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FOOD in CANADA

Canada's food & beverage processing magazine

Cider's time to shine

Cider producers are putting the fermented fruit drink back on the map PG.44

Inside 2016 GRANT THORNTON EXECUTIVE ROUNDTABLE PG.25

THE TOP 100

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FOOD in CANADA

Canada's food & beverage processing magazine

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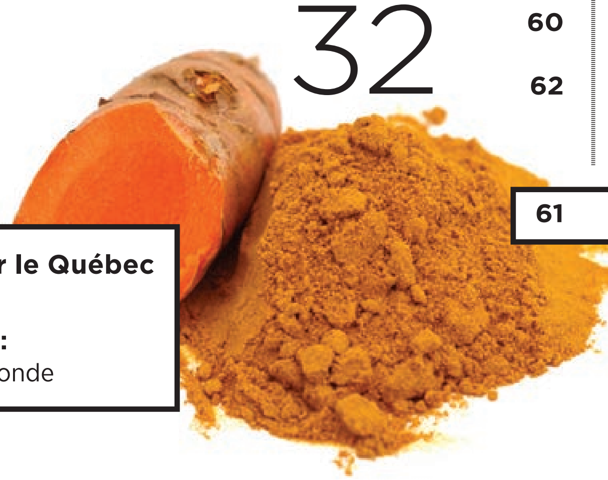
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Carolyn Cooper

A worthy world stage

I've always had mixed feelings about the Olympics. It is wonderful to see the world come together to compete in solidarity and friendship — a rare and positive thing these days. And I'm in awe of the athletes and their accomplishments. But while the spirit of the Olympics is one of unity and optimism, the event has lately been overshadowed by corruption, scandal and political skulduggery. The financial cost is enormous, there is mixed evidence of the economic and social benefits to the host city and its citizens, and there is most certainly a lot of waste.

That's why I was so excited to read about one very encouraging project taking place during this year's Summer Olympics and Paralympics in Rio. Reffettorio Gastromotiva, a pop-up restaurant and social initiative launched by chefs Massimo Bottura and David Hertz in Rio's Lapa neighbourhood, is taking on the goal of turning healthy, surplus food from Olympic Village into 5,000 nutritious meals for the city's homeless and less fortunate. Helping them are dozens of volunteers and 45 international chefs, including Montreal chef Antonio Park.

The project is based on the duo's successful Refettorio Ambrosiano, which during the 2015 Milan Expo managed to redistribute more than 15 tonnes of "food waste" to the poor in a dignified and inclusive way. It still runs today as a community kitchen for local homeless shelters.

In Rio, Reffettorio Gastromotiva is creating gourmet meals from the leftovers of the supposed 208 tonnes of ingredients used to feed the 18,000 athletes, officials and staff at Olympic Village on a daily basis. Bottura and Hertz, founders of non-profit organizations Food for Soul and Gastromotiva, respectively, hope the restaurant will also nourish the soul. That's why they ensured that education on waste reduction, along with cooking and nutrition lessons for youth and people in need, are part of the initiative. Once the Paralympics end this month the restaurant will continue as a social business.

In Canada alone food waste is a $31 billion a year problem, and yet, says Food Banks Canada, 13 per cent of Canadians live in a "state of food insecurity." Each month 850,000 people access food banks across the country, one-third of them children and youth. There has been talk about bringing a Reffettorio to Montreal, and the chefs hope the initiative will be extended to every city hosting the Olympics in the future. Now that would be a feat worthy of the world's attention.

Carolyn

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Bug Dogs, Beetle Juice Smoothies and Crickety Lime Pie

The Canadian National Exhibition, held in Toronto from Aug. 19 to Sept. 5 this year, always offers a number of "wow factor" items in its famous food building and 2016's CNE was no exception. This year, the Bug Bistro was one of the most attention-grabbing booths in the food building. With insects supplied by Entomo Farms and Humber College professor Mark Jachecki as chef, crickets and/or mealworms were cooked up creatively in a hot dog called the Bug Dog, used as taco filling in the Tacos Grillos, blended up in the Beetle Juice Smoothie, and used as an ingredient in the sweet Crickety Lime Pie.

News>file

Research aims to increase use of pulses in breads

UK bakery brand Warburtons is partnering with the Canadian International Grains Institute (Cigi) on a pulse research project aiming to produce healthier baked products, and ultimately to increase the use of pulse flours by the food industry.

Saskatchewan Pulse Growers has provided $1.8 million in funding for the project, while Warburtons is contributing $680,000 of in-kind support as well as funds for the purchase of a pilot-scale fermentation tank at Cigi. The governments of Canada and Manitoba are investing $270,000 through the Grain Innovation Hub. Western Grains Research Foundation and Manitoba Pulse & Soybean Growers have also provided funding of $158,000 and $25,000, respectively.

The project is expected to span three years, with goals of developing a pulse database that summarizes new and existing information on the compositional, functional and flavour properties of pulses, as well as investigating the effects of pre- and post-milling treatments, particle size and storage; investigating the use of pre-ferment processing on the functionality and end-product quality of doughs containing pulse flours; and exploring the development of pulse-based bakery products that meet specific health and nutrition targets.

The database and research results will be shared with pulse breeders, seed companies, growers, pulse processors and the food industry.

"By working with Warburtons as a commercial partner on this project, there is a direct link to an end-customer," says JoAnne Buth, Cigi CEO. "It signifies the potential of pulses to the food industry as ingredients with nutritional benefits that can contribute to improved health and well-being of consumers."

"Warburtons is proud to be partnering with Cigi on this exciting project to advance the use of pulses in the food industry," adds Adam Dyck, Warburtons' Canadian program manager. "This new research underlines the increasing popularity of new and innovative bakery products amongst consumers and is testament to Warburtons' commitment to future growth through diversification and innovation."

FROM OUR LIBRARY

Homegrown: Celebrating the Canadian Foods We Grow, Raise and Produce, by professional home economist Mairlyn Smith, proves that Canada itself can be at the centre of the plate in any meal. With more than 175 recipes collected from members and students of the Ontario Home Economics Association, Smith's book celebrates Canada and all the tasty things Canadians grow, produce and manufacture.

Whether it's hearty stew made from Saskatchewan-farmed lentils, a B.C. blueberry pie or Nova Scotia scallops, Canadian food has the power to connect people to their roots. Smith's book pays homage to the farmers and families that have contributed to what's on the table, and includes information on what makes Canadian products unique. The book also includes nutritional information and a carb counter with every recipe, showing that an all-Canadian diet can be a health-booster as well as being delicious.

We all scream for ice cream!

Want the scoop on Canadians' ice cream consumption preferences? A national poll of adult consumers conducted by Leger Marketing for Baskin Robbins in June revealed that 31 per cent of Canadians prefer flavours with chocolate, followed by 21 per cent preferring vanilla varieties. It also found that four in 10 Canadians enjoy ice cream at least once per week, and that 65 per cent of Canadians prefer their ice cream served in a cone.

Winnipeg's Dairy Fairy recreates Eastern European recipes

Galina Beilis is a relatively new Winnipeg-based food processor who, operating under the "Dairy Fairy" label, is slowly building up a market for a line of dairy products made the way they used to be – at least when she was growing up in her native Belarus – without any additives.

"Our products aren't organic," Beilis says. "But they are made with only natural ingredients. They are country-style."

The "Dairy Fairy" and her family came to Winnipeg eight years ago after living in Israel for a few years. In Israel, Beilis was a manicurist, an occupation she initially pursued here as well. When she couldn't find the kinds of dairy products that she was used to from back home in Belarus, she saw an opportunity and took a leap of faith into the food industry.

Her initial product was Tvorog, a product that she describes as a kitchen cheese popular in Eastern Europe. She started making the cheese at home – based on her mother's recipe – and sharing the results with friends, who then encouraged her to expand her horizons. "My husband and I weren't sure where to start," she recalls. "We were directed to the Milk Marketing Board. We made a presentation and were issued a quota."

They next connected with the federally monitored Dairy Sciences Lab at the University of Manitoba, where they began to develop and produce Tvorog. To make Tvorog, says Beilis, you take sour milk, put it in a cheesecloth and make curds. It's close to dry cottage cheese but is softer.

Beilis began marketing Tvorog about three years ago and is currently selling the product in locally owned stores and supermarkets, and at farmers' markets. She produces 185 kilos of cheese a month and it sells out quickly.

In addition to Tvorog, Beilis developed a yogurt line, called pyazhenko, and a sour cream, also based on Eastern European recipes. The sour cream contains only milk, cream and bacterial culture. The "baked milk" yogurt, she says, has more minerals and vitamins than competing yogurts and is also sweeter and creamier.

Growth has been slow but steady. "We are constantly looking to get into new markets," she says. The Dairy Fairy is also working on two new items – a cream cheese consisting only of cream and culture, and a frozen 100-per-cent yogurt product.

— *Myron Love*

PASTA PERFETTA!

On July 28, East Side Mario's hosted the Niels Kjeldsen Pasta Challenge, welcoming the chosen finalists from across Canada to compete with their best pasta dishes. Sponsored by Italian pasta brand Barilla, the competition was open to all East Side Mario's kitchen staff from locations across the country, with the finalists being hand-selected by East Side Mario's executive chef Kevin Mancini. The winner was Steven Brown of Stoney Creek, Ont., who won with his vegetarian Zesty Sun-Dried Tomato Feta Fettucine, which will become a featured entrée on the East Side Mario's menu.

Steven Brown

Climate change linked with rise in raw oyster food poisoning

A new study shows that rising temperatures around the planet are clearly linked to increasing waterborne food poisoning, particularly from eating raw oysters.

The study's lead author is respected microbiologist Rita Colwell of the University of Maryland, who was previously the head of the National Science Foundation. Her study, which was published in the Proceedings of the National Academy of Sciences this week, shows an unprecedented wave of *vibrio* illnesses from swimming in northern Europe during heat waves in 1994, 1997, 2003, 2006 and 2010.The study examined Europe and North America, but the most consistent tracking of *vibrio* illnesses was in the U.S.

There are approximately 12 species of *vibrio* bacteria that can make people sick from eating raw or undercooked seafood or drinking or swimming in tainted water; and according to the Centers for Disease Control and Prevention, lab-confirmed vibrio infections in the U.S. have increased from about 390 a year on average in the late 1990s to an average of 1,030 in recent years (however, most cases aren't reported or confirmed by tests). In an Associated Press article, Colwell called this a "remarkable increase on an annual basis."

In that same article, Colwell remarked that even Alaska – where such outbreaks used to be very rare because the bacteria needs warm water – is now seeing cases of illness occurring from people eating *vibrio*-infected oysters.

Colwell also pointed out that while researchers had previously indirectly linked climate change to an increase in illnesses from the bacteria, with this study they have been able to show a more comprehensive connection by using DNA, a 50-year database of plankton, water temperatures and disease reports.

GLUTEN-FREE CHEERIOS LAUNCHED IN CANADA

After a summer rollout across Canada, five Cheerios products are now gluten free: Original Cheerios, Honey Nut Cheerios, Multi-Grain Cheerios, Apple Cinnamon Cheerios and Chocolate Cheerios.

"We are so excited that Canadians seeking gluten-free options will now have even more choice," says Emma Eriksson, director of Marketing for General Mills Canada. "We want everyone to enjoy our cereals and these gluten-free Cheerios products will maintain the same great taste that consumers love at the same price they're used to."

The gluten-free Cheerios products are clearly labelled "gluten-free" on the front of the box.

After years of development, General Mills developed a process to remove the small amount of wheat, rye and barley from its supply of whole oats in order to ensure that the oats used for Cheerios meet Health Canada's requirements and standards for gluten-free products. Gluten-free Cheerios was previously introduced in the U.S. last summer.

Clearwater celebrates 40th anniversary

Clearwater Seafoods was started way back in 1976, when Nova Scotian entrepreneurs John Risley and Colin MacDonald founded the company with "just a pickup truck and a tremendous vision." Celebrating 40 years in business this year, Clearwater evolved to become a great Atlantic Canadian success story.

"Since Clearwater's humble beginnings, we've continued to invest in science and stewardship of the resource to sustain and grow the wild seafood products we harvest," says Clearwater CEO Ian Smith. "Sustainable seafood harvesting has always been at the core of Clearwater's business, and will continue to drive our success moving forward."

The company now exports to more than 40 countries, with more than 85 per cent of its business taking place outside of Canada. It has over 15 offices and processing facilities located worldwide, and further expanded into Europe recently with the acquisition of UK-based Macduff Shellfish.

Looking to the future, Clearwater plans to continue making investments in its fleet, plants, information systems and people. Innovation will continue to play a key role in harvesting capabilities and product development. Clearwater's future will also remain focused on sustainable growth plans for a healthy core business.

"Clearwater's future is ambitious. Our first 40 years provide a strong foundation and our team of dedicated employees and partners will continue to be instrumental in the company's success," says Smith. "On behalf of Clearwater, I would like to thank everyone who has been a part of this journey to build this company and to those who have been entrusted with leading its future."

SUPPLIER NEWS

>**NSF International**, a global organization with more than 70 years of experience in food safety auditing, training and consulting, has completed the acquisition of **Euro Consultants Group**, a leading food safety and quality service company based in Wavre, Belgium.

>The darkest caramel colour in the **Sethness** portfolio of Class I Caramel Colors is now Non-GMO Project Verified. SB245 is the 12th Sethness product to be verified.

>**3M Food Safety**'s 3M Petrifilm Plates won a Top Product of the Year Award in June at the Environmental Leader 2016 Conference in Denver, hosted by Business Sector Media. Scores were determined by a panel of experts in environmental and sustainability management serving as independent judges.

>PURAC Powder MA, a coated malic acid from **Corbion**, has been granted approval for use in sugar confectionery products in Canada.

N.B. blueberry processing plant opens a year ahead of schedule

The Acadian Wild Blueberry Co. held the grand opening of its impressive new processing plant in Saint-Isidore, N.B. in July, a full year ahead of the expected opening date. There was a push to open sooner than the scheduled date to meet the demand for increased processing capacity from local blueberry growers, according to John Bragg, president and co-CEO of the parent company, Oxford Frozen Foods.

According to a CBC.ca article, the plant is considered to be the most modern blueberry processing facility in the world. It will have two freezing tunnels that can process up to 1.5 million lbs of fresh blueberries per day during the harvest season, while its cold storage can hold 45 million lbs of product. The plant is also energy-efficient, using LED lighting and efficiency-control systems.

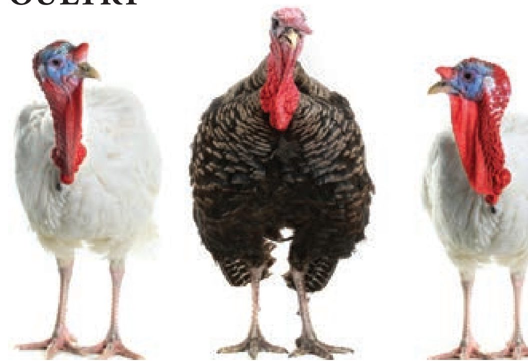
PAC to the Future

PAC Packaging Consortium is presenting "PAC to the Future: Packaging in 2025" on Sept. 28 and 29 at the Hilton Hotel in Niagara Falls, Ont. This forward-thinking conference aims to provide a road map and the tools necessary to be a leader in the year 2025.

The conference will delve into the trends, packaging innovations and technologies that are likely to flourish

in 2025, including: the circular economy, Internet of Things, omni-channel, big data, analytics, virtual, 3D printing, robotics, artificial intelligence, computer-aided design, drones, technical and biological nutrients, and nanotechnology. Sessions will explore what the value chain will look like a decade from now, as well as the role of packaging in the future, customer expectations, the role of sustainability, and more.

ONTARIO INNOVATOR DEVELOPING NEW ANTI-MICROBIALS FOR POULTRY



The Canadian government is investing $3.4 million to help Mississauga, Ont.'s AbCelex Technologies develop a new line of anti-microbial feed additives to help control disease outbreaks in poultry flocks.

The company is developing a line of innovative non-antibiotic, non-hormonal additives that are specifically targeted at *Campylobacter* and *Salmonella*, two of the most common foodborne bacteria that infect poultry. The new anti-microbials (called "nanobodies") are expected to result in healthier poultry and improved food safety.

The project will be conducted in collaboration with the International Vaccine Centre at the University of Saskatchewan, the University of Toronto and Colorado Quality Research Inc. Funding for the project comes from the AgriInnovation Program (Research and Development Stream) as part of the Growing Forward 2 agricultural policy framework.

Ontario berry grower groups may merge

Ontario's two berry grower organizations are proposing a merger to become one new organization. The Ontario Berry Growers' Association and the Ontario Highbush Blueberry Growers' Association have already received agreement from the Ontario Farm Products Marketing Commission to conduct an "expression of opinion" vote among all eligible growers of blueberries, raspberries and strawberries in Ontario. The proposed name of the new organization is Berry Growers of Ontario.

"We're planning Berry Growers of Ontario in order to help us growers earn better returns," says Jenn VanDeVelde, a berry grower and current director of the Ontario Berry Growers' Association. "There are so many issues facing growers today that require a strengthened organization to effectively address on growers' behalf."

"The new organization will give us the structure and authorities we need to better serve growers," adds Steve Kustermans, a blueberry grower and current chairperson for the Ontario Highbush Blueberry Growers' Association. "A unified voice for all berry growers will enable us to better get government's attention and resources to support our sector."

According to the two existing organizations, the new organization wouldn't be looking for any authorities related to pricing or control of supply. Instead, it would focus its efforts on marketing and promotion, research and grower advocacy. One of the key differences between Berry Growers of Ontario and the two existing organizations is that membership in the new organization would be mandatory rather than voluntary. Mandatory membership means that every grower of two or more acres of any combination of the three crops will be required to pay membership fees each year based on the number of bearing acres in production.

The Ontario Farm Products Marketing Commission expects to conduct the vote in late October and early November.

OPPORTUNITY IN COBOURG
74 Willmott Street, Cobourg, Ontario
Food grade ready Manufacturing/Warehouse for Lease

Situated on the Lake; on the Toronto to Montreal corridor of Hwy. 401 with easy access to U.S. border crossings east and west, this property offers a variety of options for manufacturing or warehousing.

