada* for its annual executive roundtable discussion — a forum designed to facilitate the sharing of views and issues within the food and beverage industry. The 2015 roundtable heard from a wide range of food and beverage companies and unearthed some interesting perspectives on the future of the industry.

On the whole, Canadian food and beverage producers continue to have a fairly optimistic perspective on their future. Growth was definitely an overarching theme in this year's discussion, due largely to the growth opportunities created by the strengthening of the U.S. market and the expansion of emerging markets



around the world. Innovative thinking, stewardship and health and wellness trends were also front and centre in the minds of many of the roundtable participants, which is in line with trends we've seen across the country.

While things are definitely looking up, the future is not without its challenges. Many of the participants acknowledged they're also dealing with some pretty significant hurdles on a day-to-day basis — challenges that go hand-in-hand with a volatile economy, global weather issues and rising commodity prices. The difficulties of finding skilled food processors — and skilled labour in general — was a common concern, as were the higher costs associated with traceability and regulatory guidelines.

Regardless, Canadian food and beverage companies are excited about what lies ahead and we share their positive views. We believe there is good reason for this optimism and we look forward to continuing to help food and beverage businesses tackle their challenges and take advantage of the opportunities that lie ahead.

Jim Menzies, CPA, CA
Global Food and Beverage
Industry Leader
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JIM MENZIES ➤ *Thank you all for being here today. Let's start by going around the room and saying a bit about yourselves and your company.*

MATT LAROCHELLE ➤ I founded a company called Matt & Steve's with my partner, Steve McVicker. We started a product in our apartment about 10 years ago now. We wanted to put something different in a Bloody Caesar — wanted to get rid of the celery stick and put in something funky, our pickled spicy bean. So fast-forward to now, our main product is the Extreme Bean. We're nationally distributed at every major retailer across Canada. We have a 20,000-sq.-ft. plant and 60 employees.

“Our big picture is sustainability and the use of more non-GMO and organic ingredients. That's what we have been and continue to work on.” —Michael Givens



RICK LA FERRIERE ➤ I'm the CFO of Eastern Meat Solutions. The company is over 50 years old and has always been an owner-managed company. We have about 100 employees and indirectly we supply one per cent of Canada's protein consumption. We have a processing plant in Brampton, Ont. that trims, cuts, grinds chicken, beef, pork, and then we also handle logistics and cold storage through our facilities in Hamilton. We pride ourselves on the way we do things, and we put a very high emphasis on culture; we empower employees, we expect them to be responsible, to be self-directed. And it's healthy, it's a great environment. ➤

MICHAEL GIVENS > I'm the president of La Rocca Creative Cakes, a family-operated company almost 30 years old now with over 200 people employed. We make cakes and other desserts for the retail and foodservice industry, and we distribute across the country. We still take daily orders for cakes, make them fresh to order and get them out to our customers for the next day. Many of our products are private label for large retailers and we also ship frozen products all over.

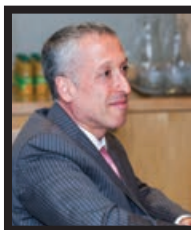
two individuals. We make bagels, croissants, Danishes, artisan breads — about three million croissants a day and about two million bagels a day are made in our facilities. We employ over 1,500 people and we manufacture between four facilities, all located in the GTA.

MICHAEL GAZER > I'm president of a company called Heart to Home Meals, which is a division of a global company based out of Germany called apetito. We have two divisions that we operate in

better-quality products that are ready-made. We are secure in what we do and we don't try to be all things to all people. We feel that there is a good demographic for us to grow our business. There are challenges in retail and in foodservice that we need to overcome; consolidation is one of the big ones. But, overall, we feel optimistic.

ROWE > Canada's food industry has got a colossal impact on the economy. We contribute a lot to the GDP, so that's reason for optimism. But, at the same time, you know, it's not the Wild West, either. You've got to measure that because there are risks to growing and complying. So we're optimistic and we're growing, but then we've also got pressure coming from the other side because our margins are thin, because the stores are larger, there are fewer players, they've got better control on your pricing. The input costs continue to go up. So we're getting squeezed in trying to find a way that we can meet the demand at that price point. So the opportunity's there; it's just navigating yourself through that risky area to make sure that you get there in a sustainable way. And we are looking at long-term sustainability for Ontario's garlic industry.

GELBLOOM > I would say that we're optimistic for the future, as well. We survived the recession and with, certainly, some trepidation during that time. But the food industry weathered the storm and I think we have access in Ontario to a stable workforce. We're lucky enough to have natural resources available to us that you don't find elsewhere. And we're also excited about the new products that we're bringing out. We seem to be getting good reactions to them and so there is cautious optimism, also very dependent on commodity pricing and labour costs. We're also operating on very thin margins so there's always a level of caution moving forward.



“Finding employees and training them and giving them the experience to get to where they can be must become a focus.”

—David Gelbloom

JACKIE ROWE > I'm the owner of The Garlic Box. We were established in 1997, initially as a seed operation for Ontario-grown garlic, which was a relatively new crop at the time. We couldn't get any traction in the market with Ontario garlic as a fresh market garlic crop, so we had to add value to it to transition from the field to the plate. We had very humble beginnings at the kitchen table. Over the years, we've evolved and found that there is traction available in the value-added side of the garlic business. And we can bring added value to the consumer through innovation. We started off with one jar of jam; today we have about 45 different SKUs. We sell right across Canada. We grow, we process, we manufacture, we market, we're very much attached to our brand and looking at bigger markets. I'm looking forward to growth for this year.

DAVID GELBLOOM > I'm general counsel for Fiera Foods Company. They are a large bakery manufacturer founded in 1987 by two Russian immigrants and still owned and operated by the same

Canada. We have a business-to-business division where we make food for hospitals, care facilities and Meals on Wheels programs. The Heart to Home Division is our consumer division and we franchise territories to entrepreneurs who deliver frozen complete meals directly to the homes of seniors. So we work with some wonderful people in an increasingly growing target market. We're very excited for what the future holds certainly with the growth of the demographic we serve. If only we could do something about the foreign exchange rate and the cost of commodity prices we'd be even happier.

MENZIES > *Grant Thornton does a lot of work with food and beverage clients, and we do see an undercurrent of optimism in the marketplace. Do those of you in the room share those views?*

GIVENS > I share your optimism. We have some of the same concerns with commodity and food prices, and rising labour costs as well. However, we are a value-added industry. The market is getting stronger with people looking for

GAZER ➤ I share the optimism. And, again, because of the demographic we serve we see tremendous opportunity. But we face the same challenges — how do we manage labour costs and commodity price increases? It's difficult because we can't just pass along all of our cost increases like some other companies or industries may be able to. So we're always looking for ways to bring technology into our company, in terms of the manufacturing process.

LAROCHELLE ➤ I'm very optimistic about the top line; the bottom lines are challenged right now. You know, we like to think everybody knows about the Extreme Bean, but that's just not the case. There is a market out there that we can still tap into in Canada. We're very pumped about that. We're starting to

ROSANNA LAMANNA ➤ *If you were to pinpoint a couple of your key success factors, what would those key success factors be?*

LAROCHELLE ➤ There are two things that I think got us to where we are today. One, which is often overlooked, is a strong partnership. Steve and I have been best friends and partners for 21 years. We're two extremely different people, but there's never been challenges within that. I've been in other businesses where you have had to look internally and fix issues or egos, and that's just very distracting. And we never had that. The second is, when we launched the brand we were very focused on what to do with it. We had a single use and in the beginning I think that is extremely important for the consumer. It was simple — take the celery stick out of the Caesar and

multiplying the acres every year. There's a lot of risk involved. So one factor that's brought us here and that's going to carry us forward, is being good stewards of the garlic industry for Ontario. And sticking to that story — we had a vision and that was to bring locally grown garlic to the marketplace, to value-added food products out of necessity. And we've been very connected with consumers to be able to adapt to changing consumer needs, so that's been key to bringing us up to this point.

GIVENS ➤ I'm in a partnership with my brother, Marty. He's our mad scientist. I'm the guy upstairs. I'm the pencil pusher. But my brother, he's all about the product. In the beginning it was all about the products. We focused on making the best product, getting it to the customer and finding out who wanted to buy what we sold. It's what built the foundation. It's who we are today. We continue to make products that, if we started the company today and jumped into it, we would never do. They are just too labour-intensive and too costly. But we do them because it's who we are. It's my job to make sure we have a broad range of products that balance that out. So our commitment to quality and our passion for food — real food — is what I think has really helped us get to where we are today.

LA FERRIERE ➤ Well, we sell product that's not branded, that's fairly unprocessed. So the thing that we sell is market know-how. We sell service. It's all about certainty of delivery, predictability, and what makes that possible for us is the people. We have a team of, I call them traders, but they're basically our purchase support group. They have years of experience that is hard to replicate. Because what we've found is that we all recognize there's consolidation going on at the retail level, and in our case, also at the primary producer level. There are fewer and fewer people who we can ➔



“The future of food is to get real again and let the consumer feel like they've got some ownership through transparency — but it's got to be in a very safe way, a compliant way.”

—Jackie Rowe

build a lot of equity in our brand, which has given us a lot of optimism. But with the Canadian dollar and rising commodity prices it is going to be a challenge in the upcoming years.

LA FERRIERE ➤ We're optimistic, both on a long-term and a short-term basis. I mean, in the long term we all deal with the same issues of cost. Margins are thin, but we supply a product that, by and large, doesn't have any obsolescence. So we can take the long view and plan for that. In the short run, our primary commodity is protein and, on average, there's been a 25-per-cent increase in price and that has put a lot of stress on the system. These pressures are now starting to come off.

put the Extreme Bean in. Because you don't really know what a pickled bean is until you try it. Now people snack with it, they make appetizers with it, and so we've evolved our focus too.

LAMANNA ➤ *Jackie, what were some of your success factors?*

ROWE ➤ Well, it was being innovative, initially, because there was no map, no business model for what we were doing. There wasn't even a commodity for Ontario garlic. We really did take it from the ground up. So we had to be good stewards of the land. We had to nurture the garlic industry through those growing pains. And we had to scale up the garlic industry — you can't just keep

have a conversation with. For us, it's created opportunity in the sense that these mid-size players, they need someone to talk to and we provide that to them. But it's a long-term vision because it literally takes 20 years sometimes just to have that depth and breadth of knowledge. EMS sells semi-processed and unbranded products. The mid-market food processors that we service have to deal with the consolidation of both their customer and supplier base. We help them by supplying raw materials, logistical services and 3PL services. Our employees enable us to create value for our customers.

GAZER ➤ I'd say for us, the number-one contributor to our success was a supportive parent. We're a privately held successful company out of Germany, and over the years our parent company has been extremely supportive. Because we have operations in many countries we have access to lots of resources, physical resources, financial and people. So that's allowed us to weather different challenges, to make long-term investments. I recognize not every company has that option, but for our purposes, it's been very helpful. We've done a lot of work working with our customers, hospitals and senior facilities to make products that our customers want. Listening to the customer, letting them drive your product development decisions, I think it's critical, certainly for our business.

GELBLOOM ➤ A lot of the same things that I've heard resonate with Fiera. They've had a focus on innovation and also a focus on the customer. The two owners like to say that they're not bakers, they're engineers and food scientists, and the product that they happen to make is bakery products. And the other key has been that focus on the customer and they, themselves, have not accepted "No" as an answer. If the customer says, "Can we get this?" their first response is, "Yes." I think that's what allowed them to build

these relationships with customers and to grow to where we are today.

MENZIES ➤ *Some of you have mentioned looking to markets outside of Canada. Where are you in terms of your approach to selling outside of the Canadian border? Is the U.S., because of our proximity, a natural place to go first?*

LA FERRIERE ➤ We currently have about 20 per cent of our sales and north of 40 per cent of our purchases coming from the U.S. The nature of our market is that we're constrained by capital because profit margins are so thin. So we have to focus on finding niche markets that are sort of inside our wheelhouse, and then sourcing and growing them. So for us that means that we could move

GAZER ➤ Because of who we deal with — the senior population — we have a whole range of special diet meals. Meals that are low-sodium or high-fibre, but also meals for people who have dysphagia, people who are struggling to swallow. So one of the biggest opportunities we see, and we have some products already, is in minced and puréed meals. And if you know somebody who's on a special diet who has to eat food that's been puréed, it's not a very appealing proposition. Generally, they don't look very good and they may not taste very good — at times it's a very humiliating experience. So we are working on a product called Shaped Purée. For instance, if you consider puréed peas, our offering will be the shaped portion that resembles a mound of peas. Or if you're having puréed beef, it looks

"The path for growth isn't through a command and control type of system; it's in creating and engendering those values in other people so that they can act autonomously in an empowered way."

—Rick La Ferriere



to the U.S. and probably spend the next 10 years focusing on growth on the sales side, and there'd still be such a depth of market that we wouldn't expend all our efforts. On the purchase side we do see openings going on in Europe.

GIVENS ➤ The U.S. is a huge opportunity for us and we're working in that market now. The new plant we built is sized to accommodate growth of our retail and foodservice customers in Canada and the U.S. Today, the growing economy and exchange rates help us a lot.

MENZIES ➤ *What about the notion of innovation? Can you help us to understand what innovation feels and looks like in your businesses?*

like slices of beef. It brings dignity, it tastes fantastic and it can be delivered or transported in a much more efficient way. And, first and foremost, for people who are on this diet, eating becomes an enjoyable experience again. It's a very complex product that we've been working on for years to perfect.

