

NEWS FILE

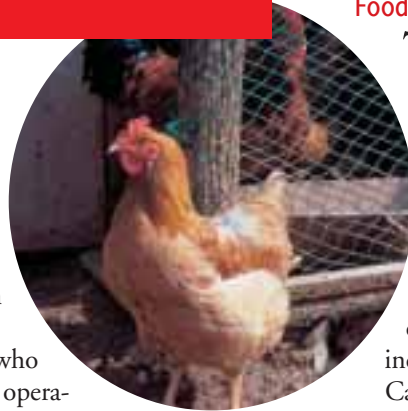
The Voice of the Canadian Food & Beverage Industry

Lessons Learned from Avian Flu

In late January, the Canadian Food Inspection Agency (CFIA) and Agriculture and Agri-Food Canada (AAFC) released their review on how they managed the avian influenza outbreak in B.C. in 2004.

According to Doug Steadman, who managed the national emergency operations centre in Ottawa during the outbreak and is the executive director of operations for the Atlantic Area in Moncton, N.B., there were several lessons all levels of government departments and industry learned. "It was a very complex issue and hindsight is always 20/20," he says.

Steadman says communications between the CFIA, the AAFC, Health Canada and B.C.'s public health offices "was all a little fuzzy at the beginning." Government and industry were facing a foreign animal disease that also had the poten-



tial to infect humans. So was it up to the animal health side or the human health side to take the lead?

Local labs in B.C. also didn't have the equipment or the technicians to carry out the level of testing that was required. He adds that now labs in Quebec, Ontario, Alberta and B.C. are working on upgrading standards to meet the federal government's requirements.

In addition, the CFIA is working on its emergency management programs and will help advise industry on how to do a better job with biosecurity. Steadman says it's also reviewing its compensation regulations and other sources of compensation for the industry.

The full report can be found at: www.inspection.gc.ca

Food Sector Forecast

The Conference Board of Canada is predicting lower food manufacturing industry profit for the next two years due to weaker export markets, after posting record level profits of \$2.7 billion in 2004.

According to Louis Thériault, the associate director of the recently published *Canadian Industrial Outlook: Canada's Food Manufacturing Industry*, "Export growth is expected to subside considerably this year following double-digit increases for most industry sectors in 2004."

Cattle prices are expected to return closer to historic levels if, as expected, the export ban on younger Canadian livestock is lifted this month.

In other key segments of the industry, such as grain, oilseed, fruits and vegetables, the board expects weaker growth in prices and a stronger Canadian dollar on exports to dampen revenue growth. With costs growing faster than revenues in 2005, profit levels will decline compared to 2004. The value of the Canadian dollar represents another important risk to the forecast because prices for commodities

PRESIDENT'S CHOICE BLUE MENU

President's Choice has launched its new Blue Menu line that identifies healthy menu choices. Each of the 80 products in the initial line-up is either lower in fat, lower in calories or higher in fibre. Introduced with a special *Insider's Report* devoted entirely to healthy living and eating, the products cover the gamut from entrées, fruit spreads, sauces, cereals, beverages and snacks. Paul Uys, vice-president of President's Choice, says, "Canadians are concerned about making the right choices for their families when it comes to healthy eating, but they are confused about where to begin. We are bringing a wide variety of options that are based on the foods Canadians already love to eat – plus consumers can identify them at a glance



through the Blue Menu icon on the front of the package."

According to a recent President's Choice/Ipsos Reid survey:

- 87% of Canadians are trying to make healthier eating choices
 - 78% feel that "lots of food and beverage manufacturers claim their products are healthier but don't believe they really are."
 - 78% of Canadians would prefer to make lifestyle changes than to go on a quick fix diet
 - 61% say it's impossible for an ordinary person to figure out what the right healthy choice is
 - 40% say reading nutrition labels is a time-consuming and difficult process
- Visit www.ipsos.ca for full tabular results.

in the food manufacturing sector are in many instances quoted in U.S. dollars. A stronger-than-anticipated dollar would reduce the price received by Canadian producers for products sold in the U.S, which, in turn, would cut revenues.