Lease Price Negotiable

- Great opportunity for food sector business to share resources with other tenants.
- Total building 70,000 sq. ft. with 48,000 sq. ft. available in north end of warehouse
- Owner willing to modify building to suit tenants
- Surplus land for expansion.
- Space contains shipping/receiving office, machine shop area and washrooms

Features

- 25' clear ceilings
- 4 truck level doors; 1 drive-in door
- Parking for 80 cars with room for expansion
- Building constructed in 1990.
- Originally built for manufacturing laboratory glassware for the healthcare market, very clean, sealed floors food grade ready.
- Synergy with existing tenant could include washing, dehydration and refrigeration.

Contact:
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Landrich Investments Inc.
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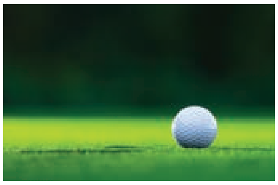
Email: anne@proscience.com

INBRIEF



> **The Sofina Foundation** (the charitable arm of **Sofina Foods Inc.**) hosted its ninth annual charity golf tournament, The Sofina & Amici Golf Classic, on Aug. 4 at the Eagles Nest Golf Club in Toronto. The event raised a record $485,000 in support of the Sunnybrook Health Sciences Centre and the Ronald McDonald House in Toronto. The Foundation was also able to extend its reach across Canada and partner with the Ronald McDonald House Charities Northern Alberta.

> Vineland, Ont.'s **Tawse Winery** has been named Canadian Winery of the year by WineAlign National Wine Awards of Canada.

> Metro Ontario recently presented **Parmalat Canada** with its 2015 Grocery Vendor of the Year award at the Metro Ontario annual charity golf tournament. The company was recognized for its category management expertise, business development support and sales growth supported with strong vendor representation.


Boye

> The **United Nations' Food and Agricultural Organization** has appointed Canada's Dr. Joyce Boye, a distinguished researcher and innovator, as FAO Special Ambassador for the International Year of Pulses (IYP) 2016. The appointment was announced during an event hosted by the FAO Liaison Office for North America in Washington, D.C. in June.

> For this year's annual **Lay's** Do Us a Flavour campaign, Canadians were given a chance to choose which of 12 possible chip flavours inspired from around the world would be made available on store shelves for Canadians. Three innovative international chip flavours were named the winners: Lay's Bacon Poutine, Lay's Cheese & Onion and Lay's Thai Sweet Chili.

> **Ocean Brands** has announced that its canned tuna and salmon product lines will be getting a major overhaul starting later this year, as part of its commitment to environmental stewardship and high ethical standards. Ocean Brands has committed that by the end of 2017, all Ocean's brand light and value-added products will be sourced from Free Swimming (purse seines fishing fish aggregating device (FAD)-free) or Pole and Line caught tuna.

> Collingwood, Ont. craft brewery **Side Launch Brewing Company Inc.** was named Canadian Brewery of The Year for 2016 at the Canadian Brewing Awards.

> Richmond, B.C.-based **Premium Brands Holdings Corp.** has announced that its Ferndale, Wash.-based subsidiary **Hempler Foods Group LLC** has entered into an agreement to acquire Auburn, Wash.-based **Fletcher's Fine Foods**.

> **High Stick Vodka**, one of Canada's newer players in the premium vodka arena, captured a Double Gold and was named the best vodka in the show at the 2016 Wine & Spirits Wholesalers of America Spirits Tasting Competition.

> **PRANA**, a Quebec-based company that offers certified organic, vegan, gluten-free, preservative-free and GMO-free snacks, is now one of the few Canadian companies to have attained **B Corporation** certification. B Corps are for-profit companies certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability and transparency.

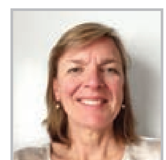
PEOPLE ON THE MOVE


Chasko

> **Jerome J. Chasko** has joined Palsgaard as Technical Sales & Business Development manager.

> **Margaret Law** will be taking over the responsibilities of Field Service Advisor for the Greater Toronto Area and York Excellence in Manufacturing Consortium communities.

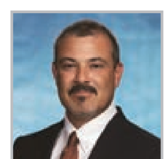
> **William J. Ludlum** has been promoted to Chief Operating Officer (COO) of MORRE-TEC Industries Inc.


Obreza

> CK Ingredients, a Toronto-based supplier of innovative food and health ingredients, has hired **Marti Obreza** as its new Sales & Marketing co-ordinator.


Curry

> Food Safety Net Services (FSNS), a leader in the microbial, chemical testing and auditing of food and nutraceutical products for the food safety industry, welcomes **Faustine Curry** as director of Marketing.


Waite

> Baldor Electric Co. recently named **Ryan Waite** director of motor product management for its global NEMA motor business.

> Viega LLC is promoting **Mark Evans** to director of North American sales.

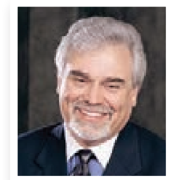

Hogan


Evans

> Emerald Kalama Chemical, a business group of Emerald Performance Materials, has appointed **Paul Hogan** as vice-president and general manager for the organization's benzoates and intermediates (B&I) business.

> Essential Formulas Incorporated (EFI), the U.S. distributor of Dr. Iichiroh Ohhira's probiotic formulations and the newly introduced REG'ACTIV brand, has announced the promotion of **William J. Schoor** from executive vice-president to president.

Larry Martin



COMMENTARY — The grain markets

In the section below I discuss the interesting chart patterns developing in the grain markets. They may give some insight into the power of technical trading, which partially forms the basis for the entry and exit points I suggest in this column.

On the day of the USDA report December corn made a key reversal bottom at $3.22½. The contract made a new low then rallied and actually closed higher than the previous day. The corn chart was, at that point, sitting on long-term major support. It's not clear yet whether the support resulted in people buying futures and causing the key reversal, or whether the key reversal caused people to buy. Either way, the market rallied for the next seven days despite a very bearish report.

The power of technical trading is even more evident on the wheat chart. It was sitting on $4.25 at the time of the report. $4.25 has been major support in 2007, 2009 and 2010, and major resistance in 1996, 2002, 2004 and 2006. It is one of the most significant points in the history of the wheat market; $3.22 is almost as significant for corn.

A support plane means there are many buy orders sitting just above it. This, of course, contributes to the support; buy orders bid prices up if there is not a change in the fundamentals. Penetration of the plane means that the fundamentals have changed. In this case, when the support plane was not penetrated, new buying contributed to the little rally. Even the funds reduced their net short positions.

But now the market penetrated the plane, meaning that the volume of sell orders overwhelmed the buy orders because there's just too much wheat in the world. The interesting problem this creates is that penetration of the plane is a sell signal. Now all the new longs above the plane are stopping their losses by selling, plus there will be many new sell orders.

We could see this market drop a lot because there is no clear place for new buy orders below $4.25 until the $2.90s. Everyone wants to sell or stand aside. We perhaps saw the beginning of the drop on Aug. 26 when the market dropped almost $0.20. The big question is what will happen if corn now breaks through $3.22? All the same conditions prevail. And November soybeans are approaching support at $9.43.

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

MARKET HIGHLIGHTS

> Grains: USDA's August yield report for corn and soybeans exceeded pre-report expectations leading to higher expected stocks/use ratios. However, the supply picture was clouded by strong demand, especially in soybean exports to China, concerns about whether USDA's acres forecast is too high, and technical buying just above support planes. Modest rallies occurred initially, but seem to be turning downward.

> Corn: December corn did a key reversal bottom on USDA report day signaling the conflict between bearish news and bullish technicals. Support is now at the bottom of that day, $3.22½. After a rally back to $3.44, December is now at $3.24. No strong support exists below this until the $2.90 area, from 2009. Price now, or watch for the break out and wait.

> Wheat: Reduced production in France and Germany is offset by increases in the U.S., Ukraine and Russia. World stocks/use ratios are burdensome at 35 per cent. USDA report day took December to $4.25, a major long-term support plane. Now it broke through to $4.05. There's no strong support until $2.90, from 2006. We would buy hand-to-mouth until a new bottom becomes clear, especially with a weak Canadian basis.

> Soy oil: The soy complex is much different than corn and wheat: increased acres by USDA were small and demand remains strong for both beans and meal, though meal futures have also broken out below support. Expect relatively modest stocks/use ratios this year and next.

> Palm oil: Palm is not in short supply. October futures remain in a channel between $0.30 and $0.365 this year, currently at $0.33. If the $0.30 area holds, we would do some pricing and protect above $0.365.

> Sugar: October sugar prices moved sideways, ranging from $0.21 to $0.18½, currently $0.206. Drier weather boosted Brazil's short-term supply, but there is concern about early 2017 supply. We would be covered above $0.212 and buy hand-to-mouth until then. Major resistance at $0.24 and $0.267 represents either profit targets on futures or strike prices for Calls.

> Natural gas: October natural gas fell but then rallied back to $2.90; again U.S. weather is creating demand for cooling, and long positions by managed funds. We suggested pricing near $1.93, or covering above $2.63. Resistance is still at $3, a good place to take profit, but cover above it.

> Crude oil: October Brent crude dropped 50 per cent of the 2016 rally by Aug. 1 to $41.50. The talk about OPEC discussing a production freeze led to record long positions by "hedge" funds and other speculators driving prices to the current $50. The rally is warranted with a freeze. If not, look for a classic case of "buy the rumour, sell the fact." Major resistance is at $53: a place for protection.

> Canadian dollar: The loonie continues to move in step with oil, buffeted by either bad Canadian economic data, U.S. data or speeches by U.S. Fed Chair Janet Yellen. It continues to trade in a range between $0.75 and $0.80, currently December is at $0.769. If oil moves in any direction so will the loonie. We suggest being covered at the next level of support – $0.755.

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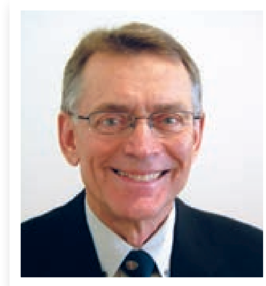

Food irradiation of **beef**

Its time has come

The 2009 *Weatherill Report* on the Maple Leaf Foods outbreak and the 2012 Independent Review of XL Foods Inc.'s beef recall each made a number of recommendations toward improving the food safety of meats. One recommendation common to both reports was to permit the use of irradiation. This past June, Health Canada finally published in *Canada Gazette, Part I,* its second attempt to amend regulations to permit irradiation of fresh and frozen beef. So why has it taken so long for this proposal to reappear, and why are we so reluctant to adopt safe and effective technology to improve food safety?

Who is driving the food safety bus?

Given the benefits of safer food and reduced waste, one might think that both the public and industry would be clamoring for the adoption of food irradiation of beef. No so. Health Canada's first attempt to amend regulations to permit irradiation of beef in 2002 received over 1,700 responses, most of which were from misinformed consumers and consumer associations who opposed the idea. Consequently, irradiation of beef was dropped, an action that clearly showed that a misinformed public was driving the food safety agenda or, as I put it, the food safety bus. What's behind the public paranoia?

To some people, the words "radiation" and "irradiation" both conjure gruesome images of victims in the aftermath of the bombing of Hiroshima and Nagasaki in 1945. If not that, then there might be a connection to other negatives like the diagnosis and treatment of cancers, Japan's Fukushima nuclear power plant disaster and Ukraine's Chernobyl nuclear reactor meltdown. Those stridently opposed to food irradiation even try to make a connection between food irradiation and GMOs, hoping to capitalize on the same audience of fearfully paranoid and/or misinformed individuals.

On the other hand, we fearlessly toss aside concerns about radiation and irradiation when we sit in a dentist's chair for an x-ray to confirm that our teeth are not rotting. The use of radioactive isotopes to kill malignant cells inside our bodies is a common medical procedure. We ingest without question radioactive isotopes for common medical procedures like CAT and MRI scans. Every home has at least one detector to alert us of the presence of carbon monoxide and natural gas leaks, and most of these use radioactive isotopes. Applications of energy from radiation emitting sources are all around us today, including our cell phones.

Health Canada's rationale

The Canadian Cattlemen's Association approached Health Canada (HC) in May 2013 to resubmit their 1998 application with "minor changes." HC then did another review of the effectiveness and safety of the application, its impact on nutritional safety and food quality, the toxicological safety, and the appropriateness of available technologies. After its review, HC concluded "that the irradiation of ground beef…is safe, effective, and does not significantly impact the nutritional quality of the beef any more than cooking would." In effect, it came to the same conclusions it reached a decade earlier and revalidated why only irradiated foods have been used in space exploration for decades.

Not to let science alone drive a good decision, Agriculture and Agri-Food Canada commissioned an online survey in 2014 to gauge consumer perception on a number of topics including that of food irradiation. The survey revealed that 72 per cent of survey respondents hadn't heard of food irradiation and that "overall perceptions of food irradiation" could be changed when people understood the benefits. Still skittish of a backlash, HC did two rounds of consultations in 2015 which "reaffirmed" stakeholder support for the irradiation of beef.

Food irradiation can meaningfully reduce the horrendous human and financial costs arising from food illnesses. Health Canada's second attempt to amend legislation that would permit irradiation of fresh and frozen beef needs strong support. Everyone in our industry, including our provincial and federal governments, must contribute much more to this country's food safety agenda. We have an obligation to educate consumers about food safety and counter the myths and misinformation hijacking good science.

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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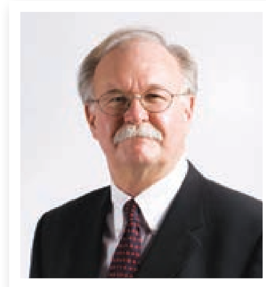

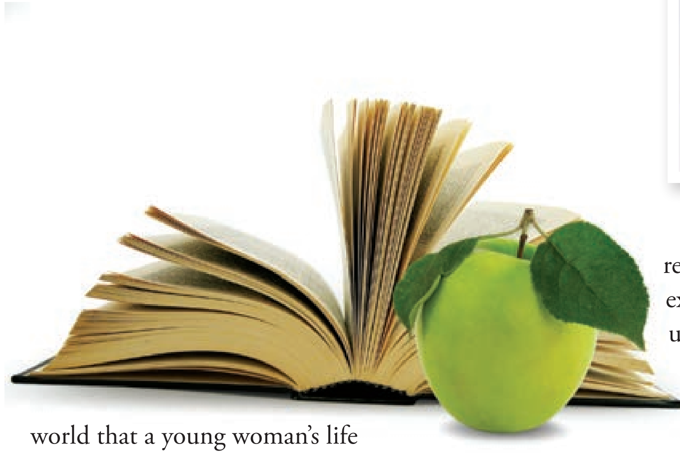

Food Lawyers

A brief retrospective

Except for maybe the *Income Tax Act*, it's hard to imagine any area of the law that is more intimately pervasive in the daily lives of Canadians than food law. It regulates the agriculture and food industry, the second largest sector of the Canadian economy. For reasons of health, trade and consumer protection, this large and rapidly growing field has over a dozen specific federal statutes and many more provincial ones that form the basis of thousands of pages of regulations.

The food regulations under the *Food and Drugs Act* are over 400 pages long and the nine sets of regulations under the *Canada Agricultural Products Act* are even much longer. And yet, surprisingly, in this country, food law has not been widely recognized as a distinct area of law as it has been in the United States and Europe. We still don't have a modern comprehensive text in food law. We don't have a regular reporting service. Our law societies don't recognize it as a separate area of specialization. Our law schools don't teach it. Even lawyers who work for food companies don't think of themselves as food lawyers. But this could all be changing.

One reason for the change is the dramatic growth in the scope and profile of food law over the last 20 years. While Canada got its first food adulteration statute as far back as 1876 and the original *Food and Drugs Act* in 1920, to my mind, the modern era of food law can be traced to the famous 1993 "Jack in the Box" case that graphically showed the world that a young woman's life could be ruined just by eating a hamburger that had an invisible trace of a little known bacteria. Several other high-profile foodborne illness outbreaks in the U.S. soon followed.

Twenty years ago this winter, Canada led the world when it brought together 16 programs that had formerly been delivered by four departments to integrate the whole food chain — seeds, feeds, fertilizers, plant health, animal health, all food commodities including fish — by creating the Canadian Food Inspection Agency (CFIA), a true watershed in Canadian food law. In the years that followed Canada too experienced many major national foodborne illness outbreaks causing many deaths and a flurry of new laws and regulations.

> **"Surprisingly, in this country, food law has not been widely recognized as a distinct area of law."**

With the growth of food law in the last 20 years came the concomitant explosion of media attention to food issues sensationalizing a whole range of controversial food stories on, for example, pesticide residues, genetically modified foods, the danger of imported food, and mad cow disease. What the poor public mostly got was contradictory nutrition advice and bad science reporting. We saw the explosive growth of the urban foodie movement with its enthusiasm for local, organic and natural, whatever that means. Food stories rode the rising wave of social media. In 1993 a young journalist turned professor started what was probably the world's first blog on food safety; now Doug Powell's barfblog has 75,000 direct subscribers in more than 70 countries. When I started this column over 14 years ago many readers told me that it was the first time that they had ever seen the words "food" and "law" together.

Which brings me to what may be another interesting step on the road to recognition for this burgeoning area of practice and study. The Schulich School of Law at Dalhousie University has partnered with a nascent group called the Food Lawyers of Canada to host The Future of Food Law and Policy in Canada, Nov. 3 to 4, 2016 in Halifax with the stated purpose of promoting greater understanding and recognition of food law as a distinct discipline (visit foodlaw.ca/halifax2016).

Some years ago a food industry executive said to me: "Because food is so highly regulated, I guess you damn food lawyers are a necessary evil." I took this as a compliment. We've been called worse.

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, and adjunct professor, Food Science, Carleton University. Contact him at Ronald.doering@gowlings.com

Gary Gnirss

Food irradition
A historical perspective

Food irradiation is not new to Canada. In fact it is not new at all. From a global view point, some of the first patents related to food irradiation date back more than a century. In the late 1950s the former Soviet Union and West Germany were among the first to introduce commercialized irradiated food. And in 1960 Canada introduced irradiation of potatoes to inhibit sprouting.

Prior to the last major amendments to the Federal *Food and Drug Regulations* (FDR) in 1989, food irradiation was governed in Canada as a food additive. Ingredient lists used to declare the source of irradiation, as if it was added to the food. That is a bit odd as the food itself does not contain and does not come into direct contact with emitting sources. Foods are treated with a source of energy, known more precisely as "ionizing radiation."