ROWE ➤ I would have to reiterate what you're saying. I think that the aging population demographic is creating innovation. You can't not be creative when you're in the food landscape and you see what's going on with the aging population, the wellness generation, the local food movement, food sovereignty and food safety, as well as food waste. So we're being very innovative within those zones and trying to meet that consumer

demand. For example, we're completely changing our structure because we're trying to manage our inventory better. Because of the nature of our business we have to harvest all of our garlic, we have to process it, stabilize it so that we can access it all year. So we're becoming more creative in that. We think the new consumer is ready for something like IQF garlic cloves. This summer we're also working on a garlic-infused salt made out of garlic scape, so that touches on food waste as we're using root to leaf consumption of the whole plant. It's highly nutritious and the consumer's ready to embrace it. It's going to be very user-friendly.

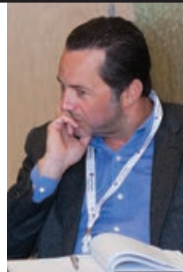
LAMANNA ➤ *While we're on the topic of sustainability and social responsibility, what are some of the opportunities, or the issues, that you have encountered in your businesses?*

LAROCHELLE ➤ Since the inception of our company we've used a special green bean called a KY flat bean. Not as many farmers grow it as your normal green bean. It's been really hard to get our hands on enough quality produce to use. And everybody, I'm sure, would agree that you have to use the quality stuff. We've gone through everything from floods, droughts, snap frosts, anything you can think of with climate change now, in our fields. And we source completely from North America. We do source from Ontario but, unfortunately, that's only a 12-week season and we have to pack fresh. It's everybody's responsibility to be socially responsible when it comes to climate change, because it has to start with those of us who are dependent on the food chain, first.

ROWE ➤ We personally invest. I mean, at The Garlic Box we're corporate members of the World Wildlife Foundation. And I do think that the consumer wants to see the transparency

of who's behind the desk. So we pay extra for recycled paper, we pay extra for paperboard. We go to a company that produces corn chips for packing that are completely biodegradable, they melt going down in the system. It's certainly not a profit centre for us, but it's part of the identification of who we are. And I think that if you don't show that you're investing in sustainability in some way, why would anyone want to invest in you? If you do your part and you show some corporate responsibility, I think that the consumer will invest in that.

“Social media has been a game-changer.... It's a direct pipeline not only for you to talk to your consumers, but for them to talk back to you in an instant.”



—Matt Larochelle

GIVENS ➤ Everyone needs to take part in this and for La Rocca the big jump was the design and building of our new plant. From rainwater harvesting, white roof installation to designing a network of vents to recapture hot air and reuse it, the building has been an ongoing project to be better stewards to our environment. Today, waste water management is top of our list. On the cake side of things, having been able to create a gluten-free line based on two of our most popular cakes has been great and many people appreciate the fact we did it and it's very successful. Our big picture is sustainability and the use of more non-GMO and organic ingredients. That's what we have been and continue to work on.

GELBLOOM ➤ I think you make a good point. For a while we were selling GMO-free bakery products, bagels, to Japan. Everything there had to be GMO-free. So you compete in that market. In the U.S., you don't have to be GMO-free, and GMO-free flour is much more expensive than your regular flour. So there's no way for a company to make that decision and say, “Okay, from now on, we're GMO-free,” and now you've got to compete against all these other manufacturers who are using the cheapest flour that they can get on the market.

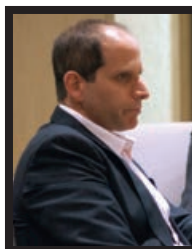
LA FERRIERE ➤ There's also the issue of transparency and food labelling. What you do find is that people are not aware of the origins of the products or the processes used. Even if there is labelling, they don't understand it. I don't think anyone would dispute that education is always a worthwhile thing. We have to collectively just tell the story, better educate people and let the consumer choose. These underlying macro issues are always going to be there. As both consumers and people in the food industry, we can promote that transparency.

MENZIES ➤ *Let's talk about corporate organizational culture. If you think about your own companies and the culture that has been created, how has it benefited you? What other effects are you seeing, or hoping will take place, culturally, within your organizations, that will make it even better?*

LA FERRIERE ➤ The culture at our company is one that not only do I support, but I would like to see grow. What it comes down to is that it's a reflection of the owners and the people who built it. It's a system built on empowerment, a lot of self-responsibility and teamwork. We have what we call our corporate charter, a document that is an aspirational statement of who we want to be. It's a document about how we want to be ➤

treated and how we want to treat other people, how we want to work together as a team. What makes it extremely important to us is its impact on our desire to grow. The path for that growth isn't through a command and control type of system; it's in creating and engendering those values in other people so that they can act autonomously in an empowered way. You cannot be everywhere at once. You cannot make all the decisions yourself. You need people to share your vision who actually have a passion for it.

GELBLOOM ➤ When Fiera started 25 years ago it was very much a family business. And over its growth period, it's managed to keep that family approach.



“Listening to the customer, letting them drive your product development decisions, I think it's critical, certainly for our business.”

—Michael Gazer

When it was smaller it was very easy...the owners were very accessible to everybody, ideas could come from anywhere for innovation, for new products, new ways to do new things. It was very easy to identify who the next leaders were in the organization, as well. And now, as we've grown to the size where we're at, we want to maintain that same family approach in which we can get ideas from everyone and identify the next leaders, and that's a lot harder now that we've grown, and we recognize that. And that, I think, is one of our challenges going forward.

GAZER ➤ I think in any business, as an employer the question is how do you create an environment that is rewarding to people who are in their 60s and people who are coming into your company in their 20s? And how do you create a place of employment that's relevant to everyone? It's not easy. We also have a

unionized manufacturing workforce, and while we have a great relationship with our union staff, it can present challenges as well. So I think solutions are being dynamic, being flexible, and understanding that communication is key — although it might be different to one group of employees than another — being persistent, and understanding that culture is not something that's a mission statement on the wall. It should change every day. It should evolve.

LAMANNA ➤ *How does your company engage with your consumers so that your product is front of mind when they walk into that grocery store or online?*

LAROCHELLE ➤ Social media has been a game-changer. We are on it. And it's funny, three years ago we didn't know what we were doing. But we got online and we started feeling the impacts of that. Now we think it's so important that my partner, Steve, manages it 24/7. It's a direct pipeline not only for you to talk to your consumers, but for them to talk back to you in an instant. So it's a huge part of our marketing platform. And social media should be real. We feel you shouldn't over-manicure it. It's social and I think people know that it's coming from Steve, even though it's under a corporate Extreme Bean banner — the personality comes out. There's a sociable authenticity to his responses to people that I think is really working.

MENZIES ➤ *What are some other significant trends that you think will impact the food industry in the near term?*

GIVENS ➤ Traceability has been a trend for a while but it's growing in importance more and more. Technology and a good ERP are key not only for manufacturing but also all business processes.

ROWE ➤ Functional foods, I think, are the future. People want a reason if they're going to eat something. It's fun, but what's functional about it? What is it doing for me? And so you've got to always be feeding that somehow. Your product has got to be functional, you've got to be selling consumers exactly what they want to create the lifestyle that they think they need to be having — whether it's through celebratory cakes, that perfect Caesar cocktail or the ultimate garlic mashed potatoes, it's got to be functional, somewhat healthy, safe, with as few added ingredients as possible so that you've got a clean ingredient deck. We're trying to do that more and more with our processes to cut back on our ingredients so that you've only got a few ingredients, so it's simple, real food. I think that the future of food is to get real again and let the consumer feel like they've got some ownership through transparency — but it's got to be in a very safe way, a compliant way.

GAZER ➤ You mentioned the word “ownership” which I think is a great word. And I would add that one of the ways ownership comes is from giving consumers the opportunity to shape the kind of foods they're going to get. So really taking consumer feedback and using social media to do that, making the consumer part of the development process so that they can embrace what you're doing. They can feel empowered that they're not just an anonymous person at the end of a Twitter handle, that the voice of a few can actually make changes in how food is made, delivered and served. So really connecting one-on-one with your consumers and letting them drive your development decisions is a trend. ➤



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MENZIES ➤ *As a final discussion point, what do you believe is either the greatest opportunity or the greatest challenge facing the food and beverage industry today?*

ROWE ➤ One of the challenges is to adopt a knowledge base, a skill set, in the food processing sector. I'm finding that there's not a lot of skilled food processors

in the labour pool to draw on. Public schools, high schools and post-secondary schools need to focus more trades on food processing, because it just doesn't exist.

GELBLOOM ➤ That's also been our challenge — identifying and finding the skilled workers. In our industry, particularly in the mixing, for example, finding

skilled workers is key. But it's not just something that you teach in school, there's an art to it, as well. So finding employees and training them and giving them the experience to get to where they can be must become a focus.

LAROCHELLE ➤ I think the opportunity is the population is growing, and I think the problem is the population is growing. It's a double-edged sword for us. Consider that in January the only place you can grow fresh produce is in Eastern North America, a half an hour south of Miami. So just think of that geographical footprint, that spot is feeding the Eastern Seaboard for the most part. So I have been educated on how fragile our fresh food supply is in the wintertime. Now, coupled with our weak Canadian dollar, think about what's happening with supply and demand. You have a very small geographical footprint where you're sourcing fresh North American-grown produce, you have increasing demand, so prices are already rising and the Canadian dollar is weak. There is going to be an issue there in the upcoming months and years for the Canadian food manufacturer that packs fresh.

LA FERRIERE ➤ Two concepts: managing change and increasing complexity. Within the whole food sphere there are more people to deal with, there are more products, more SKUs. At the same time, you're trying to manage that change, and the food sector is a very traditional industry. It is a late adopter of new technology. When we try to implement change we can only move as fast as the ability of people to absorb it, to integrate it and to internalize it. That's what we struggle with.

MENZIES ➤ *Thank you all for sharing your views and for participating in a very interesting discussion.* ●

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Luscious lavender

Many consumers are drawn to the soothing scent and flavour of lavender, but when it comes to nutrition, the popular plant may not have much to add

Whether you love the heady scent of lavender or not, you've been touched by the plant in some way. Lavender's essential oil is widespread in the perfume and cosmetics industry. It's possible, says Soheil Mahmoud, that if you went to any hotel and looked at the shampoos, creams or soaps, you could find lavender.

Mahmoud is a plant scientist and associate professor at the University of B.C. He is part of a research program that studies lavender, mainly how it makes essential oils. His team is also looking at how to enhance oil yield and composition. In addition, Mahmoud and his team are the creators of the BCLavenderNet.ca site.

Mahmoud explains that lavender has been used in cosmetics and for hygiene for centuries, since Roman times in fact. Today the essential oil is big business with major perfume companies purchasing it in tons. "About 2,000 to 3,000 tons of lavender essential oils are produced around the world and marketed all over," says Mahmoud. "Almost everyone is exposed to it in one form or another. It is a big part of the economy."

What is it?

According to BCLavenderNet.ca, lavenders are a diverse group of species in the



mint family. Three varieties are primarily grown commercially: English lavender, Spike lavender and Lavandin. Each variety has its own particular essential oil composition. English lavenders are ideal for culinary purposes and aromatherapy, while both English lavender and lavandin are used in fragrances and perfumery. Spike lavender oils generally have medicinal value.

How is lavender used?

The U.S. National Library of Medicine's (NLM) website says lavender is used for myriad ailments in a variety of ways: it can be inhaled, applied to the skin, consumed, used in bath water and in pharmaceutical products. Consumers use it for restlessness, insomnia, nervousness, depression, digestive complaints, headaches, toothaches, joint pain, sprains, hair loss, acne, to repel insects, and fight cancer. The Natural Medicines Comprehensive Database rates lavender's effectiveness as a treatment for many of these ailments — based on scientific evidence.

Lavender is also used in food mostly as a flavour component. The oil also does seem to have sedating effects and might help to relax certain muscles. The NLM notes that



lavender is "likely safe" for most adults in food amounts.

What are the benefits of lavender?

Mahmoud says there are three characteristics of lavender that make it beneficial. One is visual. The second is its scent. Third is the plant's colour, which is made of compounds that are known to be potent antioxidants. "However," says Mahmoud, "the bulk of the positive effects come from the essential oils, the antioxidants are a minor feature."

So it's no wonder that one of lavender's biggest uses is in aromatherapy. In food it's a small player. Although the Summer Fancy Food Show in New York City in June this year showcased lavender in products such as ice creams, beverages, jams, spreads, cheeses, chocolate bars and caramel sauces.

Can you formulate with it?

When formulating with lavender manufacturers should be aware that it can impart a bitter overtone. It can also overpower other flavours or get lost in a product.

