

newsfile

THE VOICE OF THE CANADIAN FOOD & BEVERAGE INDUSTRY

FOLLOW THAT PIG



At a press conference in Toronto in late January, Maple Leaf Foods Inc. launched its DNA traceability program for pork. What this means, says John Webb, director genetics and science at Maple Leaf, is that pork can now be traced back to its origins at any stage of the process – not just up to slaughter.

The program involves “matching the maternal genes in the offspring back to the mother,” says Webb. Maple Leaf enlisted the help of three other organizations to develop the program. Pyxis Genomics Inc. helped develop the genetic markers. Orchid BioSciences Inc. developed an assay to analyze the genetic markers and implemented a process that provides rapid DNA analysis. And IBM Canada Ltd. created a database with a search engine that matches DNA from a piece of meat to its mother.

Webb says farmers will have to take blood samples from each sow (the bar-coded blood tubes, along with a CD-ROM, will come in the mail) and enter the sow’s identity online. Orchid will type the sow’s DNA for those genetic markers and enter that information and the farm into the database. The producer can then update the database directly with the birthing and culling dates of the piglets.

Jeanette Jones, director of communications, Maple Leaf Foods Inc., says a pilot of the program will be launched in the spring, but the plant hasn’t been determined yet. “It will be one of our plants that processes a significant amount of product for Japan,” she says. Japan represents 21 per cent of Maple Leaf’s international exports and, says Jones, they’re willing to pay more for the traceability.

Access to the program will be given to the Canadian industry six months after the pilot project begins and will be sold to processors under a licensing agreement, says Jones. The cost for typing a sow is about \$35 each. “If you net that out across the number of pigs that a sow will have in her lifetime, which is estimated around 50, it works out to about 80 cents per hog,” says Jones.

Lilydale plant struck by fire

Lilydale’s South Edmonton facility, a further poultry processing plant, was damaged by fire in late January. Rob Willmott, director of marketing for Lilydale Cooperative Ltd., says up to 50 people were in the plant on Jan. 29 when the fire broke out at 5 a.m. Mountain time, but no one was injured. At press time, the cause and cost of the fire were still to be determined. The plant employs 329 hourly staff altogether.

Willmott says Lilydale is “looking at starting up limited operations [late February] at the existing site in the part of the plant that was unaffected by the fire.” That includes about half the plant or more. Production will begin with deli products and some further processed chicken products.

Lilydale has five other plants: one in Saskatchewan, another in Edmonton, one in Calgary and two in B.C.

Staff were called to a meeting at a local hotel the day of

the fire and given the option “to sign up for work in this facility or other work as it becomes available,” says Willmott.

Olymel confirms shutdown, layoffs

Olymel L.P., which is based in St-Hyacinthe, Que., confirmed in mid-February the final shutdown of its plant in Saint-Félix-de-Valois. A fire had destroyed about 60 per cent of the plant back in December 2003. It employed 16. The company has said it will merge its sorting and packaging activities of chicken legs with its Berthierville and Saint-Damase plants. Olymel slaughters, processes and markets pork and poultry products. It sells its products in Canada and 40 other countries. The company is owned by Coopérative fédérée de Québec and SGF Soquia and had sales of nearly \$2 billion for the fiscal year ending Nov. 1, 2003.

Gretzky and Pepsi Team Up

Pepsi-Cola Canada Ltd. and Canadian hockey legend Wayne Gretzky have inked a three-year deal to help underprivileged kids experience the sport of hockey.

"For some families, having a child play hockey is just not doable. When you're making choices between paying the rent or the grocery bill or playing hockey, there's no way," says Gretzky. "I'm really pleased to see companies like Pepsi give underprivileged kids a chance to enjoy the great game of hockey by making this donation." Pepsi's donation to the Wayne Gretzky Foundation will result in the purchase of hockey equipment and ice time for underprivileged children in communities across the country.

The deal will include advertising, retail promotion and a donation to the Wayne Gretzky Foundation. In March, Gretzky's image will appear in grocery stores and other locations where Pepsi products are sold as Pepsi kicks off a national hockey instant win promotion. The promotion gives consumers a chance to win one of four trips to Wayne Gretzky's Fantasy Hockey Camp.

"When Canadians think of hockey icons, they think Wayne



Gretzky. Pepsi couldn't be prouder to partner with Gretzky as we get more and more involved with hockey," says Richard Burjaw, vice-president, marketing for Pepsi-Cola Canada. "We're especially proud to make a contribution to the Wayne Gretzky Foundation so that more kids can get on the ice."