In the early years, the Canadian government wanted to strictly govern food irradiation. At the time the most convenient way was to govern irradiation as a food additive, which require prior approval before being permitted in food. The current FDR definition of a "food additive" speaks of these as a substance or its by-products becoming part of the food or affecting its characteristics. In 1989, after almost a decade of debate, Health Canada (HC) set up a new mechanism governing irradiation as a process, creating a whole new food irradiation division in the FDR. The labelling of irradiated food was also amended, and included the debut of the international Radura symbol on Canadian food labels.

Food irradiation is strictly regulated in Canada. There are only a handful of foods that are currently permitted to be irradiated, including potatoes and onions to inhibit sprouting during storage, wheat flour to control insect infestation, and spices and dehydrated seasoning preparations to reduce microbial load. Currently the permitted sources of ionizing radiation include Cobalt-60, Cesium 137 and machine source electrons. Contrary to the incorrect belief, irradiated foods are not radioactive. HC looks at many factors, including the microbial and toxicological safety, as well as the nutritional quality and wholesomeness of the food.

"The story of food irradiation is enshrouded in misconceptions, despite the safety of such foods being overwhelmingly supported by decades of research."

The story of food irradiation is enshrouded in misconceptions, despite the safety of such foods being overwhelmingly supported by decades of research. That public perception has been the cause of delay in approving new applications. In 2002 HC published proposed regulations in *Canada Gazette I* related to irradiating mangoes, fresh and frozen beef and poultry, and fresh, frozen and dried shrimp and prawns. Those were never finalized, despite a successful safety and efficacy evaluation. The reason, noted HC, was the large number of questions from stakeholders.

At that time the public's perception of food irradiation was perhaps at its lowest. An Ipsos Reid poll of 3,000 individuals commissioned by Agriculture and Agri-Food Canada in 2014 found that the overall perception of food irradiation was positive when respondents were informed that it was a food safety measure that reduces levels of bacteria that cause food poisoning and food spoilage. It was, however, only marginally more positive at 30 per cent, compared to 21 per cent who had negative views. Seventy-two per cent of respondents had not even heard of food irradiation.

This June HC published proposed regulations in *Canada Gazette I* that, if finalized, would permit the irradiation of fresh and frozen ground beef. The conclusion that this is safe and effective is based in part on the 2002 HC review. Since then there has been new information available, such as more relevant nutritional data, and new in vitro, in vivo and metabolism studies, which support the safety of irradiation. There are currently more than 60 countries permitting foods to be irradiated (23 which allow the irradiation of beef), with more than 500,000 metric tonnes produced annually.

The proposed regulations would not make it mandatory to irradiate ground beef — that would be up to the manufacturer. Irradiated ground beef would, however, need to be labelled. While science demonstrates irradiated foods are safe and effective in reducing microbial load and food waste, it may still be a tough sell to consumers.

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

2016 GRANT THORNTON EXECUTIVE ROUNDTABLE

THE PARTICIPANTS: (*Back row, L – R*) Maurizio Racco, owner, DMR Foods/füdi; Carolyn Cooper, editor, *Food in Canada*; Jim Menzies, National Food and Beverage Leader, Grant Thornton LLP; Kevin Martin, president, Martin's Family Fruit Farm; Guy Ozery, co-owner, Ozery Bakery. (*Front row, L – R*) Paul Roach, CEO, Belmont Meats; Rosanna Lamanna, partner, Grant Thornton LLP; and Jamie Draves, president and CEO, Katan Kitchens. *Photography by Stephen Ferrie*

> *Food in Canada* is pleased to present our annual executive roundtable in partnership with Grant Thornton LLP. This year participants from various sectors of the food and beverage industry discuss growth opportunities for Canadian processors.

As we see it

At Grant Thornton LLP, we've been serving and supporting the food and beverage industry for many years. We value the insights that industry leaders have shared with us here in Canada and around the world over the years and relish the opportunity to share some of our views on a number of important opportunities and issues that they face.

This year's *Food in Canada* Executive Roundtable once again allowed us to listen to and share ideas with a number of leaders in various sectors of the food and beverage industry. From fruit farms, bakeries and meat producers to organics and superfoods — a wide array of producers were represented this year. Although their sectors are very different, a number of their views and issues were strikingly similar.

On an overall basis, producers view the industry and their future prospects quite positively. Opportunities to sell into the United States, coupled with the exchange rate impact, have created favourable market conditions for many exporting producers in particular. Domestic and emerging market opportunities are contributing to advantageous growth opportunities for most as well. Health and wellness trends, and the innovative thinking that goes hand-in-hand with them, continue to have a significantly positive impact on a number of sectors.

As for challenges, many producers view our current regulatory environment as fairly rigorous, which in turn creates additional effort and cost. Although a number of the regulations we face are viewed as necessary, producers do feel that there are opportunities for the various levels of government to be more supportive and less restrictive in their regulatory approach. In addition, the challenges and opportunities that come with the consumer's desire for local sourcing are front and centre in producers' strategies.

It is clear to us that many of our food and beverage producers are thriving today — and their outlook for the future is optimistic. We continue to be very proud of our involvement in this critically important industry, and look forward to helping many producers bring their optimism to fruition.

Jim Menzies
National Food and Beverage Leader
Grant Thornton LLP

Grant Thornton
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ROSANNA LAMANNA > *Thank you all for joining us this morning. Before we get started, let's do a quick introduction.*

MAURIZIO RACCO > I'm Maurizio Racco. I own DMR Foods. We produce a product called füdi, frozen organic dinners, an all-local sustainable product. We're a relatively new company, and we're sold in a few retailers across Ontario.

JAMIE DRAVES > Jamie Draves, president and CEO of Katan Kitchens and Quinta Local Superfoods. We've recently commercialized the first locally grown Ontario quinoa that is far superior than any other quinoa on the marketplace. Our quinoa has almost twice the protein and four times the iron than standard quinoa. Our goal is to produce the highest-quality superfoods.

GUY OZERY > Guy Ozery from Ozery Bakery, formerly known as Pita Break. We're celebrating 20 years in business, and we just made the decision to switch over our brand from Pita Break to Ozery, which is our family name.

PAUL ROACH > I'm Paul Roach, president and CEO of Belmont Meats. The company is celebrating our 50th anniversary this year. We process over 40 million lbs of protein a year in our facility in Toronto. Frozen burgers for retail are our primary product, as well as fresh and frozen steaks and burgers for foodservice.

KEVIN MARTIN > I'm Kevin Martin, president of Martin's Family Fruit Farm. It's the second generation of the family business. We've predominantly been involved in fresh apples. We grow 700 acres of apples ourselves, and then we buy, pack and market apples from other growers in Ontario, supplying the major retailers. In the last few years we've gotten into added-value products. We've launched Martin's Crispy Apple Chips, which you can find across Canada in the majority of Costco stores and some select Loblaw's locations, as well as Starbucks across Canada.

LAMANNA > *A lot of what we'll talk about will revolve around growth. How do you define growth within your organizations? What are you doing to develop that growth?*

RACCO > We've been on the market for about a year, so everything we do is about growth, every direction we take, every new account. When you're in the early stages it's nothing but growth, hopefully. I'm growing the retail distribution right now.

OZERY > We've been around for 20 years. Started out as a small restaurant downtown, and got into wholesale. Today we're mostly selling our brand in the retail chains. Once we hit our peak doing direct store distribution in Ontario and Quebec we realized that the Canadian market is pretty consolidated. So right now we're targeting growth in the U.S. We got into it seriously about five years ago and today probably 40 per cent of our business is in the U.S., which is very helpful. It helps diversify our client base. The whole concept of growth is realizing the potential of the company. Our target is to be a national brand in North America.

MARTIN > For us it's been expanding our existing business — fresh apples. Growth is really about diversifying what we are about by adding a new product line with the crispy apple chips, and growing that top line to bring in more added value to our business.

ROACH > For us it's growing our top line. We've done amazing things on the operations side, in terms of cost reductions, but you've got to grow that to the top line. The food business is challenging because sales are flat pretty well across the board. So you have to take a share from somebody, or build it through innovation. We've entered the U.S. market this year, with three relatively small customers, and it's been a great learning for us regarding the rules of engagement in the U.S. market, and the future is looking very bright for us south of the border. The other big pillar for us is foodservice. We are working real hard to expand our customer base in foodservice and have invested in people to make this happen. That being said, we have some very big retail customers in Canada that we will continue to work hard with, because we believe there is a big opportunity with our retail customers here in Canada. So it's a combination of all our platforms that is growing the business.

DRAVES > Growth in our company is measured two-fold. In the past it's been predominantly focused on R&D, milestones, and market leading positions and goals such as producing the highest-quality quinoa in the marketplace. Expanding on that research and those partnerships and creating models around our development continues to be a goal of ours. But our main goals are focused around sales in multiple markets and net profits, mainly because that becomes the fuel to continue to do R&D to allow us to not only have portfolio diversity, but also continue to be market leading.

JIM MENZIES > *It seems like a slam-dunk that Canadian companies would strongly contemplate going into the U.S. Are you in the U.S. or considering it?*

"If you start with relatively small players and build a winning story it makes it a lot easier to sell that story to bigger customers."

– Roach

MARTIN > We launched in the U.S. last fall, and were able to actually get in with a national chain which covered about half the country, and were in about half of their locations. Martin's Crispy Apple Chips is a pretty niche kind of product, and so for us, it actually works better to deal with a major player. We need to deal with bigger retailers that have more stores, so that we can ship trailer loads of product into central distribution centres and roll it out from there. That was our entry into the U.S. market. Our first shipment across the U.S. border our fingers were crossed; we were hoping there wasn't going to be an issue. But with dried apples it's not as complicated, obviously, as meat. Dealing in a niche market, we're concerned about saturating the marketplace here. We have got a lot of growth opportunities in Canada, but there are so many more retailers in the U.S. We've also started attending shows in the U.S. We're starting to build on that and focus on areas of the country where we've seen the product do well at the national chain level. We're now drilling down into some of those specific regions and hopefully hitting up some smaller retail chains. The hurdle that we're now working through is navigating that whole system. Everything we've done historically has been direct, and now it's about utilizing distribution networks. It's an exciting opportunity and we see unlimited growth there. For us the natural progression to really establish a U.S. market would be to actually have a facility in the U.S.

DRAVES > We're looking at the U.S. market right now. But it's not a direct line of business; you can't just rubber stamp a model of what you're doing here and implement it in the U.S. And then there's the cost of going through the process of testing a product, failing, succeeding, and then continuing to go through those iterations to come to a model that works and has sales success. Whereas the online business for food in Canada is heavily limited because of the cost of shipping, it's not the same in the U.S. So part of our strategy is to look at the online business market in the U.S. If you are able to tap into the online community and get test market results on a low-cost platform, you can use that success to accelerate the process and reduce the cost to get into the U.S. That's what our plans are over the next six months. In terms of setting up facilities in the U.S. rather than here, Ontario is one of the most difficult places to set up a food processing facility as compared to anywhere in North America because of the lack of support that exists. It's easier for us to try to do it in Alberta or Saskatchewan. There is more money there from governments, more money in Quebec and in the U.S. That creates a challenge if you're trying to be local and run your business from Ontario.

OZERY > We decided to expand our market into the U.S. when we realized how consolidated the Canadian market has become. This consolidated market has created very few large customers which can be a risk for a small company like ours. Gaining more customers in the U.S. means we are able to withstand a loss of a major customer in Canada.

LAMANNA > *What are some of the good, the bad and the ugly that come with that, in terms of your experience in the U.S.?*

OZERY > It's about trying to figure out the system in the U.S. because it is a very different way of doing business in comparison to Canada. Here we have direct relationships with retailers. Just learning the whole system in the U.S. — the sales force that you need, how to work with the right brokers and the right distributors — was a learning curve. One thing that I would recommend would be to hire a strong sales representative that knows the U.S. market in and out. We tried to go to market ourselves and it was challenging, we probably made every mistake possible. The other thing I'd strongly recommend is to attend a lot of food shows. I see counterparts that go to the U.S. for only one show, and say there's no ROI. You need to set a strategy — at least a three-year strategy — of the food shows you want to go to. Make sure that you are well financed, and then start hitting them and learning and adjusting over time. It takes time for U.S. buyers to get to know you and trust you.

ROACH > The biggest difference in the U.S. is it's so fragmented relative to Canada, which has a very high concentration of retailers. So, in Canada you can put a person in Toronto and he's within half an hour of 80 per cent of the buyers for the market. In the U.S. they're everywhere, so unless you have a very defined strategy it's a very expensive market to develop. We did it. We've been concentrating on relatively small players and there are a lot more small players in the U.S. than there are big players. In Canada the small players are almost extinct right now because the big players dominate the market. But the idea is to get two or three small wins under our belt with a range of products that we can then showcase to the bigger players, and learn the ins and outs of the market that way. If you start with relatively small players and build a winning story it makes it a lot easier to sell that story to bigger customers. The key is managing how many players you go after, because if you try to get everybody, you will most likely get very little. It's really about focusing attention on what's the size of the prize? And what's the likelihood of success if we invest a lot of resources and time? The other big difference in the U.S. is that it tends to be a broker-driven market, whereas Canada isn't. But there is a strong interest in Canadian players for private label, because we're willing to do the small runs.

LAMANNA > *What about markets outside of the U.S.?*

MARTIN > We've always done a small amount of export with our fresh apples over the years, whether to Mexico, India or the U.K. The apple chips are a little bit easier to ship, and they have a great shelf life, so you're less worried about refrigeration. We've started sending some into Costa Rica, and we've had a lot of inquiries from Egypt, and so we do think it is a great opportunity to continue to grow. Apples are very much a commodity, and we've dealt with the same partners year after year, who buy based on price and availability. With the chips, the global marketplace is endless. Your customer list is endless. I mean, you can sell a container here, a container there, and see where you find some traction.

OZERY > It's a little easier selling commodities than packaged goods. You're dealing with complexities such as different languages and regulatory requirements. Right now we sell a little to Japan and Singapore, but it's through distributors we met at shows who really wanted it. They're dealing with all the complexities of bringing it in.

"Our strategy is to make sure that we have the products that can maintain that stream of long-term trending like we see with vegan protein." *– Draves*

ROACH > We're far more familiar with the U.S. market, and since it's the biggest customer from a country perspective it's the logical place to start. One constraint here is that we have two major sectors that are supply managed, turkey and chicken, which really constrains you as a processor of protein. We have all kinds of demand coming from the U.S. market and we just can't be competitive given the way our market is structured. And that's a big impediment to processors here vs. other countries that don't have these impediments. Consider the CETA trade agreement that Canada has just signed. Europe's already used to dealing with 20, 30 countries, because they're an integrated market. We're not. How are we going to compete against these firms? How is the Canadian food industry going to respond, given all these constraints we have on growing, including people? In Toronto you've got access to labour because there are so many people coming to the city from all over the world. That is our biggest competitive advantage as a business, our work force. But you need to be able to keep tapping into that if you're going to grow here. And that's a concern, especially as you move out into the more rural areas. Government has got to make it easier for people to live and work in those areas and for us to keep our plants running. The Canadian food processing industry is now bigger than the auto industry is in Canada. However, we receive only a fraction of the government support that the auto industry receives and a lot less attention.

RACCO > As food processors we also cannibalize each other out in the marketplace. So, we're never going to stick up for each other. We never come together. There's no support coming from the government, so we run into roadblocks, especially if we want to export. This is the big problem we have. In Canada nobody really wants to invest in an idea — they want to invest in your profits after you've made them. You have no support from the banks. You have no support from the government. Even if we're not competitors, we compete with each other because every inch of every aisle in every supermarket is open game for us, even though you and I don't sell the same product. We still have to fight the same fight to get at least the attention of the buyer. And it's the general mentality of the end marketplace that dictates that.

OZERY > I'm always amazed to see how far the local food industry in Canada has gotten without government support. I do think it's slowly changing. We work with FCPC, which is a great support group for consumer packaged goods in Canada, and they're doing some good work educating and influencing government policy. But it is starting to change a little bit as Canadian manufacturers are becoming more recognized. The food industry is getting complex and salaries are actually going up — you can find a lot of good jobs in the industry. Supporting exports means we're not fighting with each other for local business, we're actually fighting with U.S. companies for business, which is a net gain for Canada. It will be amazing to see if we get the right support from government. I guess it's up to us to convince policy makers that the industry is worthwhile investing in.

ROACH > I'm on the board of the Food Processors of Canada. We're all there to protect jobs in Canada and to try to do our part with the government. And some of us compete head on but when we get in that room we are united, and we have been successful in certain areas lobbying the government to be more supportive of the Canadian food processing industry. We have had some success, but you know, one difficult issue is the regulations. It would be wonderful if we had the same rules on both sides of the border, but we don't. And it's a very expensive part of doing business. But again, we need to have a stronger voice and we are working on it.

LAMANNA > *What are the consumer trends you think are going to be important to the growth of your company in the next few years?*

ROACH: One, for lack of a better word, is provenance — where is food coming from? Locally sourced is getting bigger and bigger. In our industry people want to know where their meat comes from. So the challenge is affordability as you try to do that, because locally grown is not always the most affordable source of your raw materials. Likewise, any food that is free from, hormone free, antibiotic free. Those are two big trends that we're really trying to capitalize on.

RACCO > Locally sourced, organic, antibiotic-free — that's the cornerstone of my product. That's what's given me the possibility to get into the industry — I didn't try to go in with just any product. My product is based on the tenets of the new ethics of food. And it's working. Yes it costs more, but it's well received. It takes a lot more work to get people to try it the first time, but once they do they're loyal. And, you're right, it's tough. Everything costs more when you're buying locally, and the more "ethical" the product is, the more it costs. But slowly the consumer is changing. There is a movement where people are spending the money, and it is starting to diffuse outward. If it is a unique product you do actually make an impact. However, when you are a new product the main concern of retailers is not so much if are you original, but whether you are going to be able to last? If you are able to survive, more and more people will buy into your story. We are also seeing a lot more conscious consumer, one who is much more aware of what they are putting in their bodies. So whereas five years ago it was a very select group of people wanting things like the superfoods, now right across the board people understand the benefits of quinoa, or kale and spirulina. It helps us all.