According to Mahmoud, finding an ideal way to use lavender for consumption depends on what the manufacturer wants to do. "If you want to enhance the flavour of food, you can simply add a little bit of dried lavender flower or a small amount of essential oil and mix it in," he says. 🍯

top 100

Canadian food & beverage processors

COMPANY	2014 Sales (\$000s)	2013 Sales (\$000s)	2013-2014 Sales Growth	Exports as % of Sales	Employees
1. Saputo Inc. *	9,232,889	7,297,677	27%	–	12,700 approx.
2. McCain Foods Limited	7,592,000	7,402,000	3%	–	17,000
3. Kraft Canada Inc.	6,417,157 E	7,472,952 E	-14%	–	7,100 E
4. La Coop fédérée	5,376,073	5,185,952	4%	22%	10,202
5. Agropur Co-operative *	4,662,270	3,843,920	21%	–	8,000
6. Maple Leaf Foods *	3,157,200	4,406,400	-28%	–	12,000 approx.
7. Cott Corporation *	2,590,019	2,248,328	15%	–	3,966 worldwide approx.
8. Nestlé Canada Inc.	2,300,000	2,300,000	0%	2.5%	3,800 approx.
9. Molson Canada 2005	2,209,547	2,087,058	6%	N/A	3,100 (Canada)
10. George Weston Limited *	1,923,000	1,812,000	6%	–	200,000+
11. Olymel L.P.	1,749,014 E	1,868,238 E	-6%	–	10,793 E
12. SunOpta Inc. **	1,373,943	1,174,640	17%	95% (non-Canadian sales)	1,754
13. AGT Food and Ingredients Inc.	1,360,000	1,100,000	24%	95%	950 worldwide
14. High Liner Foods Incorporated *	1,295,272	1,017,117	27%	–	1,652 E
15. Premium Brands Holdings Corporation *	1,241,656	1,072,737	16%	–	3,000 approx.
16. Lassonde Industries Inc.	1,181,026	1,040,209	14%	<10%	2,100
17. Kellogg Canada Inc.	767,632 E	894,832 E	-14%	–	850 E
18. Gay Lea Foods Co-operative Limited	662,000	563,000	18%	9%	820
19. Sunrise Farms	562,600	501,000	12%	3%	2,100
20. Rogers Sugar Inc. *	532,295	558,438	-5%	–	550 E
21. Mondelez Canada Inc.	525,246 E	553,202 E	-5%	–	3,600 E
22. Exceldor Cooperative Avicole	494,000	476,000	4%	5%	1,800
23. Legumex Walker Inc. *	467,947	433,567	8%	–	–
24. Maple Lodge Farms Ltd.	463,095 E	441,795, E	5%	–	2,200 approx.
25. Clearwater Seafoods Limited *	444,742	388,659	14%	–	1,500 E
26. Unilever Canada Inc.	440,912 E	451,394 E	-2%	–	3,400 E
27. H.J. Heinz Company of Canada Ltd.	399,379 E	442,182 E	-10%	–	2,000 E

The Top 100 is not an all-inclusive list. This year's list includes figures from Dun & Bradstreet Inc., from some of the companies directly and, where available, from company annual reports. For figures reported in U.S. dollars, we used BankofCanada.ca to convert them to Canadian currency. **Please contact Dun & Bradstreet with questions regarding their figures and methodology. W: www.dnb.ca E: customercarecan@dnb.com T: (800) 463-6362** *If you would like to be considered for next year's Top 100, please contact Carolyn Cooper at ccooper@foodincanada.com.*

* = Annual Report

** = SunOpta: Revenue figures restated for 2010-2014 to remove fibre business

*** = Dainty Foods: Figures for the nine months ended Nov. 2014 and Nov. 2013

E = Estimate

Website	Top Brands	Ownership	Major Shareholder
www.saputo.com	Saputo, Trutaste, Dairy oh!, Milk2Go, Dairyland, Neilson, Alexis de Portneuf, De Lucia, Dragone, DuVillage 1860, Baxter, Vachon, Rondeau, Hostess, Igor, Jos Louis, hop&go, Frigo	Public	Gestion Jolina Inc.
www.mccain.ca	McCain Superfries, International Thin Crust Pizza, Pizza Pockets, McCain Juices	Private	McCain Family
www.kraftcanada.com	KD, Stove Top, Philadelphia, Oscar Mayer, Certo, peanut butter, Singles, Cracker Barrel, Cheez Whiz, P'tit Québec, Nabob, Crystal Light, Jell-O, Mio, Cool Whip, Mayo, dressings	Private	Kraft Foods Inc.
www.lacoop.coop	Pork and poultry meat, farm products	Private	97 co-operatives
www.agropur.com	Natrel, Québon, Oka, iögo, Island Farms, Sealtest, Agropur Signature, Farmers, Olympic, Grand Cheddar, Dyna Moo	–	3,400 co-op members
www.mapleleaf.ca	Maple Leaf, Prime, Schneiders Country Naturals, Natural Selections, Mina Zabeha by Hand	Public	McCain Capital Corporation, West Face Capital
www.cott.com	Cott, Vess, Vintage, Red Rain, Stars & Stripes, So Clear, Chadwick Bay, Exact, RC, Harvest Classic	Public	–
www.nestle.ca	Lean Cuisine, Stouffer's, Delissio, Nescafé, Nesquik, Häagen-Dazs, Gerber, Powerbar, Kit Kat, Aero, Coffee Crisp, Smarties	Private subsidiary of public company	Nestlé S.A.
www.molsoncoorscanada.com	Canadian, Export, Coors Light, Molson Dry, Rickard's, Carling, Molson Canadian 67, Coors Banquet, Molson Canadian Cider	Private	Molson Coors Brewing Company
www.weston.ca	Weston, Wonder+, D'Italiano, Country Harvest, Gadoua, ACE Bakery, Ready Bake, Maplehurst, Interbake Foods, All But Gluten	Public	–
www.olymel.com	Smart Nature, Olymel bacon, chicken products, cooked and sliced meats, hams, deli and meat counter products, wieners	Private	–
www.sunopta.com	–	Public	Wellington Management Group LLP, Daruma Capital Management LLC
www.alliancegrain.com	CLIC, Arbella, Saskcan, Arbel	Public	Murad Al-Katib, widely held
www.highlinerfoods.com	High Liner, Fisher Boy, Mirabel, Sea Cuisine, C. Worthy & Co	Public	–
www.premiumbrandsholdings.com	Harvest Meats, Creekside, Harlan's, Hempler's, Hygaard, Duso's, Piller's, Freybe, Grimm's, Premium Seafood, Audrey's	Public	–
www.lassonde.com	Oasis, Fruite, Allen's, Rougemont, Fairlee, Everfresh, McCain, Canton, Antico, Apple & Eve	Public	Pierre-Paul Lassonde
www.kellogg.ca	All-Bran, Pop-Tarts, Special K, Eggo, Rice Krispies, Nutri-Grain, Vector Bars, Mini-Wheats, Corn Pops, Froot Loops	Private	Kellogg Company
www.gaylefoods.com	Gay Lea, Lacteeze, Nordica, Ivanhoe, Salerno, Hewitt's	Co-operative	Dairy farmers in Ontario
www.sunrisepoultry.com	Select Servings, Simply Poultry	Private	Shoore Family
www.lantic.ca	Rogers, Lantic	Public	–
www.mondelezinternational.com	Chips Ahoy!, Oreo, Ritz, BelVita, Wheat Thins, Triscuit, Nabisco, Cheese Nips, Cadbury, Toblerone, Tang, Philadelphia, Grand Mere	Private	Mondelez International Inc.
www.exceldor.com	Exceldor, Victor, White Rock	Private	Co-operative
www.legumexwalker.com	Pulses, canola	Public	–
www.maplelodgefarms.com	Maple Lodge Farms chicken bacon and deli meats, sliced packaged meats, frozen boxed meats, wieners, Zabiha Halal	Private	Family owned
www.clearwater.ca	Clearwater premium hardshell lobster, Prime lobster, scallops, clams, Snow crab, masago	Public	–
www.unilever.ca	Becel, Ben & Jerry's, Knorr, Lipton Tea, Popsicle, Breyers, Ragú, Hellmann's, I can't believe it's not butter, Klondike	Private	Unilever PLC
www.heinz.ca	Heinz, A1 Sauce, Arthur's Smoothies, Bravo, HP Sauce, Lea&Perrins, Renée's, Diana Sauce, TGI Fridays, SmartOnes	Private	H.J. Heinz Holding Corp

COMPANY	2014 Sales (\$000s)	2013 Sales (\$000s)	2013-2014 Sales Growth	Exports as % of Sales	Employees
28. Catelli Foods Corporation	320,000	235,000	36%	7%	295
29. Biscuits Leclerc Ltd.	313,000	280,000	12%	27%	760
30. Andrew Peller Limited *	297,824	289,143	3%	–	1,189 E
31. Weetabix of Canada Limited	234,799 E	273,922 E	-14%	–	260 E
32. Post Foods Canada Corp.	203,194 E	237,013 E	-14%	–	225 E
33. Del Monte Canada Inc.	190,815 E	166,462 E	15%	–	180 E
34. Fearman's Pork Inc.	178,289 E	190,692 E	-7%	–	1,100 E
35. Granny's Poultry Cooperative Ltd.	165,000	162,000	2%	3%	500
36. Barry Group Inc.	157,768 E	221,734 E	-29%	–	1,000 E
37. Hershey Canada Inc.	155,625 E	153,782 E	1%	–	1,600 E
38. Golden Valley Foods Ltd.	152,033	142,208	7%	0%	125
39. Amalgamated Dairies Limited	151,000	135,000	12%	1%	250+
40. Ultima Foods	137,630 E	135,949 E	1%	–	700 E
41. Corby Distilleries Limited *	137,279	132,743	3%	–	19,000 worldwide
42. Richardson Oilseed Limited	136,657 E	147,056 E	-7%	–	240 E
43. Scotsburn Co-operative Services Ltd.	130,000	267,000	-51%	N/A	375
44. General Mills Canada Corporation	129,661 E	131,051 E	-1%	–	1,000 E
45. Quinlan Brothers Ltd.	126,151 E	180,806 E	-30%	–	800 approx.
46. Silani Sweet Cheese Limited	109,424 E	72,824 E	50%	–	200 E
47. Super-Pufft Snacks Corp.	105,532 E	–	–	–	250 E
48. Burnbrae Farms Ltd.	100,000+	100,000+	0%	<5%	900+
49. Dare Foods Limited	97,748 E	96,078 E	2%	–	1,400 E
50. Peak of the Market	88,510	69,926	27%	25%	51
51. Danone Inc.	88,411 E	87,335 E	1%	–	450 E
52. Sun Rich Fresh Foods Inc.	86,761 E	100,879 E	-14%	–	1,200 E
53. Sunny Crunch Foods Holdings Ltd.	81,317 E	74,843 E	9%	–	90 E
54. La Coop Agrilait	79,371 E	37,120 E	114%	–	145 E
55. Ferrero Canada Limited	77,819 E	76,863 E	1%	–	800 E
56. Oxford Frozen Foods Limited	70,810 E	100,589 E	-29%	–	600 E
57. Hallmark Poultry Processors Ltd.	67,735 E	–	–	–	400 E
58. Voortman Cookies Limited	66,918 E	66,100 E	1%	–	450 E
59. Ten Peaks Coffee Company Inc. *	66,180	53,873	23%	–	–
60. Associated Brands Inc.	64,874 E	66,415 E	-2%	–	500 E
61. Pinty's Delicious Foods Inc.	64,393 E	63,608 E	1%	–	500 E
62. Vantage Foods Inc.	60,008 E	64,081 E	-6%	–	370 E
63. Les Industries Bernard & Fils Ltée	60,000 E	60,000 E	0%	80%	50 E
64. Northumberland Cooperative Limited	58,949 E	58,227 E	1%	–	300 E

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Website	Top Brands	Ownership	Major Shareholder
www.catelli.com	Catelli Pasta, Healthy Harvest, Smart, Lancia, Bistro, Splendor, Ronzoni, Minute Rice, Olivieri Fresh Pasta	Public	Ebro Foods
www.leclerc.ca	Vital, Celebration, Chocomax, Quattro, Choco, Praeventia, Tradition 1905, Muffin Max, Momento, Go Pure	Private	Leclerc Family
www.andrewpeller.com	Peller Estates, Hillebrand, Trius, Thirty Bench, Sandhill, Copper Moon, Calona Vineyards Artist Series VQA, Red Rooster	Public	Jalger Limited
www.weetabix.ca	Weetabix, Grainshop, Alpen, Barbara's Bakery	Private	Latimer Newco 2 Ltd.
www.postfoods.ca	Post cereals, Alpha-Bits, Grape-Nuts, Great Grains, Honey Bunches of Oats, Honeycomb, Cranberry Almond Crunch	Private	Post Holdings Inc.
www.delmontecanada.com	Del Monte, Aylmer	Private	ConAgra Foods Inc.
www.fearmans.com	Pork products	Private	–
www.grannys.ca	Granny's chicken and turkey products	Private	Widely held
www.barrygroupinc.com	groundfish, FAS groundfish, pelagics, shellfish	Private	–
www.hersheycanada.com	Hershey's, Brookside, Twizzlers, Oh Henry!, Reese, Chipits, Jolly Rancher, Pot of Gold, Ice Breakers, Skor, Hershey's Kisses	Private	The Hershey Company
www.goldenvalley.com	Golden D eggs, Premium eggs, Organic eggs, Born 3 eggs, Free Run eggs, Canadian Harvest Brown eggs, Liquid eggs	Private	N/A
www.adl.ca	ADL, Perfection, Olympia	Co-operative	N/A
www.ultimayog.ca	iögo, Olympic	Private	–
www.corby.ca	Wiser's, Canadian whisky, Lamb's rum, Polar Ice, McGuinness liqueurs	Public	–
www.richardson.ca	Oils, sprays, margarines	Private	James Richardson & Sons Limited
www.scotsburn.com	Scotsburn	Private	Co-operative
www.generalmills.ca	Nature Valley, Cheerios, Green Giant, Old El Paso	Private	General Mills Inc.
www.quinlanbrothers.com	Snow Crab, Cold water shrimp, groundfish and pelagics, squid, Crab au Gratin	Private	–
www.silaniecheese.com	Cheese	Private	–
www.superpufft.com	Private label snacks and beverages	Private	–
www.burnbraefarms.com	Naturegg Omega 3, Naturegg Simply Egg Whites, Egg Creations, Naturegg Omega Plus, Burnbrae Farms	Private	Hudson Family
www.darefoods.com	Bear Paws, Simple Pleasures, Viva Puffs, Wagon Wheels, Traditions, Breton, Melba Toast, Grissol, Bread Sticks	Private	–
www.peakmarket.com	Peak of the Market	Private	Peak of the Market growers
www.danone.ca	Oikos, Coolision, Activia, Danino, DanActive, Silhouette, Danone	Private	Danone Euronext Paris
www.sun-rich.com	Fresh-cut fruit for retail and foodservice	Private	–
www.sunnycrunch.ca	Sunny Crunch cereals and bars, private label	Private	–
www.agrilaitcoop.com	Milk, butter, cheese	Co-operative	–
www.ferrero.ca	Tic Tac, Nutella, Ferrero Rocher, Kinder, Raffaello	Private	Ferrero International SA
www.oxfordfrozenfoods.com	Wild blueberries, cranberries, carrots, appetizers	Private	Tidnish Holdings Limited
www.hallmarkfarms.ca	JD Sweid Foods, Heritage Farms	Private	–
www.voortman.ca	Voortman cookies, turnovers, wafers, sugar-free, omega-3	Private	–
www.tenpeakscoffee.ca	Decaffeinated coffee	Public	–
www.associatedbrands.com	Private label, co-manufacturing, Neilson desserts and beverages, Prairie Maid cereal	Private	Treehouse Foods Inc.
www.pintys.com	Pinty's chicken products	Private	–
www.vantagefoods.net	Fresh and ground meat products, sausage products	Private	–
www.bernards.ca	Old Fashioned Maple Crest, Bernard	Private	Bernard Family
www.northumberlanddairy.ca	Northumberland dairy products	Co-operative	–