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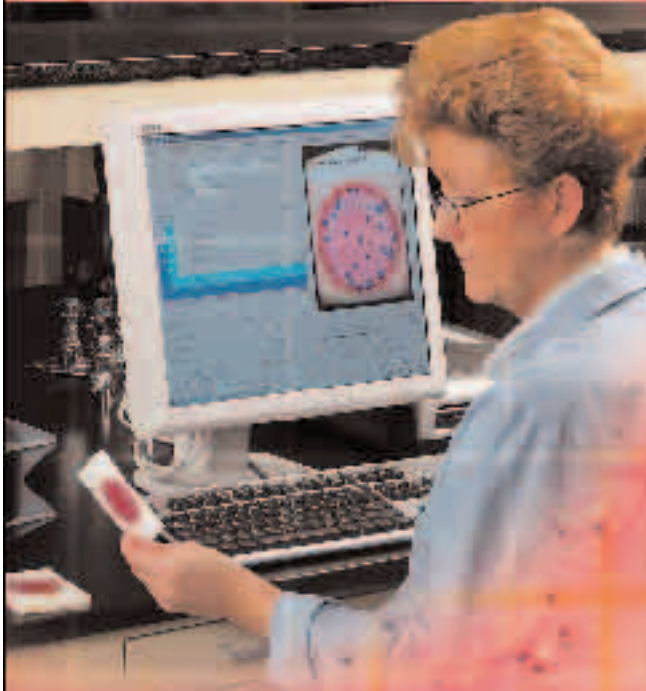
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AOFP launches labour study

The Alliance of Ontario Food Processors (AOFP) has commissioned a study to help Ontario food processors deal with labour shortages. The AOFP says a shortage of skilled and unskilled labour will affect all manufacturing companies in Canada and the U.S. over the next 10 years.

Jane Graham, executive director of the AOFP, says the study will use several factors, such as unionization, wages, language barriers and retaining and training, to examine 12 sectors. Those sectors include: dairy, bakery, ingredients, beverages, meat, pasta and cereals, snack foods, confectionery, eggs, edible oils, specialty foods, and processing fruits and vegetables.

The aim, she says, is to determine how well the industry is promoting itself and see what training is needed and how it should be delivered. When it comes to training, Graham says, the study will take a closer look at something that hasn't been done before. There'll be more discussions with guidance counselors and high school students to see how aware students are of the job opportunities in food processing, she says. In other words, is food processing even "on the radar screen" for students considering their futures.

The study will be released in April with a presentation for those companies that participated.

Contact AOFP: (519) 826-6665.



Left to Right: David Ganong, CEO/president, Ganong Bros. Ltd.; Carol Seidman, CEO, Canadian Breast Cancer Foundation, and Jay Hooper, National Funds Development Director, Canadian Breast Cancer Foundation.

Sweet cheque

Since last fall - when Ganong joined the Canadian Breast Cancer Foundation in its quest for a cure - a portion of proceeds from the sale of all Ganong boxed chocolate and candy products marked with CBCF's signature pink ribbon has been earmarked for this charity. The amount of \$130,000 was chosen to signify the 130 years Ganong has been providing Canadians with sweet confections. Under the stewardship of fourth-generation family



Matthew Adams and sister Emily of Orangeville, Ont. enjoy an after-school snack while mom Jane reads the label on a box of zero trans fat Pepperidge Farm Goldfish crackers.

Goldfish Swims Free

Goldfish crackers, is reformulating its entire product line - retail and foodservice - to become free of trans fatty acids. The transition is beginning immediately, and by May 2004, the entire Goldfish product line in Canada will be free of trans fats. "Many of our Goldfish consumers - especially parents - told us they preferred snacks without trans fat, so we decided to convert our entire line to trans fat free recipes," said Jay Gould, newly-appointed president of Pepperidge Farm, Incorporated. "The best part is, we achieved the change without any compromise to our traditional Goldfish taste and texture. We are delighted to be one of the first to offer an entire line of great tasting crackers that are trans fat free." A leader in the Canadian cracker category, 63 per cent of all Canadian households with children under 12 purchase Goldfish products annually (Source: AC Neilson Homescan), with more than 4.5 billion Goldfish crackers consumed in the country each year. In Canada, there are currently eight varieties of Goldfish, available in a variety of package sizes. Some of the newest Goldfish products include Flavour Blasted Goldfish and Giant Goldfish. Pepperidge Farm products are distributed in Canada by Campbell Company of Canada.

owner David Ganong, the company recently secured a deal to be national supplier for Laura Secord, and has expanded its capacity with offices and a newly-expanded factory in St. Stephen, N.B.