OZERY > Anything connected to health is a huge trend right now. We've always made healthy and natural foods. So growing in the U.S. our strategy was to start with the natural market and club stores, as it seems their consumers are more open to new companies and products. Now we're shifting our focus to the general market. One interesting point is that the retailers are leading trends. For instance, GMO free, which is a main topic right now and has been for the last two or three years, has been led by Whole Foods battling the larger companies to keep products natural. Organic is becoming increasingly important as companies like Costco have taken on that cause. So I think trends are influenced by business as much as by health concerns. But the challenging thing is that everything is moving so fast right now, that within a year or two of a trend launching, if you're not doing that trend they won't even accept you. So, today to offer a product to Costco in the U.S. in most regions it has to be organic. It's interesting to see how fast an emerging trend will make you unique, and within two or three years it becomes a must.

DRAVES > I think you have to consider the long- and short-term trends. Our strategy is to make sure that we have the products that can maintain that stream of long-term trending like we see with vegan protein. We look at that to see where we can expand to, for example, integration of our products into countries that have high vegan populations. And yet, with superfoods, something like quinoa probably has got about a five-year span and then it won't be as sexy as it once was. We'll start to see it commoditized because of other vegan proteins that have come on the market. So, we have a five-year model with each of our foods, while being ready for the next one that's coming. We've already researched what we believe is the next trending superfood so that we can continue on that long-term trend of being a company that provides market leading and high-quality vegan proteins, and enhance our diversity to make sure that we maximize on the PR appeal of those short-term trends.

MENZIES > *How do you figure out what trend is going to be there five years down the road?*

DRAVES > It's tough to do. For instance, Celiac Disease is about one per cent of the population, and yet the gluten-free market has exploded. What I see in that trend is the fact that it's not the designation that matters, it's some expectation and perception that the products are cleaner, that they're a little bit better, if you have these certifications. And that's important to people. Who would have thought that the GMO movement would have taken hold so quickly? I think we're heading in that direction of "cleaner" or "healthier" certifications as a long-term trend. The U.S. label changes are a good indicator of that. The short-term trends really become what is the flavour of the month.

"What we see is people wanting to be connected to their food, to know where it comes from." *– Martin*

MARTIN > For us one of the biggest things when we launched with the apple chips was the ingredient list — our main product is one ingredient, apples. And that trumps everything. I think ultimately what people want is the clean label. I don't think that's going away, because that's focused on health. Therefore, the cleaner that you can get your label the better. Simplicity is a trend that's going to continue to grow.

RACCO > The other big trend that I'm seeing is "nothing added." Keep food in its natural state. I use a sous vide technique, which allows me to have no preservatives or stabilizers. Everything needed for the consumer to enjoy good-quality, convenient food is out there, and we're slowly tapping into it. It's odd that what's fashionable now is actually a return to how we ate 100 years ago, before every chemical we see now on a lot of labels came into existence. And it's taken us 100, 150 years to get back to the idea that it's fashionable to eat well. It's something that's new here, but it's very old fashioned in different cultures.

DRAVES > I think it's a health trend. We're seeing a lot of health issues, such as food sensitivities, and our health programs just aren't dealing with them. So people are looking to food to be preventative and for a better quality of life. They are looking for functional foods that do more than provide just basic nutrition. That's not something that existed as much when my generation grew up. A lot of times food trends are driven by youth, and the individual who's caring for that youth, which is predominantly still female in our research.

OZERY > One point that ties into trends is the difference between the Canadian and the American market that we're noticing. I find Canadian shoppers much more holistic. They have a wholesome outlook when it comes to consuming food. American shoppers are continually changing; they're looking every couple of years for a new, sexy trend. I find this interesting, but when you're selling to them it's something that you have to consider. So to sell to the U.S. we also have to take a look and see what the flavour of the month is to try to hit that.

LAMANNA > *What are you doing within your company to stay leading edge in terms of growing through innovation? How are you financing that growth?*

OZERY > We participate in every food show we think may add to our knowledge. We explore the world and try to get ideas from everywhere we travel to. That inspires a lot of the innovation that we do. We also connect with people who deal with health and collaborate with them to understand how to make our products healthier and keep them tasty. I'd just like to add that I'd love to see provincial and federal governments looking more at automation. Because again, innovation without automation just leads to your business being taken over by the big companies, or you are unable to actually make it efficiently and compete in other markets. The challenge is that whenever policy makers hear automation it means less employees, and that can be a deal-breaker. In our experience whenever we automate we rarely lose anybody. Instead we manage to be much more competitive and go outside of the Canadian market, and actually employ more people at a higher wage.

ROACH > We want to grow, and we know innovation has got to be part of that. Innovation is probably our biggest challenge. In being a medium-size player you just don't have an army of marketers and researchers trying to come up with the next best thing. And couple that with the fact that many new products fail, it makes it a very expensive undertaking. So we do a lot of things to try to improve our odds. One is we are hiring a director of Innovation to lead the process for us. Two is partnering with customers to tap into their research and vice-versa. But it is a challenge. If we need help anywhere from the government it would be in providing some sort of innovation incubation support for the food industry, similar to what Holland or some of the progressive countries in Europe have done. It would be especially beneficial to the small- and medium-size companies, which are the ones creating jobs.

MARTIN > We're constantly looking at new opportunities to innovate. When we launched the apple chips we were very systematic. To try to minimize the chance of failure we put the time and the investment in R&D, then we extended that further out with market research and focus groups. Because we are a small company we can't be just throwing stuff out to see if it sticks. The other thing is that we focus on the things that work with our core products and that are complementary, as opposed to launching out into brand new areas. We moved from fresh apples, into the apple chips, and now we're trying to start to branch out of that product more to maybe other dehydrated products, or other things that are complementary to dehydrated apples.

DRAVES > We put a big focus on innovation as well, especially in our attempt to be the market leaders, to produce the super of the superfoods and be at that high level. Innovation will always continue to be at the forefront of what we do because we believe it puts us in a leadership position. We focus on setting up R&D models that we can replicate with future crops and food products. And that dramatically reduces the cost of innovation and ongoing long-term R&D, and it reduces the cost of producing future types of foods. So the model we set up to develop our quinoa is the exact model, with improvements, that we will use to develop the next super of the superfoods. We created a system that allows us to progress through that development in partnership with government funding.

RACCO > Füdi cuts against the grain in its category, making the product itself innovative. We're still trying to expand our offerings, but our innovation was the fact that we wanted to give the consumer a product that encompasses health, taste and convenience all from products grown locally.

LAMANNA > *What other challenges are you facing in terms of growing your businesses?*

DRAVES > Cost to scale. We manage the whole value chain. We believe that to get where we need to get, and where we've gotten, we needed to be heavily involved in everything, from the breeding research to the agronomy, to working with the growers, to doing the processing and the sales and marketing. That creates a lot of variable risk that we take on at each of those stages.

LAMANNA > *What is the future like for the food industry, and how do you plan to capitalize on it?*

OZERY > The shift in thinking about food to a more holistic way. A combination of Eastern and Western mentalities that mean eating healthy can help prevent health issues occurring.

DRAVES > In some of the export countries, like India, there is a growing middle class, but their definition of middle class is different, from what I have been told. It isn't about their capabilities of buying a car, or needing one, or having a house. What's starting to occur is that how you look and what you eat — meaning better, healthier food — becomes a class designation. People are willing to pay more just for the status of having food that's better for them. And I think we're going to see more of that as we see more health issues occurring within our society. Our long-term plans are to go north and create a whole area where we develop food from start to finish with all-natural practices, and brand it globally.

MARTIN > What we see is people wanting to be connected to their food, to know where it comes from. It's about having a wholesome product, and having a story behind it. That's where there's great opportunities for smaller enterprises. Real innovation needs to come from within, from personal stories and experiences and real life. It's about having that mindset and saying, as a company, innovation isn't an option; it's a requirement to be in existence going forward. And you have to be out there connecting with your consumer, seeing what they want and staying closely connected to your product as well.

Carol Neshevich

Spices with benefits

Turmeric has recently been skyrocketing in popularity, not only for its flavour but also for its purported medicinal properties

Don Dickson, owner of Vancouver's South China Seas Trading Co., used to play a lot of baseball. He played regularly until he was 50, and he credits turmeric for his ability to continue playing as he got older. "If it hadn't been for turmeric capsules, I don't think I could have done it past the age of 35," he says. "I was a catcher, and catchers' knees get wrecked, and taking turmeric every day did give me a fair bit of relief."

Baseball aside, Dickson knows quite a bit about turmeric, both in terms of its culinary uses and its purported health benefits. His company — which specializes in herbs and spices — has sold turmeric for years, in fresh and dried forms. But it wasn't until recently that he's really been seeing it take off in the mainstream. "Like so many other things that we sell — we sell them for years and no one else has them, and then all of a sudden we start noticing them popping up everywhere," says Dickson.

What is turmeric?

Turmeric is a perennial plant from the same family as ginger, native to Southeast Asia. It's been in use for more than 4,000 years, both as part of traditional Ayurvedic medicine and also as a spice used in Southeast Asian and Asian cooking. "It's traditionally used in India, Southeast Asia, Indonesia, Malaysia, Vietnam, Thailand — it's had pretty broad culinary uses throughout that part of the world," says Dickson.

On the culinary side, turmeric has "a fairly strong flavour," he explains. "We sell it both dry and fresh. The fresh one has a nice gingery light fragrance to it, sort of like an earthy ginger — a very pleasant smell, less pungent than the dried product. It has that flavour that we associate with curries."

What are its health benefits?

With the rise of "superfoods," it's often difficult to figure out which nutritional claims to believe. But in the case of turmeric, there have been numerous serious scientific studies delving into its medicinal benefits.

The active ingredient of turmeric, called curcumin, is a type of polyphenol. Among other things, curcumin has been shown to help prevent depression in mice, and scientists are studying its impact on treating Alzheimer's disease. Studies on rats from a few years ago showed that turmeric could help prevent and maybe even reverse liver damage, and there are ongoing studies looking into its impact on treating or preventing cancer, particularly colon cancer. It's also been studied as an anti-inflammatory, a treatment for arthritis, a preventative measure for people at risk of developing diabetes, and more.

How are people eating turmeric?

Google's 2016 Food Trends Report revealed turmeric to be the "top trending functional food," with online searches for turmeric growing by a whopping 56 per cent in the short span between November 2015 and January 2016. As turmeric's popularity soars, recipes using the potent yellow spice abound on the internet. Aside from its common use in traditional curries, many foodie websites suggest using it as an ingredient in frittatas, rice dishes, vegetable mixes, soups, and even as an addition to smoothies. There are a plethora of online articles describing how to brew your own turmeric tea, and we're also seeing commercial turmeric tea bags on the market from companies such as Numi Organic Tea.

In fact, we're starting to see a number of innovative consumer products featuring turmeric as an ingredient: the California-based Tu Me Beverage Co. makes turmeric-infused sports beverages, for instance, available in five flavours — coconut water, pomegranate, berries, citrus and mango. And Navitas Naturals, also based in California, offers a packaged product called Turmeric Tamari Superfood+ Almonds, combining the nutritional benefits of both turmeric and almonds in a grab-and-go snack. If turmeric's popularity continues to skyrocket, we're sure to see more products like these hitting the grocery store shelves soon.

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FLEET LEASING & MAINTENANCE | DEDICATED TRANSPORTATION | SUPPLY CHAIN SOLUTIONS

TOP 100 Canadian food & beverage processors

COMPANY	2015 Sales ($000s)	2014 Sales ($000s)	2014-2015 Sales Growth	Exports as % of Sales	Employees
1. Saputo Inc. *	10,657,712	9,232,889	15%	–	12,500 approx.
2. Kraft Heinz Canada ULC **	8,975,323 E	N/A	N/A	–	9,000
3. McCain Foods Limited	7,786,908	7,592,000	3%	–	17,000
4. La Coop fédérée	5,991,969	5,376,073	11%	18%	12,211
5. Agropur Co-operative *	5,874,900	4,662,270	26%	–	–
6. Cott Corporation *	3,808,653	2,590,019	47%	–	9,500
7. Maple Leaf Foods *	3,292,900	3,157,200	4%	–	11,000 approx.
8. Olymel L.P. *	2,805,000	2,756,000	2%	–	9,874
9. Molson Canada 2005	2,593,856	2,209,547	17%	N/A	3,100 (Canada)
10. Nestlé Canada Inc.	2,400,000	2,300,000	4%	3%	3,500
11. George Weston Limited *	2,144,000	1,923,000	11%	–	200,000+
12. AGT Food and Ingredients Inc.	1,700,000	1,360,000	25%	95%	300 Canada, 1,800 worldwide
13. Premium Brands Holdings Corporation *	1,484,577	1,241,656	20%	–	3,000 approx.
14. SunOpta Inc.	1,464,366	1,219,305	20%	97% (non-Canadian sales)	2,100
15. Lassonde Industries Inc.	1,449,287	1,181,026	23%	<10%	2,100
16. High Liner Foods Incorporated *	1,313,410	1,379,380	-5%	–	1,413
17. PepsiCo Canada ULC	1,275,062 E	N/A	N/A	–	4,000 E
18. Coca-Cola Refreshments Canada Company	918,787 E	N/A	N/A	–	5,600 E
19. Export Packers Company Limited	904,000	845,000	7%		190
20. Kellogg Canada Inc.	837,839 E	767,632 E	9%	–	850 E
21. Exceldor Cooperative Avicole	689,348	494,000	40%	5%	2,250 E
22. Gay Lea Foods Co-operative Limited	664,000	662,000	0.3%	9%	921
23. Sunrise Farms	600,890	562,600	7%	2%	2,100
24. Mondelez Canada Inc.	562,960 E	525,246 E	7%	–	3,600 E
25. Rogers Sugar Inc. *	541,545	532,295	2%	–	550 E
26. Clearwater Seafoods Limited *	504,945	444,742	13%	–	1,500 E
27. Barry Group Inc.	468,915 E	157,768 E	197%	–	720 E

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* = Annual Report
** Kraft and Heinz merged in 2015, so the number for Kraft Heinz Canada reflects the newly merged company.
*** = Dainty Foods (MRRM) changed from public to private in 2015; numbers may not reflect true sales figures. 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, Nutrilait	Public	Gestion Jolina Inc.
www.kraftcanada.com	Nabob, Maxwell House, Philadelphia Cream Cheese, Miracle Whip, Kraft Salad Dressing, Heinz, Renée's, Diana Sauce, Classico, Stove Top, KD, Jell-O, Kraft Peanut Butter, Kraft Singles	Private	The Kraft Heinz Company
www.mccain.ca	McCain Superfries, International Thin Crust Pizza, Pizza Pockets, McCain Juices	Private	McCain Family
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, iögo, Agropur Grand Cheddar, Farmers, Olympic, Dyna Moo, Baboo		3,400 co-op members
www.cott.com	Cott, Vess, Vintage, Red Rain, Stars & Stripes, So Clear, Chadwick Bay, Exact, RC, Harvest Classic	Public	–
www.mapleleaf.ca	Maple Leaf, Prime, Schneiders Country Naturals, Natural Selections, Mina Zabeeha by Hand	Public	McCain Capital Corporation, West Face Capital
www.olymel.com	Smart Nature, Olymel bacon, chicken products, cooked and sliced meats, hams, deli and meat counter products, frozen and fresh wieners	Private	–
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.nestle.ca	Lean Cuisine, Stouffer's, Delissio, Nescafé, Nesquik, Häagen-Dazs, Gerber, Powerbar, Kit Kat, Aero, Coffee Crisp, Smarties, Purina, Nestlé Drumstick, Good Start	Private subsidiary of public company	Nestlé S.A.
www.weston.ca	Weston, Wonder+, D'Italiano, Country Harvest, Gadoua, ACE Bakery, Ready Bake, Maplehurst, Interbake Foods, All But Gluten	Public	–
www.alliancegrain.com	CLIC, Arbella, Saskcan, Arbel	Public	Murad Al-Katib, widely held
www.premiumbrandsholdings.com	Harvest Meats, Creekside, Harlan's, Hempler's, Hygaard, Duso's, Piller's, Freybe, Grimm's, Premium Seafood, Audrey's	Public	–
www.sunopta.com	–	Public	Wellington Management Group LLP, Daruma Capital Management
www.lassonde.com	Oasis, Fruite, Allen's, Rougemont, Fairlee, Everfresh, McCain, Canton, Antico, Apple & Eve	Public	Pierre-Paul Lassonde
www.highlinerfoods.com	High Liner, Fisher Boy, Mirabel, Sea Cuisine, C. Wirthy & Co	Public	–
www.pepsico.ca	Pepsi, Frito Lay Canada, Quaker, Topicana, Gatorade	Private subsidiary of public company	PepsiCo
www.coca-cola.ca	Coca-Cola, Nestea, Minute Maid, Dasani	Private subsidiary of public company	The Coca-Cola Company
www.exportpackers.com	Ocean Jewel	Private	Rubenstein Family
www.kellogg.ca	All-Bran, Pop-Tarts, Special K, Eggo, Rice Krispies, Nutri-Grain, Vector Bars, Mini-Wheats, Corn Pops, Froot Loops, Corn Flakes, Frosted Flakes, Müslix, Two Scoops Raisin Bran	Private	Kellogg Company
www.exceldor.ca	Exceldor, Victor, White Rock, Butterball	Private	Co-operative
www.gayleafoods.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.mondelezinternational.com	Chips Ahoy!, Oreo, Ritz, BelVita, Wheat Thins, Triscuit, Nabisco, Cheese Nips, Cadbury, Toblerone, Tang, Philadelphia, Grand Mere	Private	Mondelez International
www.lantic.ca	Rogers, Lantic	Public	–
www.clearwater.ca	Clearwater premium hardshell lobster, Prime lobster, scallops, clams, Snow crab, masago	Public	–
www.barrygroupinc.com	Groundfish, FAS groundfish, pelagics, shellfish	Private	–