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*** = Dainty Foods: Figures for the nine months ended Nov. 2014 and Nov. 2013
 E = Estimate

COMPANY	2014 Sales (\$000s)	2013 Sales (\$000s)	2013-2014 Sales Growth	Exports as % of Sales	Employees
65. Nutrinor Coopérative Agro-Alimentaire Du Saguenay Lac St-Jean	58,949 E	58,227 E	1%	–	300 E
66. True North Salmon Co. Ltd.	58,556 E	–	–	–	350 E
67. The Allan Candy Company Limited	53,493 E	52,846 E	1%	–	550 E
68. Boulangerie Gadoua Ltée	52,421 E	51,503 E	2%	–	750 E
69. Country Ribbon Inc.	51,941 E	49,484 E	5%	–	325 E
70. Dainty Foods, division of MRRM (Canada) Inc. ***	48,005	45,401	6%	–	110 approx.
71. Tignish Fisheries Co-operative Association Limited	47,273 E	66,487 E	-29%	–	300 E
72. GraceKennedy (Ontario) Inc.	45,000 E	45,000 E	0%	0%	48
73. Steam Whistle Brewing	43,500	38,900	12%	0%	174
74. Plaisirs Gastronomiques Inc.	42,802 E	43,813 E	-2%	–	330 E
75. Margarine Golden Gate-Michca Inc.	36,963 E	39,205 E	-6%	–	65 E
76. Big Rock Brewery Inc. *	36,755	41,587	-12%	–	–
77. Brick Brewing Co. Limited *	36,333	37,674	-4%	–	–
78. Aliments Krispy Kernels	35,000 E	35,000 E	0%	2%	250
79. Just Quality International	35,000	25,000	40%	90%	10
80. R. Denninger Limited	34,340 E	25,553 E	34%	–	300 E
81. Inovata Foods Corp.	34,337 E	–	–	–	250 E
82. Freshwater Fish Marketing Corporation	34,044 E	71,900 E	-53%	–	216 E
83. To-Le-Do Foodservice	32,150	30,500	5%	0%	48
84. Ganong Bros. Limited	31,618 E	31,224 E	1%	–	325 E
85. Walcan Seafood Ltd.	30,251 E	33,633	-10%	–	175 E
86. G.E. Barbour Inc.	30,000 E	26,000	15%	5%	100
87. Organic Meadow Ltd.	30,000 E	30,000 E	0%	N/A	30
88. Canards Du Lac Brome Ltée	27,134 E	25,940 E	5%	–	170 E
89. Smucker Foods of Canada Corp.	26,804 E	–	–	–	350 E
90. Baxters Canada Inc.	26,295 E	–	–	–	170 E
91. Earth's Own Food Company Inc.	25,287 E	23,707 E	7%	–	28 E
92. Paturel International Company	25,188 E	31,321 E	-20%	–	160 E
93. TWI Foods Inc.	25,000	24,000	4%	60%	200 +
94. Handi Foods Ltd.	24,600	23,300	6%	60%	135
95. English Bay Batter (Toronto) Inc.	23,605 E	–	–	–	150 E
96. France Délices Inc.	22,188	22,228	<-1%	32%	200
97. Aliments Fontaine Santé Inc.	20,712 E	21,235 E	-2%	–	160 E
98. Reinhart Foods Ltd.	18,188 E	21,253 E	-14%	–	140 E
99. Dairytown Processing Ltd.	17,313 E	17,100 E	1%	–	88 E
100. Rogers Foods Ltd.	13,918 E	–	–	–	101 E

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Website	Top Brands	Ownership	Major Shareholder
www.nutrinor.com	Nutrinor dairy products	Co-operative	–
www.truenorthsalmon.com	True North salmon products	Private	Cooke Aquaculture Inc.
www.allancandy.com	Allan, Saybon	Private	–
www.gadoua.qc.ca	Gadoua, Melleux, MultiGo, Pain de ménage	Private	George Weston Limited
www.countryribbon.com	Country Ribbon, Pinehill, Lunchtime; fresh, frozen, breaded and deli chicken products	Private	–
www.mrrm.ca	Dainty, Royal, World Classics, Ideal, Rice Now!, Time-Wise, MRRM, Eagle, Super, Dainty Conditioned	Public	–
www.royalstarfoods.com	Lobster products	Co-operative	–
www.gracefoods.ca	Grace, Mili, Dunn's River	Public (Jamaica)	GraceKennedy Ltd.
www.steamwhistle.ca	Steam Whistle Pilsner	Private	Greg Taylor, Cam Heaps
www.plaisirsgastronomiques.com	Plaisirs Gastronomiques pot pies, puff pastries, quiches, salads, sandwiches, salad spreads, deli, sausages	Private	Groupe Financier Beauvais Inc.
www.goldengatemargarine.com	Crystal, Mirage	Private	–
www.bigrockbeer.com	Big Rock beers	Public	–
www.brickbeer.com	Seagram, Waterloo, Laker, Formosa, Red Cap, Red Baron	Public	–
www.krispykernels.com	Krispy Kernels, Yum Yum, Viva	Private	Denis Jalbert
www.jqinternational.com	Arctic Harvest, Global Growers, Just Quality, Veggitos, CinnaStirs	Private	Yupeng Liu
www.denningers.com	Meat, deli, sausages, specialty foods	Private	–
www.inovatafoods.com	Private label	Private	–
www.freshwaterfish.com	Freshwater Fish	Federal government crown corporation, not subsidized	–
www.toledofoodservice.ca	Certified Angus Beef, To-Le-Do Foodservice label portion control meat products (beef, pork, veal, lamb and bison)	Private	Leigh and Barb Young
www.ganong.com	Ganong chocolates, candy bars, truffles, Chicken Bones	Private	DAG Holdings Inc.
www.walcan.com	Seafood	Private	–
www.barbours.ca	King Cole, Barbours	Private	Sylvia MacVey
www.organicmeadow.com	Organic Meadow and private-label dairy products	Private	Organic Meadow farmers
www.canardsdulacbrome.com	Canards Du Lac Brome duck products	Private	–
www.smuckerfoodservice.ca	Smucker's, Double Fruit, Good Morning, Dickinson's, Jif peanut butter	Private	The JM Smucker Company
www.baxterscanada.ca	Baxters soups	Private	W.A. Baxter & Sons (Holdings)
www.earthsown.com	So Good, So Nice, Almond Fresh, ryza, Sunrise Brand Soy Beverage, YÜ Organic Rice beverages	Private	–
www.eastcoastseafood.com	Lobster and seafood products	Private	American Holdco Inc.
www.crispyjustbaked.com	Crispy	Private	Ali Kizilbash
www.pitagourmet.net	Mr. Pita, Pita Gourmet, Pita Puffs, Uncle Georges, Handi	Private	George Haddad
www.englishbaycookies.com	Private label, foodservice	Private	–
www.francedelices.com	Quali-Desserts	Private	Durot Family
www.fontainesante.com	Fontaine Santé dips, spreads, sauces, salads, appetizers, végépâtés	Private	–
www.reinhartfoods.com	Reinhart vinegar, Allen's, Daltons, Jaffa, Glace fruit, pie fillings	Private	–
www.dairytown.com	Private label, Dairytown dairy products	Private	–
www.rogersfoods.com	Rogers flour, granola, cereal and oats, bran and germ	Private	Nisshin Seifun Group Inc.

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A Year in Review

BY DOUG BURN

The value of shipments of Canada's food and beverage manufacturers increased by \$6.5 billion (6.8 per cent) to \$102.1 billion in 2014, following a \$2.3-billion increase in 2013.

Adjusted for price increases, the real value of shipments increased by four per cent in 2014, following a two-per-cent increase in 2013. Real value added increased by five per cent in 2014, following no increase in 2013.

Food and beverage shipments maintained the pace in the last half of the year and were beginning 2014 on a strong note. The value of shipments increased by seven per cent for the six months ended January 2015, compared to the year earlier period.

Over a third of the increased shipments were exported. Exports expanded by \$2.4 billion (10 per cent) to \$27.8 billion. Imports increased by \$2.6 billion (10 per cent) to \$28.9 billion. The increase in imports captured 38 per cent of the \$6.8-billion (seven-per-cent) growth in the domestic market to \$103.5 billion. The trade deficit rose to \$1.1 billion in 2014, from \$900 million in 2013.

7% The value of shipments increased by seven per cent for the six months ended January 2015, compared to the year earlier period.

International Trade

In the last decade imports have grown their share of the domestic market to 27 per cent from 21 per cent in 2005. Over the same period the U.S. has increased its share of our imports to 60 per cent (from 56 per cent), as manufacturers have consolidated production on a North American basis. In 2014 our imports from the U.S., Italy and China grew by an average of nine per cent, while those from France, Thailand

A LOOK AT THE
ECONOMIC
FACTORS
AFFECTING
BUSINESS TODAY
AND BEYOND

and Brazil grew by an average of one per cent. Our imports from Australia, Mexico and India grew by 28 to 36 per cent to \$1.5 billion. Combined, our imports from these nine countries accounted for 80 per cent of our total imports in 2014.

Canada's food and beverage exports today account for 27 per cent of our shipments, compared to 25 per cent in 2005. Over the decade China and Hong Kong have overtaken Japan as our second largest export market after the U.S., which accounts for 71 per cent our exports.

The Industry

Food and beverage industry employment declined by 1,600 persons (0.6 per cent) to 246,400 in 2014, as the industry continued to consolidate and rationalize. Yet at the same time the average number of hours worked by hourly paid workers increased by 0.7 hours (two per cent) to 36.2 hours per week including overtime. Value added per employee increased by \$6,000 (5.6 per cent) to \$111.7 million per year.

Capacity utilization increased by 3.3 points to 79.1 per cent in the food industry, fully offsetting the declines of the last two years. Capacity utilization in the beverage industry rose by 3.4 points to 77.8 per cent, its highest level

27% Canada's food and beverage exports today account for 27 per cent of our shipments, compared to 25 per cent in 2005.





since 2005. Capital investments rose by \$100 million (five per cent) in 2014 to \$1 billion, following increases of four per cent and six per cent in 2012 and 2013.

Costs & Prices

Manufacturers benefited from falling prices for grains and edible oils, with hard wheat prices down 14 per cent and canola prices down 27 per cent from 2013. Pork prices, however, rose 19 per cent due to the PED virus, and beef prices by 20 per cent due to limited supplies. Cocoa prices rose 26 per cent and coffee bean prices by 44 per cent. Crude oil prices averaged US\$93 per barrel (a five-per-cent decrease) for the year, but plunged 40 per cent between June and

December to US\$60 a barrel before ending March down a further \$10 to US\$50. Natural gas prices increased by 53 per cent to US\$4.56 per million BTU.

Retail prices for food and beverages increased by 4.8 per cent in 2014 — compared to 2.5 per cent in 2013 — as the cost of imports rose with the decline in the Canadian dollar. In the first two months of this year prices were on average 4.8 per cent higher than the same period of 2014. Prices paid to food manufacturers closely matched consumer prices, rising by 5.1 per cent in 2014 following a 3.7-per-cent rise in 2013.

Consumer Demand

The foodservice sector led domestic demand growth for the third year in a row as consumer spending on away-from-home meals grew by \$2.8 billion (five per cent) in 2014 to \$57.6 billion. The foodservice industry spends about one third of its receipts on food purchases, or about \$20 billion annually. The retail value of food purchased from stores rose \$3.8 billion (3.4 per cent) to \$117 billion, following a 2.5-per-cent increase in 2013.