Despite the stronger dollar, export

growth – especially to the U.S. – is still expected to drive production increases over the medium term. At home, healthy domestic income gains will maintain demand. Profit levels are forecast to decline both this year and in 2006, before recovering to \$2.8 billion in 2008.

FPI Reopens Plant

Fishery Products International (FPI) Limited announced it will resume limited operations at its processing plant in Fortune, Nfld., on Feb. 14, with consideration to normal operating schedules and quota deadlines.

The duration of operations will be dependent on the supply of raw material available for processing at the facility. Employment and scheduling details will be determined by local management in consultation with the local FFAW plant committee.

The long term viability of the plant remains entirely conditional on a positive and timely conclusion to the provincial government's review of FPI's proposed income trust transaction.

Quails' Gate Expands

Kelowna, B.C.-based Quail's Gate Estate Winery is breaking ground on a \$4.5 million upgrade. A new 10,000-square-foot storage and bottling facility will be connected to the existing production structure. A new wine shop with an expanded tasting area and upgrades to the winery's kitchen round out the renovations. Construction is expected to be completed by spring 2006.

Co-op Pilots Shared Services

By Rhona McAdam

Vancouver Island's Small Scale Food Processor Association has announced a new co-op that will pilot services to small scale farmers and food processors on Vancouver Island and the Gulf Islands. The Local Flavours Products and Services Co-operative plans to begin marketing products under that brand later this year.

In British Columbia's competitive specialty food and beverage market, where less than 20 per cent of food is locally supplied, small scale producers and farmers have felt the need to pool their resources in order to better promote their products. Bulk buying and regional branding will help them compete in larger markets, and build a sustainable basis for supply of local products.

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ISM Show Report

Portion sizes, new shapes, flavourings and delivery innovations were just some of the new trends at the 35th annual ISM Sweets and Biscuits fair. The four day trade fair attracted 34,000 visitors from 140 countries. The five Eastern trade halls were packed with 1,616 exhibitors from all sectors of the candy and baking industries.

Some new trends emerging at the fair included smaller packaging sizes, a new breath pellet and the introduction of a chocolate slice called Swoops. Marketed by Hershey, it looks like a chocolate potato chip. The breath pellet, also by Hershey, called Ice Breakers in the States, looks like a plastic bead, but when bit, releases an intense icy menthol-like flavour to freshen the breath. There were a couple of novelties displayed, including a 16 ounce jawbreaker candy from Sconza Candy Co., and a three kg. jelly rat and intriguing jelly candy shot glasses both from Konfektyr Fabrik in Stockholm, Sweden. The jelly glasses are frozen for 30 minutes, then filled with a liquor of choice. After downing the shot, you can then eat the glass. Saves on dishwashing!

A number of chocolate manufacturers marketed plantation specific chocolate such as Tabago, Santo Domingo or Madagascar cocoa. Also, the percentage of cocoa, from 35 to 75 per cent, is now a selling point. The incorporation of exotic flavourings such as chili, cayenne pepper, sea salt or black pepper is growing in popularity. Dark chocolate sales are increasing, no doubt bolstered by recent scientific studies on the antioxidants in chocolate.

On the biscuit side, manufacturers are not only reducing package sizes, but incorporating hotter and novel flavourings. Stieffenhofer of Germany was test marketing Hot & Sweet crackers with a paprika honey and curry coating or a chili pepper and paprika flavour. Crisp bread king Ryvita was showing a two-cracker individual take away package and mini panetone breads were ubiquitous.

Koelnmesse, the show organizer, has announced the debut of the ProSweets fair that will overlap the 2006 ISM. ProSweets will feature the supplier side of the confectionery trade from raw ingredients to processing and packaging equipment. The show will run from Jan. 31 to Feb. 3, 2006 with two days overlapping ISM. The 2006 ISM will run from Jan. 29 to Feb. 1.

Having received \$150,000 in federal moneys and matching contributions from industry and the provincial government, the Local Flavours co-op hopes to become self-sustaining in three to five years. It aims to assist owners of small farms and small-scale processors to become more competitive, representing them in high-end market channels, such as restaurants, hotels and tourist locations, and high-end specialty stores. Its services will include data synchronization and bar-code sharing programs and marketing and promotion assistance.