COMPANY	2015 Sales ($000s)	2014 Sales ($000s)	2014-2015 Sales Growth	Exports as % of Sales	Employees
28. Unilever Canada Inc.	455,245 E	440,912 E	3%	–	3,400 E
29. Maple Lodge Farms Ltd.	446,699 E	463,095 E	-4%	–	2,900 approx.
30. Biscuits Leclerc Ltd.	375,000	313,000	20%	27%	760
31. Catelli Foods Corporation	342,222	320,000	7%	7%	295
32. Andrew Peller Limited *	315,697	297,824	6%	–	1,189 E
33. Weetabix of Canada Limited	257,629 E	234,799 E	10%	–	260 E
34. Campbell Company of Canada	234,392 E	N/A	N/A	–	1,500 E
35. Post Foods Canada Corp.	223,018 E	203,194 E	10%	–	225 E
36. Granny's Poultry Cooperative Ltd.	166,000	165,000	1%	3%	500
37. Golden Valley Foods Ltd.	155,069	152,033	2%	0%	135
38. Amalgamated Dairies Limited	155,000	151,000	3%	1%	250+
39. Hershey Canada Inc.	137,042 E	155,625 E	-12%	–	1,600 E
40. Corby Distilleries Limited *	132,066	137,279	-4%	–	19,000 worldwide
41. Ultima Foods	131,036 E	137,630 E	-5%	–	700 E
42. Richardson Oilseed Limited	129,866 E	136,657 E	-5%	–	240 E
43. Scotsburn Co-operative Services Ltd.	126,000	130,000	-3%	N/A	500
44. General Mills Canada Corporation	123,211 E	129,661 E	-5%	–	1,000 E
45. Quinlan Brothers Ltd.	119,877 E	126,151 E	-5%	–	800 approx.
46. Super-Pufft Snacks Corp.	104,448 E	105,532 E	-1%	–	250 E
47. Dare Foods Limited	100,378 E	97,748 E	3%	–	1,400 E
48. Burnbrae Farms Ltd.	100,000+	100,000+	0%	less than 5%	1,000+
49. Peak of the Market	97,976	88,510	11%	26%	51
50. Sunny Crunch Foods Holdings Ltd.	88,644 E	81,317 E	9%	–	90 E
51. Danone Inc.	84,019 E	88,411 E	-5%	–	450 E
52. Ten Peaks Coffee Company Inc. *	83,641	66,180	26%	–	–
53. Sun Rich Fresh Foods Inc.	82,442 E	86,761 E	-5%	–	1,200 E
54. Voortman Cookies Limited	81,344 E	66,918 E	22%	–	450 E
55. Vantage Foods Inc.	76,727 E	60,008 E	28%	–	500 E
56. Les Industries Bernard & Fils Ltée	70,000 E	60,000 E	17%	80%	55 E
57. Nutrinor Coopérative Agro-Alimentaire Du Saguenay Lac St-Jean	69,000 E	58,949 E	17%	–	300 E
58. Ferrero Canada Limited	68,034 E	77,819 E	-13%	–	800 E
59. Oxford Frozen Foods Limited	67,285 E	70,810 E	-5%	–	600 E
60. Associated Brands Inc.	66,322 E	64,874 E	2%	–	500 E
61. Pinty's Delicious Foods Inc.	60,977 E	64,393 E	-5%	–	500 E

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Website	Top Brands	Ownership	Major Shareholder
www.unilever.ca	Becel, Ben & Jerry's, Knorr, Lipton Tea, Popsicle, Breyers, Ragú, Hellmann's, I can't believe it's not butter, Klondike, Slim-Fast, Skippy, Salada, Red Rose, Imperial	Private	Unilever PLC
www.maplelodgefarms.com	Maple Lodge Farms chicken bacon and deli meats, sliced packaged meats, frozen boxed meats, wieners, Zabiha Halal	Private	Family owned
www.leclerc.ca	Vital, Celebration, Chocomax, Quattro, Choco, Praeventia, Tradition 1905, Muffin Max, Momento, Go Pure	Private	Leclerc Family
www.catellifoods.ca	Catelli Pasta, Healthy Harvest, Smart, Lancia, Bistro, Splendor, Ronzoni, Minute Rice	Public	Ebro Foods
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.campbellsoup.ca	Campbell's soups, Goldfish, V8, Prego, Habitant	Private subsidiary of public company	Campbell Soup Company
www.postfoods.ca	Post cereals, Alpha-Bits, Grape-Nuts, Great Grains, Honey Bunches of Oats, Honeycomb, Cranberry Almond Crunch, Shreddies, Sugar Crisp, Post 100% Bran	Private	Post Holdings Inc.
www.grannys.ca	Granny's Chicken and Turkey products	Private	Widely held
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.hersheycanada.com	Hershey's, Brookside, Twizzlers, Oh Henry!, Reese, Chipits, Jolly Rancher, Pot of Gold, Skor, Hershey's Kisses, Glossette	Private	The Hershey Company
www.corby.ca	Wiser's, Canadian whisky, Lamb's rum, Polar Ice, McGuinness	Public	–
www.ultimayog.ca	iögo, Olympic	Private	–
www.richardson.ca	Oils, sprays, margarines	Private	James Richardson & Sons Limited
www.scotsburn.com	Scotsburn ice cream	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.superpufft.com	Private-label snacks and beverages	Private	–
www.darefoods.com	Bear Paws, Simple Pleasures, Viva Puffs, Wagon Wheels, Traditions, Breton, Melba Toast, Grissol, Bread Sticks, Croutons, RealFruit gummies, Normandie, Whippet, Ultimate	Private	–
www.burnbraefarms.com	Naturegg Omega 3, Naturegg Simply Egg Whites, Egg Creations, Naturegg Omega Plus, Burnbrae Farms	Private	Hudson Family
www.peakmarket.com	Peak of the Market	Private	Peak of the Market growers
www.sunnycrunch.ca	Sunny Crunch cereals and bars, private label	Private	–
www.danone.ca	Oikos, Coolision, Activia, Danino, DanActive, Silhouette, Danone	Private	Danone Euronext Paris
www.tenpeakscoffee.ca	Decaffeinated coffee	Public	–
www.sun-rich.com	Fresh-cut fruit for retail and foodservice	Private	–
www.voortman.ca	Voortman cookies, turnovers, wafers, sugar-free, omega-3	Private	–
www.vantagefoods.net	Fresh and ground meat products, sausage products	Private	–
www.bernards.ca	Old Fashioned Maple Crest, Bernard	Private	Bernard Family
www.nutrinor.com	Nutrinor dairy products	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.associatedbrands.com	Private label, co-manufacturing, Neilson desserts and beverages, Prairie Maid cereal	Private	–
www.pintys.com	Pinty's chicken products	Private	–

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* = Annual Report
** Kraft and Heinz merged in 2015, so the number for Kraft Heinz Canada reflects the newly merged company.

*** = Dainty Foods (MRRM) changed from public to private in 2015; numbers may not reflect true sales figures. E = Estimate

COMPANY	2015 Sales ($000s)	2014 Sales ($000s)	2014-2015 Sales Growth	Exports as % of Sales	Employees
62. Hallmark Poultry Processors Ltd.	60,733 E	67,735 E	-10%	–	400 E
63. Northumberland Cooperative Limited	55,826 E	58,949 E	-5%	–	300 E
64. Boulangerie Gadoua Ltée	53,611 E	52,421 E	2%	–	750 E
65. True North Salmon Co. Ltd.	52,323 E	58,556 E	-11%	–	350 E
66. Just Quality International	50,000	35,000	43%	94%	12
67. Country Ribbon Inc.	49,193 E	51,941 E	-5%	–	325 E
68. GraceKennedy (Ontario) Inc.	49,000 E	45,000 E	9%	0%	48
69. The Allan Candy Company Limited	46,605 E	53,493 E	-13%	–	550 E
70. Steam Whistle Brewing	46,000	43,500	6%	0%	183
71. La Coop Agrilait	44,155	45,615	-3%	–	145 E
72. Plaisirs Gastronomiques Inc.	43,977 E	42,802 E	3%	–	330 E
73. Tignish Fisheries Co-operative Association Ltd.	43,330 E	47,273 E	-8%	–	300 E
74. Big Rock Brewery Inc. *	39,594	36,755	8%	–	520 E
75. Brick Brewing Co. Limited *	37,609	36,333	4%	–	
76. Margarine Golden Gate-Michca Inc.	35,176 E	36,963 E	-5%	–	65 E
77. To-Le-Do Foodservice	35,000	32,150	9%	0%	48
78. Inovata Foods Corp.	33,326 E	34,337 E	-3%	–	250 E
79. Freshwater Fish Marketing Corporation	32,407 E	34,044 E	-5%	–	216 E
80. G.E. Barbour Inc.	30,000 E	30,000 E	0%	5%	100
81. Organic Meadow Ltd.	30,000 E	30,000 E	0%	N/A	30
82. TWI Foods Inc.	30,000	25,000	20%	58%	200 +
83. Foothills Creamery Ltd.	29,000	24,700	17%		70
84. Ganong Bros. Limited	27,683 E	31,618 E	-12%	–	325 E
85. Earth's Own Food Company Inc.	27,592 E	25,287 E	9%	–	28 E
86. English Bay Batter (Toronto) Inc.	27,126 E	23,605 E	15%	–	150 E
87. France Délices Inc.	26,500	23,100	15%	32%	200
88. Walcan Seafood Ltd.	26,389 E	30,251 E	-13%	–	175 E
89. Dainty Foods, division of MRRM (Canada) Inc. ***	26,295 E	48,005	N/A	–	110 approx.
90. Baxters Canada Inc.	26,195 E	26,295 E	0.4%	–	170 E
91. Canards Du Lac Brome Ltée	25,832 E	27,134 E	-5%	–	170 E
92. Silani Sweet Cheese Limited	24,681 E	109,424 E	-77%	–	200 E
93. R. Denninger Limited	24,629 E	34,340 E	-28%	–	300 E
94. Handi Foods Ltd.	24,300	22,700	7%	60%	135
95. Smucker Foods of Canada Corp.	24,072 E	26,804 E	-10%	–	350 E
96. Paturel International Company	23,982 E	25,188 E	-5%	–	160 E
97. Aliments Fontaine Santé Inc.	21,289 E	20,712 E	3%	–	160 E
98. Bonte Foods Ltd.	21,000	17,252	22%		105
99. Reinhart Foods Ltd.	18,553 E	18,188 E	2%	–	140 approx.
100. Dairytown Processing Ltd.	16,424 E	17,313 E	-5%	–	88 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**

Website	Top Brands	Ownership	Major Shareholder
www.hallmarkfarms.ca	JD Sweid Foods, Heritage Farms	Private	–
www.northumberlanddairy.ca	Northumberland dairy products	Co-operative	–
www.gadoua.qc.ca	Gadoua, Melleux, MultiGo, Pain de ménage	Private	George Weston Limited
www.truenorthsalmon.com	True North salmon products	Private	–
www.jqinternational.com	Arctic Harvest, Just Quality, Zen Harvest and private labels	Private	Yupeng Liu
www.countryribbon.com	Country Ribbon, Pinehill, Lunchtime; fresh, frozen, breaded and deli chicken products	Private	–
www.gracefoods.ca	Grace, Mili, Dunn's River	Public (Jamaica)	GraceKennedy Ltd.
www.allancandy.com	Allan, Saybon	Private	–
www.steamwhistle.ca	Steam Whistle Pilsner	Private	Greg Taylor, Cam Heaps
www.agrilaitcoop.com	Milk, butter, cheese	Co-operative	–
www.plaisirsgastronomiques.com	Plaisirs Gastronomiques pot pies, puff pastries, quiches, salads, sandwiches, salad spreads, deli, sausages, confit products, cooked products, Norel, Stromboli pizzas	Private	Groupe Financier Beauvais Inc.
www.royalstarfoods.com	Lobster products	Co-operative	–
www.bigrockbeer.com	Big Rock beers	Public	–
www.brickbeer.com	Seagram, Waterloo, Laker, Formosa, Red Cap, Red Baron	Public	–
www.goldengatemargarine.com	Crystal, Mirage	Private	–
www.toledofoodservice.ca	Certified Angus Beef, To-Le-Do Foodservice label portion control meat products (beef, pork, veal, lamb and bison)	Private	Leigh and Barb Young
www.inovatafoods.com	Private label	Private	–
www.freshwaterfish.com	Freshwater Fish	Federal government crown corporation, not subsidized	–
www.barbours.ca	King Cole, Barbours	Private	Sylvia MacVey
www.organicmeadow.com	Organic Meadow and private-label dairy products	Private	Organic Meadow farmers
www.crispyjustbaked.com	Crispy	Private	Ali Kizilbash
www.foothillscreamery.com	Foothills Butter, Foothills Ice Cream	Private	Donald Bayrack
www.ganong.com	Ganong chocolates, candy bars, truffles, Chicken Bones	Private	DAG Holdings Inc.
www.earthsown.com	So Good, So Nice, Almond Fresh, ryza, Sunrise Brand Soy Beverage, YÜ Organic Rice beverages	Private	–
www.englishbaycookies.com	Private label, foodservice	Private	–
www.francedelices.com	Quali-Desserts	Private	Durot Family
www.walcan.com	Seafood	Private	–
www.mrrm.ca	Dainty, Royal, World Classics, Ideal, Rice Now!, Time-Wise, MRRM, Eagle, Super, Dainty Conditioned	Private	Marbour
www.baxterscanada.ca	Baxters soups	Private	–
www.canardsdulacbrome.com	Canards Du Lac Brome duck products	Private	–
www.silanicheese.com	Cheese	Private	–
www.denningers.com	Meat, deli, sausages, specialty foods	Private	–
www.pitagourmet.net	Mr. Pita, Pita Gourmet, Pita Puffs, Uncle Georges, Handi	Private	George Haddad
www.smuckerfoodservice.ca	Smucker's, Double Fruit, Good Morning, Dickinson's, Jif peanut butter	Private	–
www.eastcoastseafood.com	Lobster and seafood products	Private	American Holdco Inc.
www.fontainesante.com	Fontaine Santé dips, spreads, sauces, salads, appetizers, végépâtés	Private	–
www.bonte.ca	Bonte Foods Ltd, Chris Brothers, Nature's Deli, Plato's, East Coast Kitchen	Private	Michael R. Whittaker, William J. Hay
www.reinhartfoods.com	Reinhart vinegar, Allen's, Daltons, Jaffa, Glace fruit, pie fillings	Private	–
www.dairytown.com	Private label, Dairytown dairy products	Private	–

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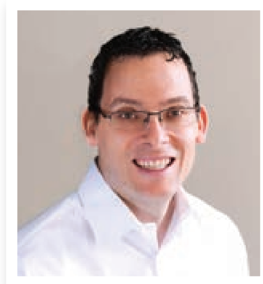
Daniel Scholes



The joy of **soy**

If you are lactose intolerant, vegan or simply looking for non-dairy options, finding tasty alternatives to cow's milk has never been easier. The grocery dairy case has been growing exponentially with non-dairy beverage options, and soy has been leading the way in this explosive food trend. Compared with other non-dairy alternatives, soy trumps all for its high protein, amino acids and potassium. It's an excellent source of B vitamins and iron, and can be fortified to provide the same levels of calcium as cow's milk. For these reasons, soy is in fact the only milk alternative that has an official place in Canada's Food Guide.

Despite its recent explosion of popularity in North American food culture, the oldest references to soy milk were actually found on ancient Chinese murals. It's said to have made its way into Europe as early as the mid-17th century, and to North American soil by 1896. Soy milk is made from a blend of oil, water and soybeans and has a slightly beany, chalky taste and generally a thicker, richer and creamier texture than nut or seed-based beverages. Given the steady rise in consumer interest, and the continued expansion of brands into this space, we decided to have a closer look at the taste profiles of four brands of soy beverages to see if any make us jump for joy.

The joy ride

We recruited 50 females, between the ages of 25 and 54 from the Greater Toronto Area, who were regular users of soy beverages. They tasted and evaluated four "original" flavoured brands of soy beverage, including three national brands and one private label, all having similar nutritional values. Each participant received a 100-mL portion of each sample. They were first asked to evaluate the appearance and aroma, followed by a series of liking and "just about right" questions on specific sensory attributes.

Joyous soy

Three brands performed well, with no significant differences on the key measures of overall liking, overall flavour, and purchase intent. In fact, at least 70 per cent of participants rated each of these brands in the top three boxes for liking of the overall flavour (as measured on a nine-point hedonic scale).

Although all three had likeable flavour profiles, there was one notable shortcoming consistent with all three brands and that was sweetness. All three fell below the norm and did not register enough sweetness for about one third of our testers. These top performing brands also had positive ratings for their overall texture and mouthfeel. However, one brand was superior to all the others for creaminess, with 80 per cent of our testers rating it "just right." On the other hand, another brand was not creamy or thick enough and this did have a negative impact on the overall likeability of this brand.

Joyless soy

Contrary to its three tasty counterparts, one brand of soy beverage did not reach soaring heights. In fact, the performance of this brand would make it hardly worthy of shelf space in our estimation. Over one third of our testers rated this brand below five on the nine point scales of overall liking and overall flavour — a big red flag by our standards. The flavour profile was much too strong, but not in a good way. Many described it as "artificial," that it lacked sweetness, and that it had a chalky mouthfeel. It also came with a not-so-nice lingering aftertaste, and texturally it lacked creaminess. There were very few redeeming attributes for this brand, which ultimately translated into a serious lack of purchase interest.

Ode to soy

Prior to tasting, we asked our soy beverage consumers about their current purchase behaviour, revealing that the large majority have not assumed any real brand loyalty in this category yet. Most of our testers were users in this category because of the health benefits, and many believe that all brands of soy beverage have similar nutritional benefits, so they tend to look for the brands that are on sale.

But as the consumer shift to non-dairy alternatives continues, continued product development in these categories will further raise the bar of sensory performance. And as products improve, consumer familiarity will also advance — consumers will become more accustomed to the soy flavour profile and increasingly aware of what constitutes great-tasting soy milk. This will lead to diminishing tolerance for underperformers. Maintaining and elevating the sensory standards in the category will be beneficial to all — and help to spread the joy of soy.

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

Riding the *rollercoaster*

A look at the economic conditions and issues affecting the food industry in 2016 and beyond

—BY DOUG BURN—

Last year was good for the top line but not for the bottom line as the falling dollar benefited exports but drove ingredient costs higher. This year manufacturers are expected to restore their margins as the 2015 cost increases are fully passed on and commodity price increases begin to ease.

The food and beverage industry accounts for nine per cent of Canada's manufacturing shipments, six per cent of its manufactured exports, and 17.5 per cent of its manufacturing employees. Inputs include agricultural commodities ranging from Canadian wheat, cattle and potatoes to sugar from Thailand, cocoa beans from Côte-d'Ivoire, and rice from Thailand.

The loonie & commodity prices

The price of wheat declined by 80 cents a bushel (down 14 per cent) to US$5.08 in 2015, according to BMO Nesbitt Burns, but Canadian millers did not see much relief as the loonie dropped 12 cents to US$0.78 (a 16-per-cent drop). A further six-cent drop in the dollar is forecast for the remainder of 2016. The World Bank's first quarter *Commodity Markets Outlook* report forecasts price declines of five to 10 per cent in most agricultural commodities, from tea leaves and coffee beans to soybean oils and wheat, with world sugar the notable exception as it rebounds by a third to 2014 levels. Converted into Canadian currency, commodity prices will plateau rather than actually fall.