Over the last decade supermarkets have lost market share of food and beverage spending to mass merchandisers. A decade ago they captured 87 per cent of spending, as compared to 80 per cent in 2014. Mass merchandisers, led by Walmart Canada, have grown their share to 15 per cent from nine per cent. In 2014, food and beverage sales through supermarkets increased

4.8% In the first two months of this year prices were on average 4.8 per cent higher than the same period of 2014.

by 1.8 per cent to \$91.9 billion, while those through mass merchandisers rose by close to 7.9 per cent to \$17.1 billion.

The Outlook

Canada's exports should continue their growth of 2014 but at a reduced pace. Last fall, Export Development Canada forecast five-per-cent growth in food and beverage exports in 2015 following 11-per cent-growth in 2014. Although the OECD forecasts slow growth in many major markets this year, the U.S., Mexican, Indian and Chinese economies are expected to grow by three-, four-, six- and seven-per cent respectively. We won't soon lose our exchange rate benefit as BMO Capital Markets Economics forecasts the Canadian dollar to average US\$0.79 for the remainder of this year, with a gradual rise through 2016 to US\$0.83 in the fourth quarter.

1.9% At home, BMO forecasts weak economic growth of 1.9 per cent this year, compared to 2.5 per cent in 2014.

At home, BMO forecasts weak economic growth of 1.9 per cent this year, compared to 2.5 per cent in 2014. But there are positive signs. The unemployment rate in the first two months of the year was 6.7 per cent, compared to the 12-month average of 6.9 in 2014. The Conference Board of Canada reported at the end of March that despite the poor economic news of recent months consumer confidence was up 12.9 points to 108.5 (2014 = 100). Last summer, the Board forecast 2.7-per-cent real (after inflation) growth for the industry in 2015, following 4.9-per-cent growth in 2014, with profit margins falling back to 2013 levels of 4.3 per cent. Late last year the NPD Group's Robert Carter forecast foodservice demand, after price inflation, to equal that of 2014. ●



Water world

BY DON DOULOFF

Healthy, creatively flavoured plant-, fruit- and vegetable-based waters address consumers' thirst for novelty and functionality

There was a time when water was strictly utilitarian. Available plain (and plain only), it was a thirst quencher — virtuous and uncomplicated. Those days, however, are long gone, as manufacturers, catering to consumers' thirst for new experiences, are bringing a dizzying array of plant-, fruit- and vegetable-based flavours to market. Previously mousey water is now va-va-voom sexy.

Number one is coconut water, which has been “explosive in recent years” and is “still the market leader,” says Rob Luscombe, grocery/whole body buyer for Whole Foods Market's Ontario stores. The numbers tell the tale, as coconut water recorded sales of more than \$27 million from July 2013 to July 2014, according to a report commissioned by Tetra Pak.

Moreover, the drink — made from the clear, sweet liquid found inside young, green coconuts that is naturally rich in potassium and other electrolytes that are key to rehydration —

has been incorporating new flavours such as mango and coconut, says Luscombe. Even orange juice is getting into the act. Witness Simply Orange with Coconut Water, which hit the market this past March.

One of the first brands to introduce coconut water to the Canadian market, the Grace line, made by Kingston, Jamaica-based GraceKennedy, is now introducing a carbonated version. Grace Sparkling Coconut Water will be available in Original and three fruit-infused flavours — lemon, pomegranate and mango — and joins the company's pure coconut water and the version containing pieces of young coconut.

But coconut water is just the tip of the iceberg. “Consumers are seeking novel tastes, especially when replacing products which may have had the same flavour profiles for years,” says Amy Visser, senior market consultant at Zenith International, a U.K.-based consultant to the food and drink industries. “Thanks to social media, consumers can respond directly to companies and this is having an effect on the market.”



To that end, “consumers have reached out through social media to ask Clearly Canadian to bring back its flavoured waters, which left the market in 2009,” says Visser, who adds that more than 30,000 cases have already been pre-sold in blackberry, cherry, peach and raspberry.

Besides ready-to-drink products, water-enhancer super concentrates “are growing in popularity as well,” says Visser. Coca-Cola’s Dasani has introduced Dasani Drops, “with familiar favourites such as pink lemonade, mixed berry and grape, but also cherry-pomegranate. We can expect to see additional flavours and new market entrants as this category heats up.”

Visser notes that “consumers remain particularly price-sensitive and that is a constraint. Taste is foremost and reduced calorie content is also a factor. There is a smaller segment seeking to avoid artificial sweeteners and those consumers have the choice of sugar-sweetened or unsweetened flavoured products. While standard fruit flavours can be expected to prevail, we expect to see continuing innovation in the coming years. Nestlé Pure Life

offers sparkling varieties in lemon, lime, black cherry, mandarin-orange and raspberry-lime, as well as more novel combinations such as mango-peach-pineapple plus still acai-grape.”

Closer to home, the healthy water category is “doing quite well,” driven by consumers looking for functionality in drinks “as people shy away from popping pills to get vitamins and minerals,” says Luscombe. He adds that some newer players, such as maple and birch, are increasing the overall size of the category and giving consumers more choice.

“Maple, and maple water, are among the trendiest new flavours,” says Anton Angelich, group vice-president, Marketing, at Virginia Dare, a Brooklyn, N.Y.-based manufacturer of flavours and concentrates. He adds that maple has “very positive health associations with its natural minerals and electrolytes. There is growing consumer interest in maple water stemming from the launch of a number of maple water beverages in Canada and New England.”

Canadian brands include KiKi Maple Sweet Water, made by Arthur, Ont.-based Troll Bridge Creek. Introduced in 2010, ➔



KiKi is made from filtered, pasteurized maple sap provided by a London, Ont.-area sugar bush. KiKi offers plain maple as well as blueberry, cranberry and strawberry versions. Sapsucker Maple Tree Filtered Water, brought to market in May and made by Lower Valley Beverage Company based in Flesherton, Ont., is sold in the Tetra Pak format, which offers longer shelf life, according to the company's website. And from Quebec comes De L'Aubier, manufactured by Eau Matelo, based in Montreal's Lasalle suburb. Suitable on its own or as a palate cleanser during meals, De L'Aubier is made from the 85-per-cent water content filtered out of sap during syrup production (maple farms in Mirabel and Bromont, Que., supply the water).



New to the Canadian market, says Luscombe, is the Sealand Birk line of waters, made from spring-harvested birch sapwater and available in five flavours: original, blueberry, elderflower, raspberry and ginger-lime. The company's website touts low-calorie birch water's health benefits, including naturally occurring antioxidants and electrolytes.

Syrup made from yacon (also known as the Peruvian ground apple), a juicy edible tuber that is low on

the glycemic index and contains prebiotics and antioxidants, sweetens the Yacon Water line introduced at Whole Foods in April 2014. Distributed by Canadian company Ecoideas, the Yacon line includes varieties such as pomegranate, mango, lemonade and cranberry-green tea.

Herb and fruit infusions produced through a proprietary steeping process flavour Zpirit, a line of made-in-Toronto waters available in combinations such as mandarin-mint, peach-basil, spiced pear-vanilla and pineapple-sage.

On the plant-water front, Aloe H2O, made by Denton, Texas-based Lily of the Desert, launched in September 2014. Carried by Whole Foods, the waters contain two ounces of aloe, taken from certified organically grown plants, which aids digestion and offers immune-system support and anti-inflammatory properties, according to Jack Brown, vice-president of Sales and Marketing. Flavours include Pure (cucumber), blueberry-pomegranate, peach-mango and coconut-lime.



On a more exotic note is Caliwater, made from prickly pear cactus fruit (wild-harvested in the California desert) containing betalain antioxidants offering skin-enhancing benefits and delivering five naturally occurring electrolytes, according to the company.

In June, Virginia Dare introduced a line of banana concentrates in two styles: "clear, thirst quenching, made with clarified banana juice concentrate" (flavours include banana cream, pineapple-banana and chocolate-banana) and "juicy, made with banana purée and pear juice; naturally cloudy" (flavours include raspberry-banana and strawberry-banana), according to a company promotional sheet. "Banana water takes advantage of the consumer's knowledge that bananas are a good source of potassium, and this makes this concept a desirable rehydration beverage," says Angelich.

Beyond banana, "trendy flavours that lend themselves to ready-to-drink fruit- and plant-based beverages include tea, sour cherry, blueberry, raspberry, strawberry-rhubarb, pumpkin and ginger," adds Angelich. "Blueberry and raspberry are favourites and familiar among consumers, have great aroma and taste, and have many positive health associations. Strawberry-rhubarb is an old-fashioned comfort-food flavour with a certain specialness and uniqueness to its taste." Virginia Dare also recently introduced offerings in organic black and green tea concentrates, as well as matcha tea. ●



Pucker up to lemonade!

Lemonade is one of the most iconic symbols of the dog days of summer. It's the quintessential summer refresher, from the days of the "two cent lemonade stand" to our modern day grocery stores which offer a vast array of new lemonade flavour combinations.

But despite the simplicity and authentic image of lemonade, it is not a one-size-fits-all type of product. In fact, flavour preferences are so varied that appealing to a mainstream palate may not be quite as easy as it seems. We recently conducted a blind taste test of six store-bought lemonade brands to find out if any achieved the "perfect" lemonade flavour profile.

Lemon aides

We asked 50 females from the Greater Toronto Area who regularly consume lemonade to aid us in a blind evaluation of six brands of lemonade. All six samples were sold in cartons or plastic containers in the cooler section of the grocery store. Each participant evaluated 100 mL of each sample, served in clear plastic cups labelled with a three-digit code number and presented in varied order.

We first asked our testers about why they purchase lemonade over other fruit juices — with an astounding 90 per cent saying that the main reason is because it is "more refreshing on hot days."

Far from the tree

The results of our blind taste test resulted in an even split — three of our samples performed similarly on most performance

measures and were the better performing brands overall, while the other three might appropriately be deemed the "lemons" of the bunch. However, even among the better half of our brand array, scores on overall flavour were not particularly overwhelming. The top mean flavour score came in at 6.6 (out of nine), falling below our expected norms in a sweet beverage category.

There are three attributes which comprise the core flavour profile of lemonade for the everyday consumer: tartness/sourness, sweetness and strength of the lemon flavour. By taking a closer look at some of these specific flavour attributes, we hope to learn more about these lacklustre flavour scores.

Sour notes

Both the tolerance and likeability of sour flavours is wide ranging, and our testers were no exception to this. For instance, when averaging all the sourness ratings about half of our testers rated sourness as "just right," but the remaining 50 per cent were equally divided, with a quarter wanting more sourness and another quarter wanting less.

Sweet talk

Although sweetness is not technically the direct opposite of sourness, typically consumer ratings for these two attributes are inversely correlated, so that a desire for less sweetness usually goes along with a desire for greater tartness. This relationship generally held true in our results; however, there was a greater overall dissatisfaction with sweetness and a more decisive leaning to the "too sweet" side of the scale. In fact, two of the top performing products were much too sweet.



The big lemon

Although three samples fell below our performance norms, one product had the unflattering distinction of being the biggest lemon in the bunch. This poor performer scored below a five on overall flavour — an immediate red flag that it is in desperate need of a flavour reboot! Specifically, it had very weak lemon flavour and was extremely polarized on both sweetness and sourness. In fact, the most common descriptors of this product were "artificial" and "watery," and over half of our testers indicated that they would not buy it.

"A peeling" to the masses

Three brands emerged as the best products in our test, but that doesn't mean they are winners. In fact we identified some very obvious failings in their flavour profiles. However, they may have reached the ceiling in product performance scores simply because they can't please everyone. Perhaps this is a category where the only way to truly appeal to wide ranging taste expectations is with multiple variants such as "super sour," "extra sweet," or "ultra lemony" — similar to what you may find in many spicy food categories. However, product segmentation strategies ultimately add marketing costs...and as we all know, money doesn't grow on lemon trees. 🍋

For questions about this research, or how you can leverage consumer taste buds in your business, contact Dan Scholes at info@contracttesting.com or at (905) 456-0783. Contract Testing Inc. is an industry leader in sensory evaluation and consumer product testing.

The *natural* rainbow

BY TREENA HEIN

Natural colour is extremely hot these days. The sales growth of natural colours continues to more than double the average food industry growth rate, says Gary Augustine, executive director of Market Development at Kalsec. “This is being driven by continued concerns for clean labels and [concerns over] the use of synthetic colours, particularly in children’s foods,” he notes. Indeed, Tammi Higgins believes the desire among food manufacturers to have clean labels means that natural colours are now an essential component of food and beverage products. “Continued use of artificial colours risks alienating consumers,” observes the global head of Coloration at Lycored.

In a 2015 Kalsec survey, more than 80 per cent of parent respondents in the U.K. and U.S. indicated that they are more likely to purchase a food product for their children if it contains a naturally sourced colour instead of a synthetic colour. And seven of every 10 parents indicated they would be willing to pay a premium for food products containing naturally sourced colours.

The fact that Europe had the highest percentage of natural colour versus synthetic colour use (about 80/20) in children’s food product launches in 2014 (Innova Market Insights) is good news for natural colour makers, says Augustine. This means that in North America, which follows European food trends and where natural and synthetic colour use in new children’s food products is almost 50/50, there is great opportunity for natural colour growth.

New natural colours are bursting onto the food scene in Canada, at the same time costs are expected to steadily drop





Steve Morris agrees that a big shift is on the horizon. “Consumer demand is accelerating the conversion over to natural, and this shift will be very noticeable by 2017,” notes the Sensient Colours general manager for Food Colors in North America. “The consumer demand is being led by ‘Millennial Moms’... They have a fear that artificial colours, sweeteners and other ingredients could have adverse effects on their kids, even in cases where little scientific evidence exists to support those fears.” Sensient recently conducted national research on consumer attitudes toward colour, and specifically which categories mattered most, and found that over half the U.S. population is very concerned about artificial colours in dairy products, followed by “kid-centric” foods.