Federal funding comes from the Western Economic Diversification Canada and Agriculture and Agri-Food Canada through the federal co-operative development initiative. The provincial Agriculture, Food and Fisheries ministry contributed a tele-conference service, while Coast Capital Savings Credit Union gave \$10,000 and hopes to work with entrepreneurs by providing loans and technical expertise.

Grains Institute Opens New Facility

by Myron Love

The Canadian International Grains Institute (CIGI) has opened a new pulse processing and specialty milling facility intended to help the Canadian pulse industry's marketing efforts.

"We saw the need for more of a focus on specialty crops, especially pulses," says Dr. Linda Malcolmson, the Winnipeg-based institute's director of special crops, oilseeds and pulses.

The new operation, which was opened on Jan. 21, is able to test peas, bean, lentils and chickpeas to determine their processing and end-use characteristics.



Paul Ebbinghaus, CIGI technician, discusses a display of various dehulled and split pulses with Lasby Lowes, manager of the Marketing and Farm Business management Branch, Government of Manitoba.

"We will be able to provide breeders with information on new cultivars," says Malcolmson. "As an added value, individual companies will be able to access our facilities and technical expertise to explore specific business opportunities."

The facility de-hulls and splits pulses for testing on recovery, colour, water hydration and cooking properties. Pulses will be evaluated on both a pilot scale to reflect commercial processes and on a laboratory scale for smaller quantities to study the effects of processing conditions on end-quality. Desi chickpeas and beans will also be ground into flour for testing in specialty end products.

PEOPLE ON THE MOVE



Casey Futterer



Steve Poirier



Jim Eagles



Bruce Robinson



Gary Fread

Kraft Canada Inc. appoints **Lloyd Johnson** to vice-president of sales. Johnson will be joining Kraft Canada's executive team in Toronto. • **Casey Futterer** is appointed to vice-president of marketing at Kellogg Canada Inc. He previously worked for Procter & Gamble. • St. John, N.B.-based Moosehead Breweries Limited had five appointments to announce: **Steve Poirier** is the new executive vice-president, **Jim Eagles** is the new vice-president of sales and marketing, **Bruce Robinson** is the new vice-president of international and contract sales, **Mathew Johnson** is the new marketing director and **Jill Macleod** is the new brand manager. • **Arie Nuys**, president of Delft Blue Veal Inc. of Cambridge, Ont., is the new president of the Canadian Meat Council (CMC). The new

vice-presidents of the CMC are: **Laurent Brochu**, executive vice-president of Les Salaisons Brochu Inc. in St-Henri, Que.; **Conrad Huber**, vice-president of Piller Sausages & Delicatessens Ltd. in Waterloo, Ont.; and **Brian Nilsson**, president of Edmonton-based XL Foods Inc. The executive members of the CMC are: **Don Davidson**, vice-president of business development, government and industry relations at Maple Leaf Pork in Oakville, Ont.; **Brian Derksen**, general manager and vice-president of Cargill Foods in High River, Alta.; **Brian Read**, general manager of Levinoff Meat Products Ltd. in Montreal; and **David Schwartz**, president of Toronto-based Quality Meat Packers Ltd. • The Ontario Food Protection Association has four

new members on its board of directors. They are **Paul Baxter**, Food Safety Manager with Schneider Foods, **Mike Cassidy**, co-ordinator, Food Safety Science Unit for the Food Safety Policy Branch, Ontario Ministry of Agriculture, **Vicky Grahovac**, food safety research analyst, Ontario Ministry of Agriculture and **Clive Kingsbury**, QA department head at Maple Leaf Pork. • The Guelph Food Technology Centre has announced the appointment of **Gary Fread**. Fread is the new president and CEO. • METRO Inc. appoints **Eric Richer La Flèche** executive vice-president and COO. • Stellarton, N.S.-based Sobeys Inc. appoints **Glenn Hynes** to executive vice-president and chief development officer and **Bruce Terry** to executive vice-

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president and CFO. • **Amanda Maltby** is the new senior vice-president and newest member of Ipsos-Reid Public Affairs' office in Toronto. • CoolBrands International Inc. reports that the company's board of directors has elected **David Stein** to serve as co-chairman and CEO. • **Andrew Prozes** has been elected to Cott Corporation's board of directors. • Parmalat Canada appoints **Marc Caira, John Caldwell, James Fisher, Carlo Frau** and **Manuela Mangiagalli** to its board of directors.