THE FOOD AND BEVERAGE INDUSTRY ACCOUNTS FOR **NINE PER CENT** OF CANADA'S MANUFACTURING SHIPMENTS, **SIX PER CENT** OF ITS MANUFACTURED EXPORTS, AND **17.5 PER CENT** OF ITS MANUFACTURING EMPLOYEES.

Consumer confidence

Consumers began 2015 with confidence, and despite good growth in incomes, low overall inflation and moderate unemployment, ended the year less confident. The 4.1-per-cent rise in retail food prices added about $240 to the average household's $5,900 in annual grocery spending, but this was more than offset by the $410 they saved in gasoline and other fuel purchases on falling energy prices. Nonetheless, confidence in the first two months of 2016 was 20 per cent below the year earlier period, as bad news accumulated. In July the Bank of Canada reduced interest rates for the second time in six months as Ottawa, the major banks and the IMF downgraded their forecasts for Canada's economy. Investors, including most seniors with personal retirement plans, watched as two years of paper gains on the Canadian stock market were lost, with the S&P/TSX composite index falling below 13,000 in January this year after rising above 15,000 in January 2015. Housing, the biggest investment for most families, has held up, but any correction in the market in 2016 could cause confidence to plummet.

Retail competition subsides

The intense competition among grocers of past years was subdued in 2015. When the retail floor space devoted to food was growing by 2.25 per cent in 2013 and 2.5 per cent in 2014, Temporary Price Reductions (TPRs) were steep and frequent. However, retail space increased by just one per cent in 2015 following Sobey's June 2013 acquisition of Safeway and subsequent closure of unneeded stores, and Target's exit from the Canadian market in January 2015. Grocers traded market share for strong gross margins to the extent that no banner other than Walmart felt compelled to give away cheap turkeys over the Thanksgiving season.

According to Statistics Canada, grocers' food and beverage sales declined just 1.3 per cent in 2015 after adjusting for price inflation to $97 billion, while those of general merchandisers rose by 9.5 per cent to $20 billion. Combined, these two channels account for 95 per cent of food and beverage sales with drug stores, gasoline and other retailers accounting for the remainder.

Foodservice industry

Restaurants and other foodservice outlets spend a third of their receipts on food and beverage purchases, or about $20 billion annually. Last year, quick-service restaurants such as McDonald's and Tim Hortons were driving sector growth with sales increases of 5.9 per cent to $27 billion in a sector that grew by 4.2 per cent to $60 billion. Chris Elliott, senior economist for Restaurants Canada, notes that a survey of operators earlier this year found that food and labour prices are a bigger concern among restaurateurs than in past surveys, with 54 per cent reporting they would raise menu prices in the first half of 2016.

Labour costs are always a concern in this sector noted for its slim margins, but restaurateurs were especially concerned last year as the newly elected government of Alberta raised the minimum wage by a dollar to $11.20 to meet its goal of $15 by 2018. The minimums of the other provinces are typically tied to the cost of living increases, but Ontario announced in May 2015 it would require employers and employees to each contribute 1.9 per cent of wages to the new Ontario Retirement Pension Plan by 2020.

> **“Export Development Canada (EDC) forecasts strong growth in 2016, but not at the unsustainable 12-per-cent pace of last year.”**

Temporary Foreign Worker Program

The minimum wage is less a concern for food manufacturers than labour availability, particularly in the meat packing and the seafood processing sectors. The Harper government overhauled the Temporary Foreign Worker program in June 2014 introducing fines and penalties to force employers to reduce their reliance on TFWs in annual stages from 30 per cent of payroll per site in 2014 to 10 per cent in 2016. The Trudeau government formed a parliamentary committee early this year to advise on the matter.

Exports

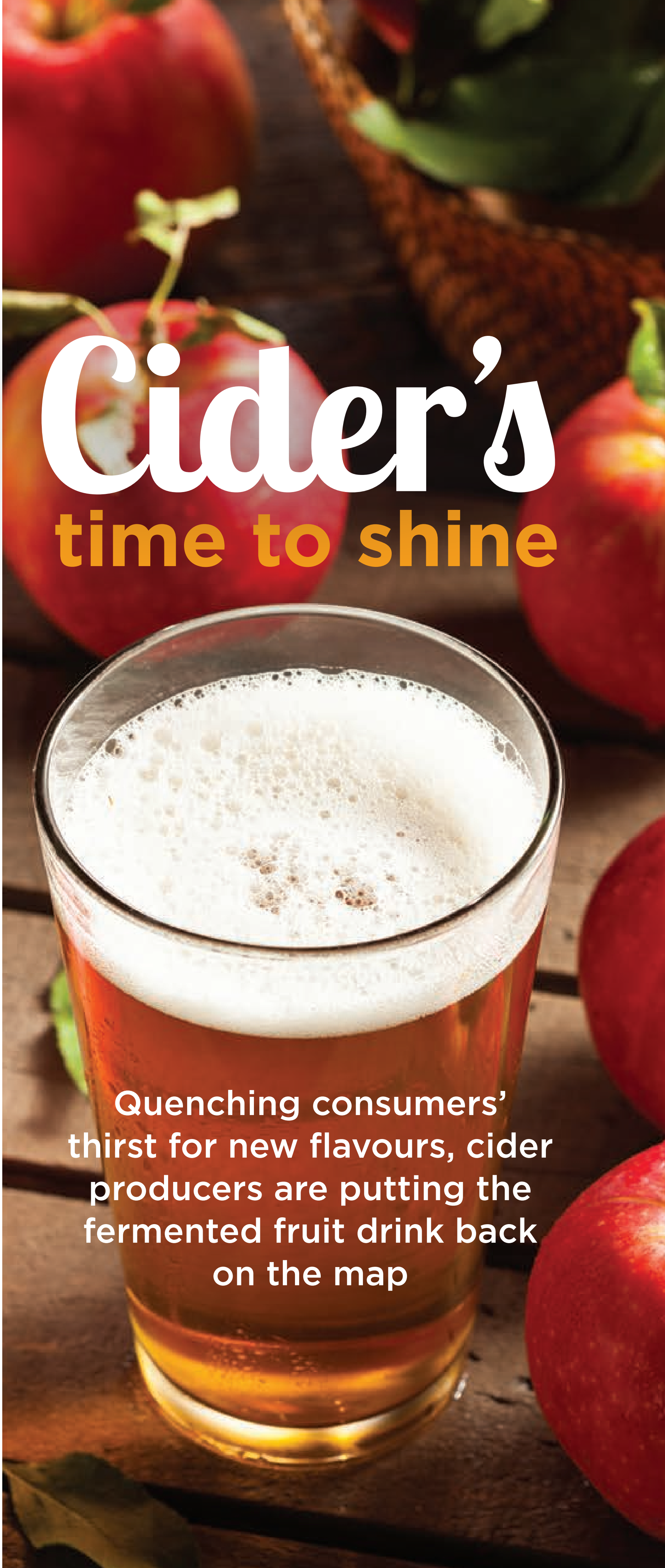
Export markets, which account for about 30 per cent of Canadian food and beverage shipments, were particularly good for the confectionery, seafood, and grain and oilseed milling sectors in 2015. Export Development Canada (EDC) forecasts strong growth in 2016, but not at the unsustainable 12-per-cent pace of last year. EDC senior economist Richard Schuster explains that the three- to five-per-cent growth in exports for 2016 is stronger than it might appear because commodity prices have eased. The growth in tonnage of pork, lentils and edible oils, for example, could be much stronger.

The outlook for exports is much better in the longer term as Free Trade Agreements are signed, ratified and implemented. The legal review of the Canada and European Union Comprehensive Economic and Trade Agreement (CETA) was completed this February, following, says the Global Affairs Canada website, “… modifications related to investment protection and investment dispute resolution provisions.” CETA will affect our $1.1 billion food and beverage exports to the EU, including $500 million in seafood. Negotiations for the Trans Pacific Partnership with a dozen countries including the U.S., Japan, Chile, Mexico, Australia and Vietnam, concluded in October but have not yet been ratified by the trading partners. The deal would account for $26.9 billion of our food and beverage exports, including more than $5.3 billion in flour and edible oils, $5.3 billion in meat and poultry, and $2.6 billion in seafood.

The outlook

Elliott forecasts foodservice sales to increase by 3.5 per cent in 2016, or 0.5 per cent after adjusting for menu inflation. Strong growth in Ontario and B.C. will offset weak to negative growth in Alberta and other provinces hit by low energy prices.

Michael Burt, director, Industrial Economic Trends for the Conference Board of Canada, forecasts food and beverage manufacturers' sales to grow by 4.2 per cent in 2016, or 2.7 per cent after price changes. Profits, which had been hard hit by cost increases in 2015, should recover in 2016 and increase by about eight per cent.



Cider's time to shine

Quenching consumers' thirst for new flavours, cider producers are putting the fermented fruit drink back on the map

BY REBECCA HARRIS

As someone who grew up on an apple orchard and eventually took over the family farm in Caledon, Ont., Thomas Wilson often played around with making hard cider. About a decade ago, he looked at the hard numbers. He and his wife Nicole thought producing cider would be more value-added than typical farming and would allow the business to operate year round.

"A couple of times, people thought cider was going to take off and it didn't," says Wilson. "The numbers started to move in 2005 — just a little bit, but enough that we thought, 'maybe this is time.' And so we said, 'let's do this.'"

The couple bought a new farm in the Caledon Hills and built an apple orchard and cidery from scratch. Spirit Tree Estate Cider opened in 2009, starting off with a traditional English draft cider and an estate reserve, a wine-style cider that's aged in oak barrels. Spirit Tree has since added a number of other varieties, including pear cider (also known as perry), dry-hopped cider and seasonal ciders such as pumpkin.

"Our goal was to create something like a winery for cider," says Wilson, who is also chairman of the Ontario Craft Cider Association. "We have the orchard surrounding us and the facility where people can try different ciders and learn about cider. We realized there was going to be a lot of consumer education and awareness to not only build a brand for ourselves, but also an industry here in Ontario."

Over the past few years, the cider scene has exploded, with players big and small entering the fast-growing market. Across the country, business is booming. In British Columbia, cider sales totalled $74.5 million in 2015, according to the B.C. Liquor Distribution Branch. In Ontario, sales of cider have more than

quadrupled within the last three years, reaching $17.6 million in fiscal 2015/16, according to the LCBO. Craft ciders, which represent almost a third of those sales, grew 54 per cent over last year, with sales totalling $5.1 million.

Overall sales of cider/perry in Canada reached $356 million in 2015, according to Euromonitor International. Constellation Brands Inc., which owns Growers, and Molson Canada, which entered the cider market in 2013, dominate the category. In 2015, their respective volume shares were 33 per cent and 17 per cent, albeit down from 44 per cent and 20 per cent in 2012.

"Over the last few years, the growth of the cider market has been straight through the roof," says Jeff Dafoe, president of Toronto-based Premier Brands, which represents Rekorderlig cider from Sweden and William's Sir Perry pear cider. "As with anything, it's settling a bit, but it's still double digits."

Part of the reason for cider's growth is the beverage's recognizable attributes, says Dafoe. "Everybody knows about apples and pears, so there's an authenticity to it," he says. "And when you're talking about fruit, [cider] starts to take on a bit of health connotation. It's a little different knowing where the apples were picked versus someone mixing up a cooler in a lab. There's a lot more authenticity and naturalness to cider."

The popularity of gluten-free diets is also playing a role, says Jim Clark, president of Colio Estate Wines, which purchased Thornbury Cider earlier this year. Unlike beer, cider is gluten-free. In addition, "cider is fresh, it's clean, it's crisp, it's light," says Clark, stressing he's referring to artisanal ciders, not the flavoured "cider beverages" on the market.

Thornbury's flagship product is a premium cider made to taste like a traditional English cider — dry and crisp — and is made with 100-per-cent fresh-pressed local Ontario apples. Clark believes that while flavours will come and go in the cider category, "the real dry-style artisanal cider is here to stay. Consumers are showing an affinity for it, and they're into all kinds of different innovation, but I think the core of that business will be the drier style."

That said, the company is planning to branch out with flavoured cider. "In keeping with artisanal flavoured products, we'll be looking at a cran-apple and a spiced apple down the road," says Clark. He also sees

IN ONTARIO, SALES OF CIDER HAVE MORE THAN QUADRUPLED WITHIN THE LAST THREE YEARS, REACHING **$17.6 MILLION** IN FISCAL 2015/16, ACCORDING TO THE LCBO.

potential for an ice cider — similar to ice wine, but made with apples.

One big opportunity for craft cider is millennials who appreciate premium products. "We really looked at the marketplace and found that millennials are willing to pay a bit more for a premium product," says Mike Daley, cidery manager for BC Tree Fruits, a fruit growers' co-operative that launched Broken Ladder cider in 2015. "They do their research, they have smartphones and they can find out how authentic the product is."

Daley says the brand's biggest challenge is educating consumers about the differences between Broken Ladder and other cider brands that have added sugar and flavourings. "I'm not throwing any darts at anybody, but when you look at Molson Canadian Cider, they say 'made with 100-per-cent Canadian apples,'" notes Daley. "What they're saying is, of the apples they use in their product, they use 100-per-cent Canadian apples, but they don't make it with 100-per-cent apples."

CALL IT A COMEBACK

Cider may be today's trendy tipple, but its rise in Canada is actually a comeback story. The fermented fruit drink was the first alcoholic beverage made in North America. Settlers planted apple orchards with seeds from England and fermented the apple juice. "Grain went to feed cattle and horses, so there was no excess grain for malting and brewing," explains Thomas Wilson, co-founder of Spirit Tree Cider. "Cider was it." However, by the late 1800s, cider fell out of favour because of the Industrial Revolution (when people migrated to cities) and the increased consumption of beer.

Spirit Tree's Wilson says there's a labelling issue in the cider category — some products label themselves as a "cider beverage," but they're not technically cider. For example, "Somersby is a blended beverage, like Mike's Hard Lemonade. They're buying fermented apple wine and blending it with water and malic acid, and they carbonate it. And we're on the shelf beside them," says Wilson.

> "Over the last few years, the growth of the cider market has been straight through the roof."

While Ontario craft cider brands battle the big guys on LCBO shelves, producers had a major coup earlier this year, when the province announced that grocery stores currently selling beer can also sell cider. While the minimum shelf space requirement for Ontario craft cider is 20 per cent, Loblaw Companies boldly committed to 50 per cent. "It's huge and that's where the grocery stores are really going to outdo the LCBO because they're true retailers," says Wilson. "They get this."

Ontario Craft Cider Association is also pushing for a change in regulations that it says put craft cider producers at a disadvantage. Cider producers are licensed as wineries, so they can't get the 30-per-cent reduction in markups available to craft beer producers. However, since cider isn't made from grapes, producers can't take advantage of the wine industry's VQA program, which also allows producers to get a break on markups.

The association's message to government is that there's a huge opportunity to grow the cider industry and benefit the economy, but that it needs some support. "Cider is taking off and there's still lots of room to grow," says Wilson. "We have an abundance of apples here and people are really enjoying the product, so it's a matter of incubating our local industry — and that goes across Canada."

Pure protein

New protein options are all about clean ingredients and added healthiness

BY TREENA HEIN

Everyone in food production knows that consumer focus on health consciousness is not likely to diminish anytime soon. Indeed, demand for healthy products continues to grow. "As part of the trend, protein-rich options are seeing tremendous and widespread fanfare across many categories of packaged foods," notes Beatriz de Llano, research associate at Euromonitor International. De Llano adds that along with cheese, meat products and hummus, yogurt is now an important healthy protein-rich snack, "particularly among the younger generation, including millennials, who often times skip meals."

Consumers are increasingly wary about the artificial ingredients, she notes, so natural yogurts free of gelatin and synthetic ingredients are in demand. Yoplait and Loblaws, for example, have removed preservatives within the last two years.

Demand for higher-protein Greek yogurt continues to be strong — so strong that de Llano says new offerings have reduced sales of other dairy protein products such as cottage cheese. Two new innovations include Metro's Irresistibles Cream Cheese and Greek Yogurt Spread (a finalist at the 22nd Canadian Grand Prix New Product Awards) and Liberté Greek Seeds and Fruit, with sunflower, pumpkin and flax seeds.

Sales of Icelandic yogurt skyr (pronounced "skeer") are also strong. Skyr has even more protein than Greek yogurt, with less sugar and no lactose or fat. Shepherd Gourmet Dairy of St. Mary's, Ont. was the first in Canada to make it, in 2014. Loblaws sells Canadian-made skyr under its President's Choice brand, now in plain, strawberry, vanilla and Powerfruit varieties.

Bars & cereals

Healthy and convenient fruit and nut bars are another high-protein snack also registering growth, according to de Llano. She points to KIND bars, for example, which entered the Canadian market three years ago with 12 varieties. The company has since "expanded to 24 different products," says de Llano, "including cereal bars, fruit/nut-based bars and clusters as of early 2016."

Biscuits Leclerc in Saint-Augustin-de-Desmaures, Que. recently released Chocomax protein bars to meet the ever-growing demand for quick and healthy protein. Marketing co-ordinator Cristina Ramirez Salazar notes that compared to Special K, Nature Valley, Vector or Fibre 1 protein granola bars, Chocomax bars "are the only ones coated with real chocolate, and have the best ratio of protein/bar content: 10-g protein per bar of 32 g." The protein comes from nuts and soybeans, and the flavours are Strawberry, Mochaccino and Salted Caramel.

Holy Crap cereals of Gibsons, B.C. continue to be a convenient and clean high-protein breakfast or snack choice. All the company's cereals are non-GMO, organic, kosher, vegan and free of gluten, lactose, salt and nuts. Chia, buckwheat and hulled hemp provide the complete protein. "Athletes, students, business people, pregnant and nursing women, and those with particular dietary concerns (such as celiacs, diabetics and people undergoing cancer treatments) appreciate Holy Crap's clean source of high protein," notes vice-president of Marketing Claudia Howard. The company will announce a new flavour this fall.