The big companies are taking notice of the shift, notes Timothy Truby, Roha’s senior vice-president of Sales and Marketing. “With the recent announcements from Nestlé, Hershey and General Mills regarding their switch from synthetic to natural colours,” he states, “we can possibly expect to see growth rates between 15 to 20 per cent per annum as others follow this paradigm shift.”

Trends to watch

In January 2015, Future Market Insights (FMI) released a report titled *Global Natural Food Colours—Market Analysis and Opportunity Assessment, 2014–2020*. In it, the firm lists anthocyanin, carotenoids (beta-carotene, annatto, lutein and lycopene), curcumin, paprika extract, spirulina extract, chlorophyll and others such as betalains as being natural colours to watch. FMI singles out carotenoids as having the largest segment of the market in 2014 (over 31 per cent) followed by anthocyanin with 22 per cent. FMI says carotenoids are the most widely used natural colours due to strong relative

stability and a variety of hues. The firm believes lycopene use will grow the fastest, but also projects double-digit growth of spirulina use through to 2020, due to the recent FDA approval for spirulina extracts in confectionery and baked goods.

“We are seeing a lot of interest from confectionery groups as the introduction of spirulina has made the whole rainbow of colours now available,” notes GNT vice-president Jeannette O’Brien. “As a vertically integrated company, GNT is unique because we grow our own raw materials and supervise the entire cultivation phase. We continually work with our farmers to evaluate new raw materials that could be of interest.” She adds that GNT products are made using a unique processing technology that employs only water, using no chemical solvents, additives or preservatives.

In terms of other trends, finding new sources of colour that will process well is critical. Augustine says Kalsec’s efforts to expand naturally sourced colour range options and to improve stability are ongoing. “Kalsec has also come out with a new line of high-stability red colours that are very process stable through a variety of processing conditions,” he says. Morris agrees that both new techniques and new sources are closing the shade gap between natural and synthetic colours. “At Sensient we are...developing technologies that allow for the use of certain natural sources that previously could not be used,” he explains. “For example, we have Sensient Natural Blue, which...has opened the door to not only natural blues, but also greens and purples. Additionally, we have Pure-S which utilizes proprietary purification technologies that allow us to use botanical sources that produce beautifully bold and bright colour shades but were previously not used in food colour due to their flavour off-notes.” ➔



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MORE THAN 80 PER CENT OF PARENT RESPONDENTS IN THE U.K. AND U.S. INDICATED THAT THEY ARE MORE LIKELY TO PURCHASE A FOOD PRODUCT FOR THEIR CHILDREN IF IT CONTAINS A NATURALLY SOURCED COLOUR INSTEAD OF A SYNTHETIC COLOUR.

Lycored's Higgins notes another important trend. "Consumers in North America like their colours vibrant," she says, "so if manufacturers are making the switch from artificial to natural, it's important to use natural colours that won't fade during the shelf life of a product. Some natural colours — such as beetroot and turmeric — are very susceptible to the effects of UV light. Our Tomat-O-Red and Lyc-O-Beta natural colours, however, offer excellent colour retention when combined with ascorbic acid (vitamin C), ensuring products retain their brightness on store shelves, even under high exposure to light." Tomat-O-Red is a range of lycopene-based pink to red colours derived from tomatoes, and beta-carotene-containing Lyc-O-Beta offers yellow-to-orange shades. Approval in Canada is pending for these products, which are certified kosher and halal, non-GMO and vegan.

Cost considerations

There is a wide range in the cost of natural colours. Paprika, annatto and turmeric, for example, range



from \$0.05 to \$0.20 per pound of food, notes Augustine. He says other more expensive ingredients such as special formulations of anthocyanins and beet used at high dosage rates could be as much as \$0.90 per pound of foods.

"The significant contribution to cost is generally the cost of the raw materials that are being extracted," Augustine notes, and Morris agrees. He says natural colour sources, mainly botanicals, typically contain less than two per cent of colour or pigment in the actual raw material. "This means we need a lot of raw botanical material to produce a small amount of colour," he notes. "Synthesized pure dyes, by comparison, are greater than 90 per cent pigment."

Higgins notes that the raw materials used to make natural colours are also more costly because they are subject to factors that may fluctuate, such as harvest yields and climate. "But as artificial colours become less and less acceptable — as they will continue to do so in the coming years — the price differential between natural and artificial will become less relevant," she says.

But the switch from synthetics to naturals is a costly venture right now, for any company, especially since these costs will be tough to pass on to the consumer, notes Truby. "The variance between synthetics and naturals is quite large — but the good news is that the difference continues to shrink, in general." ●

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David Andrews



Food safety stewardship and the packaging industry

Retailers have never been more aware of the important role packaging plays. They wrestle with cost advantages, sustainability issues and food safety standards of the packaging they require growers and farmers to ship with.

In a recent seminar on food waste which included the role of packaging, Scott Tudor, director of Sustainability at Sobeys, noted something interesting: the packaging industry should be visible in advocating its contribution to food safety.

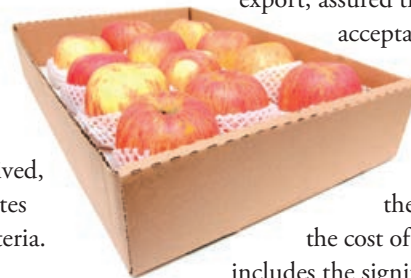
For the benefit of retailers and the public, the corrugated industry has sponsored and communicated five independent studies evaluating food safety in respects to corrugated containers and reusable plastic crates (RPCs).

Dr. Steven Ricke uncovers food safety concerns with RPCs

Research released in March 2015 revealed that sanitizing and scrubbing RPCs after use does not erase food contamination risks. Dr. Ricke, of the University of Arkansas, concluded that bacteria adheres and forms biofilms, including *Salmonella*, *Listeria* and *E. coli*, on RPCs used to ship fresh produce, meat and eggs. He recommended shippers and retailers avoid multi-use containers and instead choose single-use packaging such as corrugated. He encouraged retailers to follow the science and avoid the risks he identified.

Drs. Keith Warriner & Trevor Suslow raise issue with RPC sanitization

In 2013 and 2014 Dr. Warriner, of the University of Guelph, assessed the microbiological standard of RPCs used in different fresh produce packing stations. He found that RPCs used to ship fruits and vegetables in Ontario and Quebec had alarming levels of sanitization and significant risk for food contamination. This research was later reinforced by a University of California-Davis study (2014). His field study was conducted as a result of concerns raised by growers and packers. He noted that while appearing clean when received, surface testing of the crates found high levels of bacteria.



Toxicology experts evaluate corrugated shipping containers

Testing and analysis conducted by toxicology experts Haley & Aldrich and the University of California-Davis investigating the cleanliness of corrugated shipping containers confirmed that all corrugated containers tested met acceptable sanitation levels. According to Maryann Sanders, senior toxicologist, microbiologist and regulatory compliance specialist at Haley & Aldrich, 100 per cent of the samples evaluated were below the sanitation levels of 1,000 colony forming units per swab for the organisms tested. This was the same standard Dr. Warriner used in his analysis of RPCs.

For more information on all the studies referenced and details about corrugated and containerboard, visit www.cccabox.org/news.php.

Efficacy of corrugated & containerboard

The corrugated industry has a long history of food safe use. Industry members acquire certifications ranging from American Institute of Baking (AIB) to Hazard Analysis and Critical Control Points (HACCP). Several major CCCA member converters have moved even further up the certification chain, having achieved Global Food Safety Initiative Certification (GFSI) standards, which enables Canadian food producers to export, assured that their packaging is acceptable, globally.

From a cost comparison basis, though RPC metrics are not available to the corrugated industry, the cost of corrugated not only includes the significant income earned from recycling corrugated boxes, but also the assurance that consumer risks are minimized. Corrugated containers are readily recovered for recycling after use at retailer locations, lowering retailers' environmental impact and waste disposal costs. In fact, old corrugated containers are a valuable commodity with Canadian retailers receiving up to \$100 per tonne for the used boxes.

The corrugated and containerboard industry is committed to providing food safe packaging that is also environmentally sustainable and cost effective. We will continue to raise the standards we set. 🍏

David Andrew is executive director, Canadian Corrugated and Containerboard Association. Contact him at davidandrews@ccabox.org



Equipment testing, evaluation and purchasing changes

Ever-changing market pressures are affecting capital equipment evaluation needs, pre-purchase support requirements, and basic buying processes for many food processors and bakers. After traditional equipment specification and performance reviews, evaluations now often include deeper dives into production flexibility, sanitation features and defensible lifecycle cost/benefit analyses.

Equipment flexibility is becoming a top tier consideration because processors are planning for new variations on current offerings, line extensions for their most successful products, and more rapidly developed new products featuring emerging ingredients and different flavour profiles for value-added statements targeting more highly refined consumer sub-groups.

Work in Handtmann's new Technology Center in Waterloo, Ont. is no longer just testing for a single product. We are now being asked more often to run two and three related products in a single test. And on the consulting side, we're also now called on to project whether our equipment might be appropriate for testing with far ranging new ingredients, hypothetical recipes and different processing conditions. This applies all of Handtmann's global equipment and processing knowledge locally, helping customers explore as many possibilities

for their equipment purchase as possible.

The importance of equipment design, material specifications and manufacturing standards has also risen because of tighter HACCP regulations, GFSI compliance standards and related concerns about reputation and liability. More influencers in the buying process and the need for more precise forecasting are also affecting the relative weight of capital equipment lifecycle cost projections.

Initial pricing and service quality discussions now often require more detailed reliability data and more customized —

“ The importance of reliable supplier-customer relationships has also been elevated. ”

and confidential — labour savings calculations. The goal: to better understand how an equipment purchase may fit into both short-term plant production requirements and the company's longer-term total business performance demands.

The importance of reliable supplier-customer relationships has also been elevated, making the quality, honesty and dependability of both equipment and people more important than ever to buyers and sellers.

While the involvement of more departments means different questions, the emergence of formalized buying groups can fundamentally change purchasing authority within a company, creating new demands to address, new players to meet, and different timelines — all opportunities to demonstrate legitimacy as a trusted equipment partner. It is ironic that in this age of more questions

and denser data, trustworthy capital equipment vendor relationships are even more valuable to processors.

Buyers need to be comfortable that a manufacturer will remain committed to their equipment and to the success of their customers over the long haul. Given the sophistication and cost of today's equipment, clarity about a manufacturer's investment in next generations of technology, software and related innovations helps buyers optimize their initial purchase and create a reliable path to greater process efficiency and plant adaptability.

While this generation of more complex evaluations is a plus for our customers, it demands a constant internal evaluation of delivered value, and that's a positive thing for us as a company. More sophisticated training in all phases of a purchase's functionality is now required to enjoy the full benefit of performance advances. And plant turnover now makes education a continuing process.

Handtmann Technology Center activities that customers find most valuable include pre-commission testing and analysis, process testing, support in development of recipes and processes, and the development of customized technical support programs. Our team brings strong credentials in meat and bakery science, a deep understanding of their processes, and the ability to analyze and communicate technical information clearly and concisely. Always valuable, these skills are even more critical in today's new equipment evaluation and purchasing environment. ●

Heinz Korn is manager of Applications Technology, Handtmann Canada Ltd. Contact him at heinz.korn@handtmann.ca

Peter Henderson

Innovation prowess, with purpose

Great companies imbed it into their business-building philosophy

Today sought-after brands and companies have imbedded “Innovation Prowess, with Purpose” into their corporate strategy.

Innovation Prowess is a fearless proud style and continuous creative mastery that can permeate agile growth-oriented and transformative organizations.

Purpose helps give greater emotional meaning to a company and its brand(s).

Together, an organization’s innovation prowess and purpose can propel its ability to lead by differentiating itself versus competitors, and importantly build collaborative relationships with customers and suppliers, while enhancing margins and long-term profitability.

By humanizing and connecting products and services to general well-being, brands deliver deeper meaning to employees, as well as customers (and/or your customers’ brands), and consumers. A 2013 Havas Media Meaningful Brands Stock Market Index, which included the top 25 meaningful global brands, outperformed the benchmark stock market by 120 per cent over the prior 10 years.

Whether your company focuses on incremental or game-changing innovation or both, “Innovation Prowess, with Purpose” can be powerful for many reasons, including:

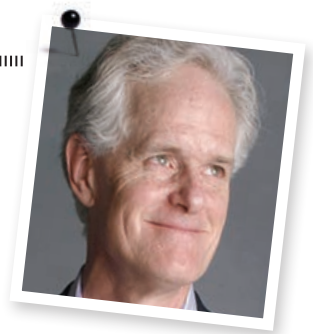


- » Attracting and retaining the right top collaborative talent;
- » Aligning common individual-employee goals behind corporate growth efforts;
- » Adding insights and knowledge, which opens the organization to consider new approaches;
- » Improving speed to market;
- » Capacity building;
- » Ensuring operational excellence and quality;
- » Generating winning consumer and customer-focused ideas for category leadership;
- » Increasing brand-corporate responsibility reputation; and
- » Higher margins.

To help demonstrate, let’s take a look at some strategies and philosophies voiced by a few North American and global category leaders.

Unilever

“Innovation is the engine of Unilever’s growth; the lifeblood of our business. Our future depends on our ability to bring bigger and better innovations to market more quickly than our competitors. We want to create a better future — for consumers, for the environment, and for our business. To achieve that vision, we



need to innovate — to improve existing products and create new ones.”

