



# BEIJING TO BURNABY

Canadian manufacturers are going the distance for their food ingredients • BY NATALIE LOCKE MILNE

The next Asian-inspired item you pick at the supermarket may be more authentic than you think. Meanwhile, the only Canadian-made ingredient in your favourite store-bought burger may be the Alberta beef. And while that frozen pad Thai may not have been manufactured in Bangkok, chances are a majority of its ingredients were. More and more ingredients entering the Canadian market are coming from foreign suppliers. In fact, Canadian consumers might be surprised to learn just how many kilometres their food ingredients clock en route to their plate. They may also be concerned what that means about the quality of their food, particularly in light of the recent food safety scares in the news.

Importing ingredients for food manufacturing is not new to Canadian producers who have traditionally looked to the U.S. and Europe to supply a good portion of their food ingredient needs. But a new trend has emerged in the last decade, as Canadian manufacturers increasingly turn to Asian countries for supplies. "You're seeing the world open a lot more than it ever has. I mean its not only a country-wide market anymore, it's a world market," says Lou Albanese, CEO of Stoney Creek, Ont.-based TMF.

According to Industry Canada the total number of ingredients entering Canada from Asia increased from \$22.7 million in 1996 to \$46.8 million in 2005, and Asian supplies now make up over 13 per cent of the total market of ingredient imports into Canada. Chinese ingredient vendors in

*"You're seeing the world open a lot more than it ever has.*

*I mean its not only a country-wide market anymore, it's a world market."*

particular have tuned into the ebbs and flows of the North American food market. As a result China is now Canada's second largest importer of ingredients and additives to the food industry, supplying over \$11 million worth of food ingredients in 2005, up from \$3.6 million in 1996. Access to cheap labour, low equipment costs, and the undervalued Chinese Yuan have all contributed to China's ability to continuously offer a wide array of products in large quantities, undercutting North American vendors. According to Lidia Karamaoun, project manager with the Trade Facilitation Office Canada (TFOC), "quality price ratio, supply capacity and consistency/continuity of supply," are some of the deciding factors when Canadian processors opt for Asian supplies.

The growth of the ethnic food market has further boosted sales for Asian suppliers in Canada. According to TFOC, "the total sales of Chinese foods in Canada were estimated at \$3 billion in 2002, with Chinese frozen foods exceeding \$47 million. Meanwhile, the South Asian food market has been estimated at \$200 million." The increasing demand for ethnic foods in Canada has meant that overseas ingredient suppliers are offering traditional additives and ingredients to manufacturers, as well as authentic ingredients for the growing number of ethnic and specialty foods being manufactured here. Increasingly, these ingredients are also being used in non-ethnic foods.

The biggest concern, however, is ensuring that ingredients coming from an overseas supplier meet national safety requirements. Quality concerns range from unhygienic plant practices, high levels of bacteria or insect contamination, to improper shipping procedures that can leave products vulnerable to contamination or spoilage. To help alleviate fears and to monitor standards, a number of Asian countries have implemented the international standards set by the Codex Alimentarius, a joint venture of the Food and Agriculture Organization and World Health Organization. With so many possible containments, the Canadian Food Inspection Agency (CFIA) monitors all food imports to ensure they meet Health Canada's requirements, meaning that imported ingredients are subject to the same standards as Canadian-produced food and must be in compliance with Canadian regulations governing food safety.

But while Canada has some of the world's most stringent safety requirements, "regulations are not necessarily harmonized with other jurisdictions," says Rob Le Guillou, senior sales manager for Canada for Toronto-based GTC Nutrition. This can make it difficult for manufacturers importing products from foreign regions to ensure the quality of their supply is consistent. The CFIA randomly inspects food products to ensure minimum requirements are met on grade, labelling, containers and health standards. It then runs

samples of ingredients and consumer-ready manufactured products through specialized labs across the country. Lab sampling is designed on risk-based factors, with high-risk products subject to more sampling than low-risk products. If the CFIA finds a product with improper labelling or unidentified ingredients, it will be immediately recalled.

Costly recalls become more of a probability when using products produced in regions with different national safety standards. Albanese doesn't believe that Asian ingredient suppliers can offer the same level of quality as their Canadian counterparts. Instead he turns to local spice companies that buy the products from exporters, and then disinfect them to ensure there are no bacteria in the ingredients before selling them to a local food manufacturer.

Although Asian ingredient suppliers have steadily increased their share of the Canadian ingredient market over the last 10 years, that growth hasn't made a significant dent yet in the Canadian supplier industry. Graham Nord, the Canadian Sales and Marketing manager for Toronto-based Nitta Gelatin Canada, says his company has felt little effect from the increased competition, something he speculates is related to quality concerns over foreign ingredients. Le Guillou also believes that the increased competition hasn't changed the industry so far. "As far as the food industry itself, I don't think it has affected many things," he says. "The food manufacturer has a cheaper price so it certainly affects them. Does the consumer benefit? I don't know." [FC]

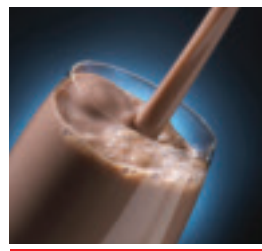
## The Perfect Blend...



**Well Seasoned**  
Savoury Blending  
Solutions



**Good for You**  
Health and Wellness  
Food Products



**Continental Cuisine**  
Custom Food and  
Beverage Mixes



Continental Ingredients Canada offers full development and formulation assistance on all our custom blended products—from savoury snacks and sauces, to smoothie and baking mixes. Now featuring our new line of fine quality cocoa based beverage products! For a healthy twist, we can help you develop products that are **low fat and/or no sugar**, and **added probiotics, fibre, protein and omega 3**. It all adds up to one perfect blend!

CIC is also a proud Canadian Distributor of these fine ingredients:

**Roquette America**  
Sweeteners/Starches

**DSM Food Specialties**  
Cultures/Enzymes

**Tate & Lyle**  
Dairy Stabilizers/Emulsifiers

**Continental Ingredients Canada Inc.**  
Click [www.cic-can.net](http://www.cic-can.net) or call us (905) 815-8158