Well-known vegetarian product-maker Yves (owned by Hain-Celestial Canada) recently launched healthy appetizers including Kale & Quinoa Bites, Falafel Balls, and Sweet Potato & Chia Bites. Their line of Dream non-dairy protein beverages continues to perform well, notes vice-president of Marketing Sandro D'Ascanio, and the first cashew shelf-stable beverage on the market, called Dream Cashew, has recently been introduced. "In Refrigerated, we launched Dream Coconut and Dream Almond, Cashew & Hazelnut," says D'Ascanio. "In Frozen desserts, we launched two gelatos: Café Latte and Sea Salt & Caramel."

Protein, the final frontier

No report on what's new in protein would be complete without a look at very new sources. The production of cultured meat and plant-based products that look, smell, cook and taste just like meat are both being actively pursued due to increasing global concerns related to conventional livestock agriculture — concerns related to the environment (land and water use), animal welfare and risks to human health such as *Salmonella*.

On the cultured meat front, this year marks the first ever global conference dedicated to "cellular agriculture." New Harvest 2016 was held on July 13 in San Francisco, organized by New York-based non-profit New Harvest. New Harvest CEO Isha Datar is also the co-founder of Clara Foods, which has just gained \$1.75 million in private funding to create an egg white replacer made from genetically modified yeast (containing inserted chicken genes). Clara Foods hopes to market the product within the next few years, says New Harvest Communications director Erin Kim. "Cultured meat, however," she notes, "will likely take longer as there are many more hurdles which must be overcome via research for the process to be commercialized on a large scale." These hurdles include cutting costs and finding a non-animal culture medium (right now, bovine fetal tissue is used).

Plant-based meat replacement products are a whole other ball game, and one of the major players is Silicon Valley-based Impossible Foods. The firm just introduced the Impossible Burger — the first of many planned "meat" and "cheese" products — at Momofuku Nishi restaurant in New York, with a San Francisco restaurant rollout coming this fall. The firm states: "We aim to deliver, without compromise, every pleasure that meat lovers get from burgers — from the visual appearance and versatility of the raw meat, to the smell and sizzle during cooking, to the ultimate taste and texture of the burger…but made entirely from plants."

How did Impossible Foods achieve this? Its scientists, drawing on money from many famous investors, including Google Ventures and Bill Gates, have spent years breaking down the components of ground beef and finding, extracting and assembling the same molecules (or molecules with the same properties) from plant sources. An important molecule for the Impossible Burger is heme, which is found in hemoglobin in blood and myoglobin in muscle tissue, but is also found in many plants. It gives the raw product its reddish colour, and turns a crispy brown when cooked, just like ground beef.

Beyond Meat, also based in southern California, is another big player in the plant protein mock meat market. In 2012 it launched its premier Beyond Chicken Strips product, which has been described as "surprisingly authentic." The manufacturing process is only minutes long, involving rapid heating, cooling and pressurizing a mixture of non-GMO soy and pea proteins and other ingredients into a structure similar to that of meat. In 2015, Beyond Meat released its Beast Burger, which the company claims contains higher protein, iron and other nutrient levels than beef burgers. Beyond Meat plans to release a product similar to raw ground beef by the end of 2016 into supermarket meat sections.

San Francisco-based Hampton Creek is another company using plant proteins, this time in place of eggs. It already sells its Just Mayo and Just Cookie Dough in more than 30,000 outlets in the U.S., including Walmart, with plans to add a ranch salad dressing, a scrambled-egg alternative and pasta.

Carol Neshevich

Going with the **flow**

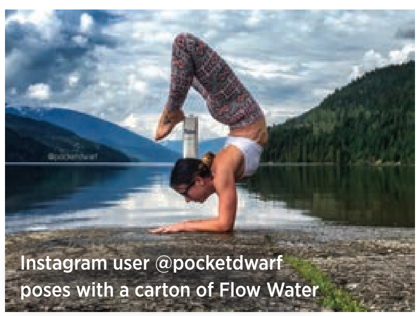
Canada's Flow Water is disrupting the bottled water market with its high-quality Ontario spring water sold in innovative paperboard packaging

"Some of the best ideas in the world come from the simplest places," muses Nicholas Reichenbach, the entrepreneur behind Flow Water, an innovative spring water brand that hit the Canadian marketplace 18 months ago.

In this case, the "simplest place" he's referring to is the artesian spring on his family's property in Southwestern Ontario where he grew up, which is now the natural source for Flow Water. "It's been in my family for generations, and so I've been drinking it my entire life," says Reichenbach.

The water is "enriched with minerals, it's high in magnesium, potassium, zinc; it's naturally alkaline and it has a pH of 8.1," he says, noting that Flow Water is also not industrially processed. But equally important to the water's quality is the packaging of Flow Water: packaged in attractive Tetra Pak cartons, it's a more eco-friendly alternative to many bottled waters on the market today.

In fact, it was the glut of plastic water bottles flooding the environment, combined with a growing concern from many North Americans regarding potential harmful health effects of both BPA and polyethylene terephthalate (PET) plastics used in water bottles, that sparked the inspiration for Reichenbach to begin marketing Flow Water in the first place. "From a sustainability aspect and an environmental aspect, there's no doubt plastic water bottles are terrible," he says. "So now you've got two things happening: you've got an environmental mess, and you've got a consumer that doesn't want to buy plastic because they know it's bad for their health. So at that point I said, 'Look, there's got to be a better way.' Knowing in the back of my mind that I had this pure, 100-per-cent natural source of high-quality mineral water literally in my backyard, that's when it all came together."


Instagram user @pocketdwarf poses with a carton of Flow Water

According to Reichenbach, while glass doesn't have the same environmental issues as plastic, the heavier weight of glass bottles means transporting them creates a greater carbon footprint with more greenhouse gas emissions. "So I set out to find a sustainable package with a company that I could believe in; one that's doing the right thing, from the extraction of the raw material all the way through the recycling program," he says. Tetra Pak came out the clear winner. "They have a very transparent process of what they're all about," says Reichenbach. "By 2020 they're going to go 100-per-cent sustainable renewable resources in their packaging. They're aggressively going towards what we want as a company."

More than two-thirds of the carton packaging for Flow Water is made from renewable materials, and is both non-PET and BPA-free. The main "ingredient" in the Flow Water package is paperboard sourced from responsibly managed forests. The packaging is very lightweight, and the rectangular shape makes it more efficient in terms of transportation — fewer trucks are needed to transport more Flow Water cartons, which of course means less fuel used and lower greenhouse gas emissions.

Reichenbach says the cost of this type of packaging may be higher than many other alternatives, but that isn't an issue in his business model — Flow consumers aren't looking for a bargain product. "Consumers will buy what they want because they want a brand that aligns with their own values; that's just how it is," he says. "Our water's not cheap. Our product is a health product. It's a natural product, and it's sold at the premier grocery stores...It's $1.99 for the 500 mL, and $2.99 for the 1 L."

With Flow Water now available in more than 3,000 stores across Canada, and an active social media marketing campaign that sees "fans" of the water posting photos of themselves posing with a carton of Flow, it seems Reichenbach's product is clearly hitting the right note with many of today's consumers. "We've been very successful at getting our consumer messaging across, because it's really a message that the consumer wants to hear," says Reichenbach.

Peter Henderson

Stuck in a **growth rut**?

Try looking through a lens of continuous change leadership

Whether you're part of a large or small organization, those that lead with a philosophy of continuous change can inspire prosperous sustainable growth plans.

A recent McKinsey & Company *Global Innovation Survey* reported that although 84 per cent of executives agree that, "innovation is important to growth strategy, 80 per cent of business models are at risk." Only six per cent reported being satisfied with innovation performance, and very few reported knowing what the problem is and how to improve their innovation and R&D.

Identify barriers to growth

Organizations with "continuous change leaders" are adept at identifying and overcoming, or minimizing, barriers to growth. Rita G. McGrath (number nine on the 2015 Thinkers50 list) compiled the following checklist of barriers within large organizations. Great organizations establish Key Performance Indicators (KPIs) and management reward systems designed to minimize their impact. Barriers include:

- » Lack of incentives;
- » The existing business is too powerful;
- » Management wants near-term success;
- » Too many silos;
- » Lack of customer focus;
- » Fear of failure;
- » It's "no one's job";
- » Innovations are small, relative to the "mother ship";

- » Innovations don't get big enough fast enough for us;
- » We are focused on our quarterly earnings;
- » We are afraid of cannibalizing our successful businesses;
- » We have no tolerance for unpredictable results; and
- » There is no career incentive to work on innovation/growth projects.

Understanding and monitoring the need to change

Rather than focus purely on innovation and R&D, you may also want to consider the views of author Braden Kelley. In Kelley's new book *Charting Change: A Visual Toolkit for Making Change Stick* (March 2016), he writes about to the need "to maintain the rate of accelerated change necessary to survive in today's ultracompetitive marketplace."

According to Kelley, organizations can be shuttered due to any of the following "change gaps":

1. Your speed of internal change is slower than the rate of external change, including business, geopolitical, social and economic changes in the world around you.
2. Your speed of innovation is slower than the competition's speed of innovation, including:
   a. **Market analysis –** Gathering of insights and inspiration.
   b. **Invention –** Creation of innovation source material.
   c. **Design –** Building a potential solution around an invention.
   d. **Development –** Taking the design and creating a scalable, launch-ready solution.
   e. **Test –** Evaluating with customers whether the solution works as designed and scales as intended.
   f. **Evolution –** Launching the solution into the marketplace with open eyes and ears, pivoting and improving as necessary.
3. Your resource flexibility – information, financial, physical and human – is less than that required by the changes the organization faces.
4. Your hiring speed is slower than the speed of your growth.
5. Your speed of decision-making is slower than what is required to keep up with the changes.

Kelley's book, including 50 visual change tools, is available via bradenkelley.com

Multi-disciplinary teams and partnerships

Establishing the right multidisciplinary teams and external partners can be a key to success. Many organizations reach outside to bring in external viewpoints and/or start up complementary businesses to help with establishing an organization armed for sustainable growth.

Wishing you healthy change leadership and sustainable growth!

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

NOUVELLES

Olymel et Groupe Robitaille annoncent un investissement conjoint de 80 M$

Deux entreprises québécoises oeuvrant dans les industries porcine et avicole, Olymel s.e.c. et Groupe Robitaille, ont annoncé un investissement conjoint de 80 millions $ pour la création d'un centre de production et de transformation, lequel prévoit créer 350 nouveaux emplois dans le Centre-du-Québec. Cette nouvelle positive a été rendue publique quelques jours à peine après qu'Olymel ait annoncé qu'elle cesserait ses activités de désossage du jambon à son usine de Saint-Hyacinthe avec comme répercussion la perte de 340 emplois.

L'achèvement de ce projet conjoint est prévu dans environ trois ans, et son objectif est d'intégrer 430 travailleurs de l'abattoir de Groupe Robitaille à l'usine Atrahan d'Olymel. Cet investissement vise à doubler le volume de production à l'usine Atrahan de Yamachiche en ajoutant un deuxième quart de travail aux installations d'abattage et de

INBRIEF

> **Signature Passion** de Joliette, un boulanger qui produit de manière artisanale des pains et petits pains, pâtes à choux et brioches, a annoncé un partenariat avec **Pragma Capital**, un bureau de gestion indépendant établi à Montréal. Ce partenariat permettra à Signature Passion d'accélérer son ambitieux plan de croissance, selon un communiqué de presse émis par la compagnie. En outre, Marc-André Pouliot, associé directeur à Pragma Capital, a été nommé président de Signature Passion.

> **Olymel** a fait l'acquisition de l'ensemble des actifs de **La Fernandière**, une entreprise agroalimentaire de Trois-Rivières spécialisée dans la fabrication d'une vaste gamme de saucisses commercialisées sous la marque La Fernandière. La compagnie demeurera une entité autonome au sein d'Olymel. Elle poursuivra la production et la commercialisation des saucisses La Fernandière, et elle disposera de sa propre force de vente, de ses représentants ainsi que d'une gestion de marque séparée.

> *L'essentiel de Chartier – L'ABC des harmonies aromatiques à table en cuisine* par le sommelier québécois **François Chartier** a remporté le titre de Meilleur livre de recettes au monde – catégorie Innovation au Gourmand World Cookbook Awards 2016.

> **Les Viandes duBreton** de Rivière-du-Loup, un chef de file nord-américain en production de porcs certifiés sans cruauté (Certified Humane) et biologiques, a fait l'acquisition de l'inventaire certifié biologique de la compagnie ontarienne **Jones Feed Mills Ltd** au coût de 1,5 M$. Cette transaction s'inscrit dans la foulée des actions entreprises par duBreton jusqu'à maintenant afin de renforcer stratégiquement son positionnement dans le marché du porc de niche certifié sans cruauté et biologique, selon un communiqué de presse émis par la compagnie. Cette nouvelle survient peu de temps après l'annonce de septembre dernier selon laquelle la société investissait 30 M$ pour élever en liberté 300,000 porcs de plus d'ici 2018.

> **Agropur coopérative laitière** a inauguré le nouveau complexe de son siège social à Longueuil. Cette installation de 100 M$, qui occupe une superficie de près de 90,000 mètres carrés, établit le centre décisionnel de l'entreprise au Québec. Le complexe comprend un nouveau laboratoire, un centre de distribution ainsi que le plus important centre de R et D consacré aux produits laitiers au Canada. À terme, 800 employés travailleront dans ce nouvel espace de travail intégré.

désossage d'Olymel. Une fois la consolidation terminée, l'abattoir de Groupe Robitaille fermera ses portes.

"Au cours de la dernière année, c'est plus de 150 millions de dollars d'investissements qu'Olymel a injectés dans son secteur porc frais dans l'Est du pays. Ces investissements majeurs ne pourraient être consentis sans être accompagnés d'une réorganisation importante visant à rendre notre entreprise plus concurrentielle face à des compétiteurs de plus grande taille sur la scène international," a déclaré le président-directeur général d'Olymel s.e.c., M. Réjean Nadeau, au moment de l'annonce.

"L'analyse de l'évolution des marchés et les partenariats conclus au cours des dernières années, dont celui avec Atrahan Transformation inc. sur lequel nous continuons de bâtir, et maintenant celui avec le Groupe Robitaille dans Lucyporc, nous invitent au développement d'un nouveau modèle d'affaires conçu pour s'adapter aux défis des marchés d'aujourd'hui," a souligné M. Nadeau. "C'est ce nouveau modèle manufacturier que nous mettons aujourd'hui en place afin de remettre notre secteur du porc frais de l'Est du Canada sur le chemin de la rentabilité à long terme d'une part, et d'augmenter son efficacité, tout en nous donnant les moyens d'améliorer encore la qualité de notre production et d'assurer le succès de produits à valeur ajoutée. Ces changements permettront également de répondre à une demande croissante, notamment sur le marché canadien et sur celui de l'Asie, et ils auront un impact positif sur le renforcement de la filière porcine au Québec."

BIENSDECONSOMMATION

> Les **Chip Ahoy! Minces** sont une version plus mince et plus croquante que les traditionnels biscuits aux pépites de chocolat qui ont fait la renommée de Chips Ahoy! Contenant la même saveur riche, mais avec seulement 30 calories par 30 g, ces biscuits s'avèrent un véritable régal pour adultes. Les Chip Ahoy! Minces sont offerts en paquets de 198 g en deux variétés : pépites de chocolat saveur originale et sucre à la cannelle. **http://ca.mondelezinternational.com/fr-ca**

> **Natrel** a lancé un nouveau format prêt à emporter de boissons froides au café avec ses nouveaux cafés moka glacés et cafés au lait glacés. La nouvelle gamme de boissons comprend du café moka glacé et du café au lait 1 % de matières grasses pour les amateurs de café, ainsi que du lait 2 % sans lactose et du lait au chocolat 1 % sans lactose. Les deux cafés contiennent des extraits de café 100 % arabica et sont fabriqués avec du lait canadien. Leur format pratique en portion individuelle permet de les apprécier partout et en tout temps. **www.natrel.ca**

Canards du Lac Brome acquiert l'ancienne usine Viande Laroche

Canards du Lac Brome, la plus ancienne exploitation spécialisée dans l'élevage du canard de Pékin au Canada a fait l'acquisition des installations de l'ancien abattoir Viande Laroche situé à Asbestos en Estrie. L'investissement de 30 M$ inclut également l'aménagement d'un nouveau couvoir et la construction de nouveaux bâtiments d'élevage dans la région du Lac-Brome.

L'entreprise mentionne que ce projet d'expansion permettra de doubler sa production annuelle et de créer plus de 150 nouveaux emplois au cours des prochaines années. "Notre nouveau centre de transformation de 51,000 pieds carrés permettra non seulement de consolider le leadership de Canards du Lac Brome dans le marché, mais aussi d'en assurer sa croissance et sa compétitivité en produisant les quantités nécessaires pour satisfaire à la demande locale et international," a fait savoir son président et directeur de l'exploitation, Claude Trottier.

Basée sur la rive ouest du lac Brome, l'entreprise québécoise compte aujourd'hui plus de 200 employés. Sa production de 500,000 volailles en 1990 est passée à plus de deux millions de canards par année, lesquels sont expédiés au Québec, ailleurs au Canada, en Asie, en Amérique du Sud et aux États-Unis.

Grâce à cette acquisition, l'entreprise prévoit doubler la production, pour atteindre annuellement quelque quatre millions de canards d'ici 2020, tout en priorisant la qualité. "Les équipements de haut niveau et à la fine pointe de la technologie que nous retrouverons ici nous permettront d'augmenter notre production de plus de 500,000 canards par année, tout en maintenant la très grande qualité de nos produits qui fait désormais partie de notre signature," a ajouté Mario Côté, président du conseil de Canards du Lac Brome.

Cette acquisition découle d'une collaboration étroite entre Canards du Lac Brome, le Fonds de diversification économique de la MRC des Sources, Investissement Québec et Desjardins.

Canards du Lac Brome est une entreprise qui se spécialise dans l'élevage du canard de Pékin depuis 1912. Sa gamme de produits comprend des produits crus ainsi que plusieurs produits transformés tels que le gras de canard fondu, les saucisses de canard, les confits de cuisse de canard et la rillette.

BONNES NOUVELLES POUR LE SECTEUR DU BLEUET

Une bleuetière d'enseignement et de recherche a été créée dans la région du Saguenay-Lac-Saint-Jean par Agriculture et Agroalimentaire Canada (AAC) et le ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec (MAPAQ).