ON THE SUPPLIER FRONT:

Danisco released several appointments. As a result of its acquisition of Rhodia late last year, the company appoints **Jeffrey Downer** to director of marketing and **Beth Jones** to product manager of fresh dairy and probiotics. The company

also appoints **Scott Bush** to business development director of the culture division & probiotics; **Mike Parsons** to dairy sales director; **Shannon Neuens** to business development specialist of cheese cultures and enzymes, North America; and **John Breeden** to director of sales. • **David Carpenter** is the new president and CEO for North America at Chr. Hansen Inc. He replaces **Donald Combs** who resigned in January. The company has also reorganized its sales management team. **Tom Barry** will continue as vice-president of sales for meat and prepared foods, **Paul Duddleston** is appointed vice-president of sales for food and beverage, **Ken Gawley** is promoted to director of marketing for food and beverage and **Kristian Elsborg** is promoted to vice-president of sales for dairy. • Silliker Inc. appoints **Amitha Miele** laboratory director of its Colum-

bus, Ohio, testing facility. • NCR Corporation of Mississauga, Ont., appoints **Patrick Leonard** vice-president of the retail solutions division for Canada. • **Virginia Burnell** is the new president of Invensys Process Systems, which is based Foxboro, Mass. She'll be responsible for the company's North America operations. • Burbank, Calif.-based Steril-Aire Inc. appoints **David Kueneman** food industry sales manager. • Multivac, which manufactures thermoform-fill-seal rollstock packaging solutions, had three appointments to announce: **Mark Hammelrath** is the new market development manager for the company's food division. **Ben Eastman** and **Jason Green** are the new regional sales managers for the same division in the U.S. • **Christian Nansen** is the new technical director for The Steritech Group inc. in Charlotte, N.C.

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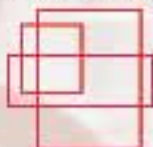
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NEWSFILE

SUPPLIER'S UPDATE

Quebec's Agropur Cooperative has signed a 10 year agreement with Warnex Inc. to use its Genevision technology to test for *Salmonella* and *Listeria*. • Fort Erie, Ont.-based PBB Global Logistics has entered into an agreement to acquire Unicity Integrated Logistics Inc. and Unicity Customs Services Inc. Unicity is a customs broker and has locations across North America, including Montreal, Mississauga and Winnipeg. • Ocean Nutrition Canada Ltd. a supplier of MEG-3 brand Omega-3 EPA/DHA food and dietary supplement ingredients, has purchased an existing facility in Arcadia, Wis., and is currently upgrading the plant to make it a world-class food ingredient production facility. • Georgetown, Ont.-based Northern Vibrator Manufacturing has appointed Floval Equipment Ltd. as its master distributor for the province of Ontario. All Ontario sales will be channeled through Floval. • Kerry Group released the details of its investment program, of about 20 million Euros, in China. The company says it will establish a state-of-the-art facility in Hangzhou in Zhejiang Province, which will be ready by the end of 2006. The company's acquisition of Hangzhou Lanli Food Industry Company Limited is expected to be complete this March. • David Michael & Co. has named its European subsidiary David Michael Europe S.A.S. The subsidiary is based in France. • Chr. Hansen is expanding capacity at its culture production facility in Pohlheim, Germany. The company produces meat and animal health cultures at the facility. • Vitamin A Palmitate 1.7 from BASF's Human Nutrition business has been certified kosher for Passover. • FKI Logistex has opened a new regional office in Mexico City. The new office will provide service and support to the company's customer base throughout Mexico and Latin America. • FACT Corporation, a developer and marketer of specialty high-fibre, low-glycemic baked goods and premixes, has launched a new e-commerce website, www.eatwellstaywell.net • Multivac Inc. again offers its after-sale support courses through Multivac University. The school of packaging machinery education offers multi-skills training courses and helps attendees increase their knowledge in machine safety, operation and maintenance. • Oak Brook, Ill.-based Custom Food Products Inc. has changed its name to Custom Culinary.