Gardein (recently acquired by Pinnacle Foods Inc.)

“Our vision is to see gardein on menus and dinner plates nationwide — simply as the healthy protein option — as in, you can have the salad with chicken, fish or gardein — we’re committed to producing foods that people just love to eat, are good for you and are light on the planet.”

Vega (recently acquired by The WhiteWave Foods Company)

“Vision: Empowering the world to thrive.”
“Mission:

1. To share our passion for clean, plant-based nutrition through education and leading by example;
2. To deliver premium, innovative, industry-leading wellness solutions to our valued customers;
3. To live our commitment to constant improvement by pursuing perfection, one small change at a time;
4. To foster a fulfilling, inspiring workplace for Vegatopians that’s sustainable for our people, our company, and our planet.”

It can be financially rewarding to take a step back and reassess your business transformation philosophy. Everyone enjoys being on a winning team, or from a customer or supplier perspective, partnering with a winning organization.

Look to the future with “Innovation Prowess, with Purpose.” ●

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

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sur le Québec

NOUVELLES

Écolait conclut des contrats dans le porc de niche

Les éleveurs de porcs de l'Ontario et un important producteur de porcs des Maritimes seront un peu plus occupés grâce à Écolait ltée de St-Hyacinthe.

Écolait a conclu plusieurs contrats d'approvisionnement aux États-Unis stipulant la livraison, à compter des prochains mois, de milliers de carcasses de porcs répondant à des protocoles explicites liés notamment au bien-être des animaux.

Ces contrats annuels et récurrents sur cinq ans représentent des revenus de près



de 15 M\$ en surplus par année pour l'organisation. Pour ce faire, Écolait a signé des ententes de service en Ontario incluant le recrutement d'éleveurs de porcs dédiés à la production de viande répondant à des critères élevés de qualité, et une autre entente avec un producteur porcin des Maritimes.

Plusieurs fermes d'élevage au Canada

bénéficieront de ces nouveaux contrats de production pour Écolait. Selon l'entente, une prime de 50 \$ sera versée pour chaque porc produit selon les protocoles explicites afin de répondre à la demande, ce qui représente des retombées économiques de plusieurs millions de dollars à l'échelle canadienne.

Pour Écolait, les protocoles d'élevage de plus en plus précis et des préoccupations constantes liées au bien-être des animaux ont permis à l'entreprise de signer des ententes d'approvisionnement sur le marché nord-américain.

Système pour améliorer la durée de conservation des légumes

Agriculture et Agroalimentaire Canada investira 2,5 M\$ dans l'entreprise Bonduelle Research inc. de Saint-Denis-sur-Richelieu pour lancer une nouvelle

technologie de conservation des aliments qui prolonge la durée de vie des légumes sur les rayonnages.

Cette technologie fait appel à un nouveau procédé de congélation qui permet aux légumes de conserver leur couleur, leur texture et leur goût tout en les protégeant contre les germes à l'origine de maladies. Grâce à cette technologie, les Canadiens disposeront d'une plus grande variété de légumes tout au long de l'année.

Bonduelle Amérique du Nord s'avère le plus gros transformateur de légumes au pays, avec quatre usines au Québec et trois en Ontario.



DE NOTRE bibliothèque

Sauce tomate, salade de tomates, soupe aux tomates: voilà qui pourrait résumer l'expérience de plusieurs personnes avec les tomates. Cette expérience pourrait cependant

changer avec le nouveau livre de cuisine *Tomate: Plus de 70 recettes pour savourer la tomate qui vise à faire bouger les choses*, rapporte le MontrealGazette.com. Il est écrit par Anne Fortin, qui est aussi propriétaire de la Librairie Gourmande au Marché Jean-Talon à Montréal, une boutique

spécialisée en livres de cuisine. Ce livre contient des recettes comme un pain aux tomates séchées au four avec olives noires et courgettes râpées, un clafoutis aux tomates cerises, un tatin de tomates, un crumble de tomates aux fines herbes ou un feuilleté de tomates et feta. Mme Fortin montre également aux lecteurs comment fabriquer des croustilles

aux tomates et des tomates séchées au four. La plupart des recettes ne comptent pas une longue liste d'ingrédients et sont illustrées pour aider le lecteur à suivre facilement la progression.



Politique de protection animale de Saputo



Saputo de Montréal a instauré des politiques strictes de protection animale et a affirmé que l'entreprise refuserait d'acheter du lait d'agriculteurs ne traitant pas leurs animaux avec humanité.

Il y a près d'un an, rapporte La Presse canadienne, une vidéo d'infiltration a été rendue publique montrant des vaches maltraitées à coups de pied, piquées, battues avec des tuyaux chez l'un des fournisseurs de Saputo en Colombie-Britannique: Chilliwack Cattle Company. Mercy For Animals, une organisation établie en Californie, précise avoir publié la vidéo après avoir mené une enquête secrète.

Saputo précise que sa Politique de protection animale a été élaborée après consultations de clients, producteurs laitiers, vétérinaires, autorités gouvernementales, universités et autres intervenants de l'industrie.

Voici les principaux éléments de la politique:

- tolérance zéro pour tout acte de cruauté animale;
- engagement à éliminer la pratique de l'ablation de la queue des bovins laitiers;
- présence des ressources nécessaires pour assurer un minimum de douleur selon les normes de l'industrie lors de l'écornage et l'ébourgeonnage du bétail.

Des fraises curatives

L'Île d'Orléans, au coeur du fleuve Saint-Laurent au nord de Québec, produit une variété de fraises connue sous l'appellation la fraise Authentique Orléans. La particularité de cette fraise est qu'elle semble contribuer à réduire le risque de développer un diabète de type 2. Voilà ce qu'ont découvert les scientifiques de l'Université Laval et du Centre hospitalier de l'Université Laval, selon une nouvelle publiée sur News.Yahoo.com. La nouvelle relate que la fraise Authentique Orléans s'avère une nouvelle variété qui contient des niveaux anormalement élevés de polyphénols.



Des plans d'expansion majeurs pour Serres Toundra

Un projet de construction de serres d'importance au Québec a été annoncé au printemps lors de la visite d'État au Canada du roi Willem-Alexander et de la reine Máxima des Pays-Bas. Des représentants d'AAB Nederland b.v. — la société d'experts-conseils néerlandaise mandatée pour développer le projet de serres — et de Serres Toundra, son partenaire de Saint-Félicien ont rejoint le couple royal en Ontario pour signer l'accord, rapporte le GreenhouseCanada.com.

L'accord prévoit un appel d'offres pour la première phase du complexe de serres dédié à la culture du concombre, lequel devrait atteindre 40 hectares. La première phase coûtera environ 40 millions de dollars, fait savoir GreenhouseCanada.com. La totalité du complexe, qui sera construit en quatre phases au cours des prochaines années, devrait se chiffrer autour des ➔





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100 M\$. AAB a réalisé l'étude de faisabilité et a obtenu le contrat de Serres Toundra. GreenhouseCanada.com rapporte qu'AAB achètera la technologie et le savoir, et que la majorité de ces investissements sera versée à des entreprises néerlandaises.

Les résidents de la ville de Saint-Fél-

icien n'accueillent toutefois pas le projet à bras ouverts, selon Laterre.ca. Certains mettent en doute la viabilité d'un tel projet, et préféreraient le voir débiter petit. D'autres émettent des réserves sur la promesse de création des 400 emplois annoncée.

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> **Hershey Canada** a lancé ses **tartinades Reese**, sur la base des saveurs de ses populaires moules Reese au beurre



d'arachides. Offrant la même combinaison unique de chocolat et de beurre d'arachides, les tartinades Reese peuvent être jumelées avec des fruits ou des collations telles que des craquelins et des bretzels, ou encore être utilisées dans des sandwichs et des recettes. Offertes en pots de 650 g, les tartinades se vendent au prix suggéré de 6,79\$ et sont offertes par la plupart des détaillants à travers le Canada.

10 M\$ pour la recherche sur la salmonelle

Des chercheurs de l'Université McGill et de l'Université Laval recevront près de 10 millions de dollars au cours des quatre prochaines années de Génome Canada et Génome Québec pour étudier la salmonelle. Néanmoins, ils ne se concentreront pas sur la volaille.

De nos jours, la plupart des éclosions de salmonellose proviennent de fruits et de légumes contaminés lorsque le sol où ils poussent est pollué par des déchets d'animaux ou de l'eau non potable. À l'heure actuelle, il n'existe aucune méthode permettant de freiner la croissance des salmonelles sur ces produits. Les chercheurs vont donc s'affairer à identifier et trouver un moyen de réduire leur prolifération à l'aide de solutions naturelles.

Lawrence Goodridge, de l'Université McGill, et Roger C. Lévesque, de l'Institut de biologie intégrative et des systèmes à l'Université Laval, dirigent une équipe qui utilise le séquençage du génome entier pour identifier précisément les souches de salmonelles responsables de la maladie chez l'humain.

Les résultats obtenus, explique l'Université McGill, permettront à l'équipe de mettre au point des solutions biologiques naturelles visant à contrôler la présence des salmonelles sur les fruits et les légumes durant leur croissance dans le champ. L'équipe développera aussi de nouveaux tests de détection des salmonelles sur les produits frais avant leur vente aux consommateurs, de même que

des outils qui permettront aux responsables de la santé publique de découvrir la source des éclosions de salmonellose afin que les aliments contaminés puissent être retirés rapidement des épiceries et des restaurants. Grâce à ces travaux,

il sera potentiellement possible de réduire le nombre de personnes victimes de la salmonellose chaque année (au Canada, on recense environ 88 000 cas causés par des aliments contaminés) ainsi que les coûts économiques de l'infection.



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Pour l'amour du fromage



Les produits de la Fromagerie du Presbytère: presque un péché!

PAR MARK CARDWELL

Vous pourriez penser que le propriétaire d'une église catholique et de son presbytère, au cœur d'un petit village du Québec, serait expert en matière de vices, tels les sept péchés capitaux.

Mais à en entendre parler Jean Morin, céder à la passion des fromages de spécialité confectionnés avec ferveur dans les lieux sacrés de son entreprise familiale ne peut s'avérer qu'un geste divin. "La gourmandise n'est pas un péché quand il est question de nos fromages, ironise M. Morin, mais bien une vertu."

Depuis 2005, M. Morin et sa famille façonnent des fromages artisanaux primés dans l'ancien presbytère de Sainte-Élizabeth de Warwick, une communauté

rurale pittoresque au cœur de la région agricole florissante du Centre du Québec. Située en face de la ferme laitière de la famille Morin — laquelle fournit l'exploitation avec du lait frais biologique — l'usine du presbytère produit environ 60 000 tonnes de fromage par année avec ses neuf employés.

La majorité de cette production est consacrée à la demi-douzaine de fromages que Jean Morin a développée au cours de la dernière décennie. Vendus dans les épiceries et magasins d'alimentation spécialisés à travers le Québec, ils ont remporté les plus grands honneurs à de nombreux festivals de fromages prestigieux.

Le fromage Laliberté, le petit dernier de la gamme — un fromage triple crème à saveur de champignon fabriqué avec du lait pasteurisé de vache — a été nommé Grand champion au Grand prix des fromages canadiens 2015. Parmi les autres produits honorés au fil des ans, notons le Bleu d'Élizabeth — un fromage à pâte demi-ferme fabriqué avec du lait thermisé — et ➔

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Faire du fromage en grains.



Jean Morin



le Louis d'Or, vainqueur dans quatre catégories au Grand prix des fromages canadiens ces deux dernières années.

“Le Louis d'Or est notre meilleur vendeur”, commente M. Morin en parlant de ce fromage au lait cru de lait de vache et au goût de noisette qu'il a développé il y a une décennie. Produit en lots de 40 kg et affiné neuf mois, il tient son nom du Morin de quatrième génération à s'occuper de la ferme.

Jean Morin et son frère Dominic ont converti l'exploitation laitière en production biologique il y a 20 ans. Cette conversion est survenue à la suite d'un voyage de dégustation de fromages que Jean Morin a fait en France. “Ce voyage m'a vraiment enthousiasmé [et] m'a donné l'idée d'apporter une valeur ajoutée à notre lait”, se rappelle M. Morin, qui a étudié l'art de la fabrication du fromage dans des écoles spécialisées au Québec et en Europe. “Je suis un agriculteur dans l'âme, mais je suis un passionné du fromage.”

Après avoir développé son premier fromage, le Champayeur — un fromage à pâte molle aux arômes de crème, de beurre frais et de champignons — M. Morin a élaboré un plan d'affaires unique qui tenait également compte du besoin urgent de trouver une nouvelle vocation au presbytère du village.

“Il avait été mis en vente depuis des années et il tombait en ruines, précise M. Morin. Notre plan consistait à le rénover et à l'agrandir pour en faire une in-

stallation de production de grands fromages à partir de notre lait biologique [et] de donner un nouveau souffle à la communauté.”

Approvisionnée en lait par les quelque 65 vaches laitières Holstein et Jersey parmi un troupeau de 140 têtes — géré par Dominic et l'un des trois enfants adultes de Jean qui travaillent dans l'entreprise — la fromagerie dans le presbytère (un lieu unique dont l'entreprise a hérité du nom) a connu un succès dès ses débuts.

En plus de leurs fromages fins artisanaux, les Morin produisent également trois sortes de fromages sur une base hebdomadaire: d'avril à septembre. Les fromages sont prêts les vendredis après-midi, et les dégustations hebdomadaires sont désormais un événement gastronomique majeur qui attire des centaines d'amateurs de fromages et des visiteurs au village.