La bleuetière expérimentale sera établie sur le territoire géré par la Corporation d'aménagement forêt Normandin, organisme qui supervisera les travaux dans la Municipalité régionale de comté (MRC) de Maria-Chapdelaine. Cet emplacement facile d'accès est représentatif des bleuetières de la région, selon ACC.

"Avec ses quelque 30,000 hectares en exploitation, le bleuet arrive au deuxième rang en importance quant aux revenus bruts issus des activités agricoles au Saguenay-Lac-Saint-Jean. Il s'agit donc d'une activité de développement économique importante pour notre region," a fait valoir le premier ministre Philippe Couillard au moment de l'annonce. "En permettant à l'industrie du bleuet de mettre en œuvre des projets de recherche à court et à long terme, c'est toute la compétitivité des entreprises régionales qui s'en trouve améliorée."

Une aide financière de 42,600 $ sera octroyée au projet par l'intermédiaire du Programme de développement sectoriel (PDS) du MAPAQ, dans le cadre de l'Entente Canada-Québec concernant Cultivons l'avenir 2.

Une passion pour la nourriture

Aliments Mer et Monde est une histoire de coeur pour l'ancien épicier Normand Duchemin

PAR MARK CARDWELL

S'il y a une chose que Normand Duchemin aime plus que la nourriture, ce sont les occasions d'affaires.

De ce fait, quand il a constaté l'énorme demande pour les saucisses maison qu'il fabriquait à l'arrière de son magasin IGA à Montréal, l'épicier de longue date a décidé de se lancer en grand dans le commerce de la transformation des produits de charcuterie.

C'est ainsi qu'Aliments Mer et Monde a vu le jour. Fondée il y a 15 ans par M. Duchemin et un de ses fils dans le parc industriel de Le Gardeur — une ville en périphérie de l'île de Montréal, face à sa pointe nord-est — l'entreprise est passée d'une demi-douzaine de produits fabriqués par quatre personnes à près de 160 préparés par plus de 100 employés.

Les ventes ont connu une croissance similaire, passant de 800 000$ dans la première année d'exploitation de la compagnie à quelque 17,5 M$ estimés pour 2016. De nouveaux produits, nouveaux clients et nouveaux marchés — notamment en Ontario — sont actuellement en développement. “C'est fantastique,” commente M. Duchemin. “Je ne pouvais pas imaginer tout cela quand nous avons commencé la fabrication de saucisses.”

À bien des égards, Aliments Mer et Monde est l'ultime destination du long voyage de M. Duchemin dans l'industrie alimentaire québécoise. Tout a commencé en 1959 lorsque M. Duchemin, jeune diplômé de l'école secondaire chérissant l'idée de poursuivre des études en ingénierie au collège, a obtenu un emploi d'été au comptoir des produits d'une épicerie Steinberg dans le quartier ouvrier de Saint-Henri à Montréal.

“Ils devaient m'aimer puisqu'ils m'ont offert de devenir directeur de produits, ce que j'ai accepté,” se souvient M. Duchemin, qui a maintenant 75 ans. “Je me suis vite rendu compte que j'aimais tout ce qui avait trait à l'épicerie: le marketing, les ventes, les achats, les relations avec la clientèle, nommez-le.”

Au cours des 25 années qui ont suivi, M. Duchemin a progressivement gravi les échelons dans l'entreprise en occupant les postes de directeur de magasin, directeur régional et, finalement, vice-président de l'exploitation. En 1984, lui et un collègue vice-président, Jacques Laças, quittent Steinberg pour construire et ouvrir une nouvelle épicerie de 12,000 pieds carrés sous la bannière IGA à Saint-Laurent, l'un des quartiers les plus multiethniques à Montréal et au Canada.

"J'ai choisi IGA en raison de leur humanité et des relations de qualité qu'ils entretiennent avec les propriétaires de magasin et leurs fournisseurs," précise M. Duchemin.

Pendant les 20 années suivantes, les associés ont possédé et exploité jusqu'à quatre épiceries IGA à Montréal et dans les environs. M. Duchemin a notablement intéressé ses trois fils — Richard, Jean et Daniel — dans les affaires familiales. Ensemble, ils ont lancé ce qu'ils disent avoir été des premières dans les épiceries montréalaises, dont l'exploitation d'un café en magasin avec une machine à torréfaction importée d'Italie; et une pizzeria en magasin offrant des pizzas faites avec la sauce et le peppéroni de la famille Duchemin.

"Je suis fou de la nourriture," se confesse M. Duchemin, qui a également importé des produits de spécialité, comme de l'huile d'olive argentine et de l'huile de citrouille autrichienne pour des restaurants raffinés et des grands chefs à Montréal. "Je pourrais vous parler d'alimentation 24 heures sans arrêt, et mes enfants sont pareils."

C'est dans l'épicerie du boulevard Keller à Saint-Laurent en 1994 que M. Duchemin a commencé à concevoir des produits de charcuterie de manière artisanale, comme des saucisses, jambons, cretons et même du saumon fumé avec le gérant des viandes, Alain Laplaine. "C'est dans un petit espace de neuf pieds sur 18 pieds que nous avons expérimenté et appris à faire des produits pour tous les magasins," explique M. Duchemin. "La plupart des ventes étaient réalisées à Saint-Laurent cependant, étant donné que la clientèle de ce magasin est composée de gens issus de 71 groupes ethniques et pays différents, y compris de nombreux pays européens où les produits de charcuterie sont populaires. À l'époque, il n'y avait pas beaucoup de variétés en charcuterie. Mes clients me demandaient toujours: 'Monsieur Duchemin, quand allez-vous confectionner de nouvelles saveurs

(G-D) Jean et Normand Duchemin

de saucisses ou de jambons?' Je me suis rapidement rendu compte qu'il y avait une réelle demande pour ces produits."

En 2000, M. Duchemin a vendu ses parts du magasin IGA de Saint-Laurent à deux de ses fils (lesquels l'ont récemment fermé pour ouvrir une nouvelle succursale de 52,000 pi ca. à proximité), et il a convaincu son fils Jean de se joindre à lui dans une nouvelle entreprise qu'il a baptisée Aliments Mer et Monde. "J'étais mûr pour du changement," raconte Jean, qui exploitait le magasin du boulevard Keller avec ses frères. "Je voulais faire l'essai du marché de gros [et] je ne le regrette pas — j'adore ça." M. Duchemin a également convaincu M. Laplaine de se joindre à eux. "J'ai dit à Alain que lorsque les profits nets égaliseraient le montant de mon investissement, je lui céderais des parts," mentionne-t-il. "Cela s'est produit très vite, et je lui ai transféré 24 pour cent des actions."

La nouvelle compagnie a connu du succès dès le début. Située dans une modeste usine de 5,300 pi ca. que M. Duchemin a construite sur un petit terrain dans le parc industriel de Le Gardeur, qui fait aujourd'hui partie de la municipalité agrandie de Repentigny, il a commencé à fabriquer plusieurs gammes de produits pour ses propres épiceries IGA, ainsi que pour des magasins appartenant aux nombreux amis qu'il s'est faits au cours de sa longue carrière dans le secteur de l'épicerie au Québec. "Nous produisions 25 sortes de produits avec trois personnes — un gérant des viandes, un découpeur et un emballeur," décrit M. Duchemin, "mais notre champion des ventes était, et demeure encore aujourd'hui, la saucisse fraiche."

Ce fut néanmoins la visite d'un acheteur de Sobeys qui a changé le sort de l'entreprise en démarrage. "Ils essayaient de développer différentes marques de saucisses, et ils ont demandé à plusieurs fournisseurs de soumissionner pour ce projet," expose M. Duchemin. "Après une visite de notre usine, ils ont dit que nous étions trop petits pour fournir les 5,000 kg de saucisses par semaine qu'ils désiraient pour leurs magasins. J'ai néanmoins soumissionné et j'ai obtenu le contrat, parce que nous offrions le prix le plus bas et que nos produits avaient bon goût. En outre, notre petite installation ne posait pas de problème, comme nous pouvions fabriquer 10,000 kg de saucisses en une seule journée."

> **“Notre champion des ventes était, et demeure encore aujourd’hui, la saucisse fraiche.”**

Comme la production et les ventes ont augmenté “d’un million de dollars par an jusqu’à cette année — où cette croissance sera surpassée,” note M. Duchemin — la compagnie a déménagé dans une nouvelle installation de 23,000 pi ca. en 2009, deux rues plus loin. Depuis, trois quarts de travail sont en activité tous les jours: deux quarts de production le jour et un quart de lavage la nuit.

La plupart des 158 produits différents fabriqués par l’usine à partir de boeuf, porc, poulet, agneau, sanglier, bison, canard et cerfs (“tout sauf du lapin, qui est trop cher,” souligne M. Duchemin) sont de marques privées. Les meneurs parmi ces dernières s’avèrent Sensation et Compliments de Sobeys. “Nous approvisionnons également tous leurs magasins en saucisses fraîches,” renchérit M. Duchemin. “Nous transformons et expédions deux semi-remorques par jour. Cela fait beaucoup de saucisses.”

Entre autres articles, on retrouve des steaks Moishes (également pour Sobeys), des produits de porc de marque Nagano, des plats préparés pour les magasins Super C et des saucissons cuits pour Metro. Parmi les nouveaux clients, mentionnons Ecolait, un producteur de produits variés à base de veau, incluant le bacon et le jambon. Les Duchemin commercialisent également leur propre marque de saucisses fraîches chez Super C et Metro.

“Chaque jour, nous développons quelque chose de nouveau,” fait valoir M. Duchemin. “Tout ce que nous mettons en marché doit passer par ma bouche d’abord, et plus d’une fois.” De nouvelles occasions de marché, ajoute-t-il, abondent également. “Nous avons très bien fait au Québec, et nous repoussons maintenant les frontières en Ontario,” exprime M. Duchemin. Son entreprise produit notamment du bacon de boeuf sous la marque Joe Beef, que Les Viandes Première vend dans quelque 250 magasins à Toronto et dans les régions avoisinantes.

Malgré le fait qu’il dispose de 18,000 autres pi ca. pour de l’expansion, M. Duchemin dit qu’il laissera tout agrandissement d’usine ou acquisition éventuelle au soin de ses jeunes partenaires. “Je travaille encore six jours par semaine et j’adore ça,” conclut-il, “mais je suis maintenant rendu à 75 ans, et je vais devoir arrêter un jour, comme le souhaite ma femme.”

Smooth as satin

The Satin product line from Puratos allows baked goods producers to create a multitude of recipes ranging from simple, everyday cakes to the most sophisticated desserts. Satin is a highly versatile line of cake mixes designed to deliver maximum variety at the optimal level of quality. The products can be enriched with different aromas, fruits and fillings — the possibilities are endless. **www.puratos.us/satin**

Rugged reliability

UniCarriers Americas Corporation (UCA) has released the WLX series 4,500-lb. capacity walkie pallet trucks. Through innovative features and design, the WLX series delivers value and trusted reliability. Some advantages of the WLX series include its robust fork assembly, powerful hydraulic system and durable design, which give the trucks rugged reliability. **www.unicarriersamericas.com**

Lactic acid bacteria control

In food processing, lactic acid bacteria can be either friend or foe. When kept in check, it helps produce fermented foods ranging from smooth yogurts to crunchy pickles, and can even be leveraged for probiotic purposes. But under low oxygen, low temperature and acidic conditions, the bacteria can cause spoilage, discolouration, bloated packages and textures, odours and flavours that displease customers, trigger recalls and cause food waste. To help food processing companies streamline complicated labour-intensive testing methods, 3M Food Safety introduces the 3M Petrifilm Lactic Acid Bacteria Count Plate with a more efficient, all-in-one solution for monitoring lactic acid bacteria levels in food products and manufacturing environments. **www.3M.com**

Apple tray excellence

Foam apple trays from Dolco Packaging, a Tekni-Plex company, have been engineered to improve protection of the fruit in transit, as well as to reduce pack times. Dolco has designed the polystyrene foam trays so that they can go directly from the shipping case to display, without the fruit having to be removed and restacked. Dolco foam trays also feature a smooth inner/outer surface. This means that the fruit is cradled comfortably, which helps improve yield. **dolco.tekni-plex.com**

Enhanced-performance towels

HOSPECO, a manufacturer of facility cleaning and personal protection products, is announcing its expanded SaniWorks Foodservice Towel line with the addition of the new EPS (Enhanced Performance for Sanitizing) towel. SaniWorks EPS Towels are durable, extended-use towels constructed to be more compatible with chlorine sanitizers. Unlike many cloth towels and disposable wipes, HOSPECO's EPS towels consistently release the effective sanitizer to the wiping surface to better ensure proper surface sanitizing and to aid in the prevention of cross contamination. **www.hospeco.com**

Collecting & conveying

A new Manual Dumping Station with integral FLEXI-DISC Tubular Cable Conveyor from Flexicon collects dust created during manual dumping from bags, boxes, pails and other containers, and gently conveys the material at any angle over short or long distances. The unit features a high-velocity vacuum fan that draws airborne dust from the operator's atmosphere onto cartridge filters. The system is particularly suitable for manual dumping and conveying of food products that are prone to breakage or degradation including: cereals, coffees, teas, dried fruits, frozen vegetables, grains, nuts, peas, pet foods, seeds, snack foods and spices. **www.flexicon.com**

Cost-effective contaminant detection

Loma Systems' new compact X5c is a highly functional, cost-effective x-ray system designed for food production environments wanting to switch up to enhanced product inspection techniques. The system performs detection of a wide variety of contaminants including ferrous, non-ferrous, stainless steel, glass, ceramic, calcified bone, stone, and dense plastic. It particularly suits end-of-line packaged goods, and an effective automatic product learn wizard eases the switchover of multiple products during operation. **www.loma.com**

Meatball solutions

Handtmann servo-controlled meatball solutions produce precisely portioned units at up to 400 ppm per lane with one, three, four, five, six and eight lane options. Each meatball is portioned with one per cent Handtmann VF Series accuracy into a rugged single or multi-lane depositor that offers great control over shape, providing exact dimensional and weight precision at the very highest speeds. The precisely engineered heavy duty components and servo control of this Handtmann meatball solution ensure the accuracy and reliability required to optimize profits. **www.handtmann.ca**

A cut above

The design and technology behind Hollymatic's Tender-Cut make it a cut above other equipment. Whether working with sausages that have natural or collagen casings, and independent of how sausages are delivered to the Tender-Cut, they are cut into perfect single units every time. The continuously welded design of Hollymatic's Tender-Cut uses hygienic and durable stainless steel, while the conical drum that is supported on rollers features 72 plastic guided hook knives with stainless steel blades that are easy to change. **www.hollymatic.com**

Clean & consumer friendly

As today's consumers increasingly demand clean label products with consumer-friendly ingredients, food and beverage formulators need protection solutions that are not only effective, but clean label as well. Kemin FORTRA natural plant extract can be that solution while serving as a valuable resource in the fight against oxidation and degradation. FORTRA natural plant extract is derived from spearmint (*Mentha spicata L.*), a plant that is widely recognized for its flavouring attributes. Through a natural breeding process, Kemin has identified a proprietary spearmint variety with high levels of rosmarinic acid, a unique phenolic compound that is an oxygen- and heat-stable free radical scavenger. **www.kemin.com**

Naturally red

For many years, food manufacturers have been frustrated by the lack of truly heat stable natural red colours for neutral pH baking and dry grocery products. Sensient Colors' new SupraRed, which uses a novel natural colour technology, will enable brands to deliver on growing consumer demand for natural colours from botanical sources that do not sacrifice on colour brightness. **www.sensientfoodcolors.com**

Advertisers' index

Carol Neshevich

Ian Walker, president of Left Coast Naturals, with Chili

Left Coast Naturals

Burnaby, B.C.

It all started, strangely enough, as an art project back in 1996. "There wasn't exactly any grand intention to start a business," says Ian Walker, president of Burnaby, B.C.-based Left Coast Naturals.

Walker's friend Jason Dorland was doing a graphic design project at Emily Carr University of Art and Design in Vancouver in which he created a fictional nut butter brand. Thinking maybe this nut butter could sell in real life, Dorland approached Walker with the idea to start a business. Walker, only 24 years old at the time, had a business degree and a family background in business, so he thought he'd give it a shot. "It just sort of happened," he says. "It wasn't this big purposeful thing, and really it was a bit of an experiment at the time to see if there was a market for this product."

Fast forward 20 years, and it's clear the experiment worked. Today Left Coast Naturals is a thriving business with approximately 50 employees and more than $20 million in annual sales. The original nut butter business grew to include a popular organic snack line under the Hippie Foods brand — which includes various flavours of coconut clusters, coconut chips, gluten-free granola and garden chips (made from veggies), and is available across Canada and in some parts of the U.S. — as well as an organic bulk food business, which includes grains, nuts, snack mixes, seeds, cereals, beans, candies, dried fruits and baking ingredients.

And in 1999, the company added a distribution business. Today Left Coast Naturals distributes between 25 and 30 different organic and natural food brands to more than 500 stores across Western Canada. Walker says they've decided to maintain very high standards for the products they will distribute, ensuring that all ingredients are clean and GMO free. This has admittedly meant cutting out some business, according to Walker. "We probably gave up half a million dollars in sales because of our stance on [GMOs]," he says, "but interestingly that's won us a fair bit of respect with the retailers because they get it. They say, 'Well these guys have integrity, we can respect what they're bringing to us.'"

This is something that's changed noticeably since the 1990s, says Walker. With today's consumer increasingly placing a premium on sustainability and clean ingredients they can trust, he has definitely seen a difference in the way his company's commitment to these values are viewed in today's food marketplace. "Back in the day, people like us we were kind of the weird people that the retailers tolerated because we were nice and brought them products that they could sell. But now, even the most mainstream retailers look to us, because we're able to make them look good," he says. "They're not saying, 'Well, try selling it at those hippie stores for a little while and if it works well, then come back to us,' like they used to. Now the mainstream grocery stores all want these products right away. And that's been great."

Q&A

Q: What's your favourite thing about the natural food business?

A: "The great thing about this business is you get to be in an industry that you feel really good about. That's when things click: when your personal philosophy aligns with your business philosophy. That's really what I enjoy, that we can have our own principles and values in our business, and be lucky enough that that's the direction the industry's going in."

Q: Do your company's values make it easier to recruit talent?

A: "Whenever we're hiring for a job, people want to work for us because they like what we're doing. They will often have come from a bigger job with more pay, but they want to come work for us because they want to feel good about where they work. The optimist in me loves that society's going that way."