“ Je suis un agriculteur dans l'âme, mais je suis un passionné du fromage. ”

“Nous les appelons les vendredis festifs, confie M. Morin. Les gens se présentent avec des chaises pliantes et ils s'installent sur la pelouse autour du presbytère en attendant que les fromages de la journée soient extraits des cuves.”

La dégustation se fait en trois temps, un pour chaque étape de fabrication du fromage cheddar: la première étant le petit lait; la seconde le fromage en fesse; et la troisième le fromage en grains. “On donne une baguette fraîchement sortie de notre four à pain à tout le monde, raconte M. Morin. Les gens sont assis autour à bavarder avec leurs collègues amateurs de fromages et nos artisans fromagers. Parfois, il y a la musique et les gens dansent. C'est toujours une soirée de fête dans le village.”

Selon M. Morin, l'événement a débuté à la demande des clients. “Les gens nous demandaient toujours du fromage en grains. Nous avons donc décidé d'y aller avec ça, explique-t-il. Nous avons choisi le vendredi, car le samedi est notre jour de congé. Nous n'avons jamais publicisé la chose. La nouvelle s'est répandue de bouche à oreille et par quelques écrits. L'événement est ➔

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rapidement devenu très populaire. Nous avons eu jusqu'à 1000 personnes, dont plusieurs venaient de partout au Québec, de l'Ontario et des Maritimes."

Sa famille, ajoute M. Morin, est fière de l'entreprise et des vendredis festifs. Même que leur mère, qui vit toujours dans la maison familiale de l'autre côté de la rue, traverse parfois pour participer à la fête.

La compagnie des Morin a aussi récemment ajouté l'église du village à sa liste d'actifs. "Nous l'avons achetée à la municipalité pour un dollar", dit M. Morin. Selon le plan d'affaires derrière cet achat, le bâtiment sera rénové afin de faire vieillir le fromage produit dans l'usine du presbytère mitoyen. Une petite chapelle de 50 places sera également construite à l'intérieur de l'église, de sorte qu'elle puisse conserver sa vocation religieuse.



Vendredis festifs
à la Presbytère.

"Les gens sont très heureux avec notre plan, fait valoir M. Morin. Tout le monde s'inquiétait de ce qu'il adviendrait avec le bâtiment [et] la communauté était aux prises avec les factures d'entretien, de chauffage et de déneigement. De cette façon, nous assumons désormais ces coûts et l'église sera

ouverte toute l'année. C'est une relation gagnant-gagnant pour nous et pour notre communauté."

L'ajout de l'église fournira également l'espace additionnel dont l'entreprise a besoin pour continuer de développer ses fromages fins artisanaux. "Notre plan et notre orientation sont maintenant de continuer à travailler pour améliorer notre exploitation et nos produits", renchérit M. Morin.

En plus d'envisager de majorer le nombre de vaches laitières du troupeau à 100 bêtes, M. Morin prévoit augmenter la production et étoffer la gamme de fromages fins. "Nous travaillons également à développer et améliorer notre lait et nos fromages, conclut-il. Pour moi, gagner des prix s'avère à la fois un défi pour notre entreprise et la reconnaissance de la qualité de nos produits. Mais l'élément le plus gratifiant de notre entreprise c'est qu'elle est devenue une véritable source de fierté pour notre famille et notre communauté. Voilà un parfait exemple de développement durable." ●



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IFT post-show review — Part 2

The Institute of Food Technologists (IFT) held its annual meeting and food expo, IFT15, in July in Chicago, Ill. More than 23,000 visitors attended the show from around the world – including *Food in Canada*. Here's part two of our post-show review, giving you a first-hand look at some of the latest innovations on display. Chicago plays host to IFT16 from July 16 to 19, 2016.

Protein power

Dealers Ingredients offers PROFI, a label-friendly solution for adding concentrated vegetable protein and fibre to food. It's non-allergenic, GMO-free, halal, kosher, does not require any masking, and blends easily with most applications. www.dealersingredients.com

Grains and oilseeds



Richardson Milling Inc. highlighted its range of oat ingredients including oat groats, flakes, flour and bran. The company can create coated whole grains and granola clusters.

www.richardson.ca

All natural

MGP Ingredients Inc. showcased several products. Arise wheat protein isolates, which can increase protein levels and act as partial egg-white replacers; Fibersym RW resistant wheat starch; Midsol specialty wheat starches, which can reduce sodium content; and Optein lightly hydrolyzed wheat protein.

www.mgpingredients.com

Extracts and more

S&D Coffee & Tea Extracts & Ingredients highlighted its liquid extract, coffee roasting and iced tea offerings. Visitors learned about the company's iced coffee and frappes, MilkSplash — a character-based flavouring platform for milk — and milkshakes and steamers.

www.sndcoffee.com



Whey to go

Davisco, a business unit of Agropur Inc., is a pioneer in whey protein isolate research and produces 10 million pounds of it each year. Visitors got to try Premium Trail Mix Bar with Whey Protein and Alpha-Lactalbumin Protein Beverage. www.daviscofoods.com

Natural flavours



Prinova USA supplies ingredient, flavour and blending solutions and ascorbic acid, B vitamins and amino acids. The company treated visitors to naturally flavoured Raspberry Mint Tea made with FlavorArmor, Prinova's line of encapsulated flavours. www.prinovausa.com

Traditional twists

Silesia Flavors Inc. provides liquid, spray-dried and encapsulated flavours for confectionery and beverages. The company also offers dairy, bakery, snacks and savoury flavours. Visitors got to sample Soda Shoppe Cola, Life's a Peach lemonade and Spiced Orchard Cider iced tea. www.silesia.com

Fibre it up!

ADM/Matsutani LLC showcased its Fibersol ingredients, from easy-to-use Fibersol-LQ liquid to pleasingly sweet Fibersol-HS. Visitors got to see Fibersol-2 and Fibersol-LQ in action in a Good Morning AM Fiber Shot and in Maple Chipotle Cheddar Flavored Oat Clusters.

www.fibersol.com

Essential flax

Shape Foods Inc. highlighted its pure two-year shelf-stable cold-pressed Flax Oil and partially de-fatted Flax Meal, ideal as an omega-3 ALA ingredient. The company says its manufacturing process removes pesticides, herbicides and other impurities naturally.

www.shapefoods.com

Pulse products

InfraReady Products (1998) Limited manufactures pulse ingredients. Through infrared cooking and subsequent flaking and milling technologies, the ingredients are ready to use and retain the same nutritional properties.

www.infrareadyproducts.com

Enhance flavour

Savoury Systems International Inc. offers flavour enhancers. Some products the company highlighted included yeast extracts, organic yeast extracts, NVPs, non-GMO products, salt replacers, MSG replacers and kosher and halal products. www.savourysystems.com

Flavour trends

David Michael & Co. provides colours, flavours, stabilizers and extracts. Visitors got to sample Bourbon Maple Pecan Pie Milkshake using natural flavours such as Praline Pecan Type, Bourbon Type and Old Time Barrel Aged Maplewood Type. There was also Chicken Bratwurst using natural flavour Pork Bratwurst Type.

www.dmflavors.com

Drink your veggies

Vegetable Juices Inc. — A Naturex Company highlighted its juices, concentrates, purées, dices and blends for savoury, sweet, dairy and beverage products. The company highlighted the latest trend of consumers wanting to “drink their vegetables.” www.vegetablejuices.com



Gluten-free

Bunge North America highlighted its gluten-free solutions. One ingredient is the Homai Rice Panko

Gluten-Free Bread Crumbs, which doesn't contain gluten, soy or milk. The company also offers extruded snacking, inclusion and pellet capabilities, and PHO-free shortening solutions. www.bungenorthamerica.com



Wholesome grains

Ardent Mills offers traditional and organic flours, whole grains, customized blends and specialty products. The company highlighted its Ultragrain (whole grain nutrition with white flour appeal), Sustagrain (Proprietary barley variety with three times the fibre of oats), line of Ancient Grains (including millet, quinoa, amaranth, sorghum, teff and buckwheat), and Sprouted Grains.

www.ardentmills.com

Sweet and good

Tate & Lyle showcased its sweetener portfolio including DOLCIA PRIMA Allulose, TASTEVA Stevia Sweetener, and KRYSTAR Crystalline Fructose. Its wellness ingredients on display included PROMITOR Soluble Corn Fiber, STA-LITE Polydextrose, and PromOat Beta Glucan.

www.tateandlyle.com



Advertisers' index

ALIMENTS ED FOODS.....	PG. 68	FARM CREDIT CANADA.....	PG. 16
ATS TANNER	PG. 64	GEORGE BROWN COLLEGE	PG. 9
BDO.....	PG. 7	GRANT THORNTON	PG. 23
BUNGE.....	PG. 55	HANDTMANN	PG. 61
CHISHOLM.....	PG. 14	LEO-CHEM	PG. 51
CONTINENTAL INGREDIENTS	PG. 15	LV LOMAS/CP KELCO	PG. 21
CROPLIFE CANADA.....	PG. 50	MNP LLP.....	PG. 13
DEALERS INGREDIENTS.....	PG. 34	NATIONAL SUNFLOWER ASSOCIATION.....	PG. 19
ECKERT MACHINES	PG. 58	NORD GEAR.....	PG. 10, 11
EMBALLAGES MITCHEL-LINCOLN	PG. 57	SEALED AIR	PG. 33
ERIEZ.....	PG. 3	SENSIENT COLORS.....	PG. 17
ESPAR HEATING	PG. 59	UNIVAR	PG. 25
		VERSACOLD.....	PG. 2
		WTI.....	PG. 5



Maurizio Racco, creator of fūdi gourmet frozen dinners

Fūdi Brampton, Ont.

Many people would have been put off by the setbacks Maurizio Racco faced when he started out in the food industry. The entrepreneur hit several roadblocks when, back in 2008, he started working with a nugget of an idea for a food product. He eventually began DMR Foods Inc. in 2012.

Despite the challenges, Racco wasn't deterred. And today consumers have a gourmet option in frozen dinners called fūdi, which this year launched in Whole Foods locations in Ontario and in two independent Foodland stores in Toronto.

Fūdi is a line of pre-made chicken entrées that are cooked using the sous-vide process. The ingredients are 95 per cent sourced in Ontario: Beretta Farms provides the meat, Burnac supplies the organic kale, Malabar Superspace the fair-trade spices, and Valley Grain Products the pearl barley. The entrées include Pollo Tandoori Cacciatore, Pollo

Cajun, Pollo Jerk and Pollo Sante Fe. Racco also produces packaged spices.

So what kept Racco going? "If you're an entrepreneur," he says, "you can't give up." He grew up working in the family's business, so he had a strong business background. But as his father was retiring and the business in the process of being sold, he found himself at a crossroads. Around this time, in 2008, while searching his local grocery store for a quick dinner option, he was disappointed with the choices available. That's when inspiration struck. Racco saw an opportunity and a new career path.

From 2008 until he finally launched his product, Racco had more than one business plan. There was a flurry of home experimenting with a vacuum-seal machine. As the food product took shape he began renting a commercial kitchen, and more developing and testing ensued.

In time he met with a team at the Guelph Food Technology Centre, and was guided to a company called foodcon and Donald Plumstead, who eventually served as the architect for Racco's plant and as his mentor. Through Plumstead, Racco enlisted the help of GCP Consulting, which helped establish a HACCP plan. Finally in 2011, construction began on a plant. But with several delays, it wasn't complete until later in 2012.

The biggest blow came when three weeks before the product was supposed to launch, Racco was hit by a drunk driver. His plans were put on hold until he was able to work again in 2014.

Today the challenge Racco faces is getting brand recognition. "Until your



brand is recognized... you're still an outsider in consumers' shopping habits," he explains, adding that the number-one way to overcome that is through in-store

demos. But opportunities abound. Already Racco is exploring vegetarian options and could introduce other products down the road. 🍎

Q&A

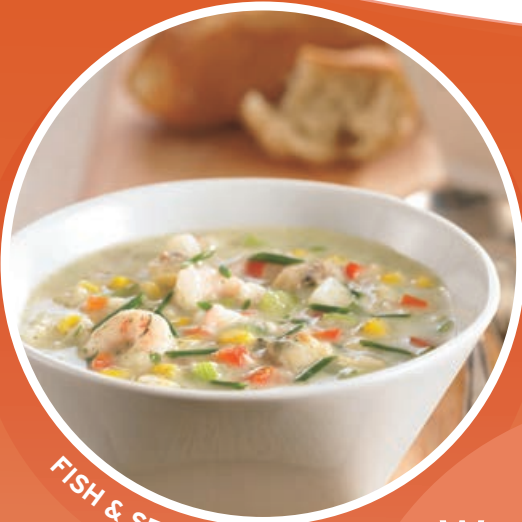


Q: Why sous-vide?

A: "It has health benefits, it pasteurizes the food and gives you a much longer shelf life. Also, it allowed me to build a facility half the size of what I would otherwise have had to build. It eliminates cross-contamination and kills pathogens. It's a very clean, healthy food product."

Q: What advice would you give other startups?

A: "Give consumers the best food experience that you can within the price tolerances of the market. My dinners retail for \$9.99. It's not the easiest price to maintain, but consumers should be able to have a convenient, healthy dinner at a price they can afford. Consumers are going to spend X, so you have to make your product work within X and if it can't, then there's no point in getting the product out there. The general public is not there to finance you. You're there to service the general public."



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