"Chocolate is a feel-good product, and it is in this feel-good spirit that we have embraced community involvement," he says. "I am profoundly proud to present this cheque to the CBCF, and I thank our chocolate-loving clientele for the contribution they have made to a better future for those diagnosed with breast cancer."

CFIA says avian flu poses no real threat to Canada

The Canadian Food Inspection Agency (CFIA) says the avian influenza poses no real threat to Canada. No new measures have been put in place, says Gilles Dulac, senior staff veterinarian at the CFIA and the CFIA's spokesperson on the avian flu, but existing measures will serve to monitor the disease.

For one thing, Canada does not import live birds from Asia, and hasn't for over 30 years because of the Newcastle virus. Canada does import a small amount of chicken from Thailand, but because it's cooked and sealed, "the likelihood of it being recontaminated after being treated is very low," says Dulac.

Avian influenza is also one of 32 mandatory reportable

diseases in Canada. That means any farmer, veterinarian or inspector "is bound by law" to report any evidence of the disease to the CFIA, says Dulac. If avian is found, the farm would be quarantined, including the five-kilometre area surrounding it, a laboratory test would be carried out to confirm the flu and, if confirmed, the animals would be slaughtered and disposed of by deep burial. The farm would also be kept empty of fowl for 30 days or until the disease is controlled. Dulac says a compensation mechanism in the law also acts as an incentive for farmers to report any sign of the disease.

At airports across the country, personnel have been advised to be vigilant, says Dulac, and travelers who report having been to a farm overseas are "inspected secondarily." Those travelers would be questioned separately and be required to have their clothes and shoes cleaned.

At press time, milder forms of avian flu were discovered in farms in B.C., Delaware, New Jersey and Pennsylvania. Visit: www.inspection.gc.ca

IFFA/IFFA Delicat 2004

The international trade show for meat slaughter, processing and packaging and delicatessen meats is set to welcome the world May 15 to 20 in Frankfurt, Germany.

For the first time, IFFA/IFFA Delicat will present an international conference to discuss various topics such as



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Lay says the aim of the research is to “answer a lot of questions about where *Salmonella* is going in the pig because currently we don't know.”

Vincor to acquire Australian winery

Vincor International Inc. has announced it will acquire Amberley Estate Pty Ltd., a privately held Australian winery. Amberley, which is based in the Margaret River region of Western Australia, produces over 100,000 cases annually focusing on Margaret River super-premium red and white wines, with a specialty in Chenin Blanc. Vincor will pay A\$24.8 million for the shares of Amberley, which has an enterprise value of A\$36.2 million. Amberley was established in 1985.

Canada on top

Canada comes out on top for the fourth year in a row, as the prime investment location for food industry companies to serve the North American market.

The study, titled *Competitive Alternatives: The CEO's Guide to International Business Costs, G-7 - 2004 Edition*, was conducted by the global consulting firm KPMG. It compared Canada against its competitors in a number of industries, including food processing and research and development, in 121 cities in 11 countries.

As well, Canada has retained a substantial North American cost advantage in food processing, a clear 4.7 per cent advantage over the U.S. In fact, Canada's ranking in this sector has climbed from fourth to second place, following closely behind Australia.

Rising dollar hurts hog producers

by Myron Love

The rising value of the Canadian dollar vis-a-vis its American counterpart over the last two years is wreaking havoc with Manitoba's hog industry. Processors are laying off staff and cutting operations and many producers are facing bankruptcy.

“This is the worst financial crisis this industry has ever seen,” says Karl Kynoch, vice-president of the Manitoba Pork Council and a producer for the past 25 years. “The industry here is viable as long as the Canadian dollar is around the 62-63 cent range. Anything higher and it becomes more lucrative to feed the hogs in the U.S. A lot of producers are starting to run out of credit.”

Kynoch reports that he himself has lost about \$100,000 in earnings over the last two years. Perry Mohr, CEO of the Manitoba Pork Marketing Co-op, reports that the new exchange rate has cut \$25 to \$30 off the selling price of each market hog. The co-op, the province's largest hog-marketing group, represents half the 1,600 producers in Manitoba. The co-op operates Dynamic Pork Corp. in south western Manitoba. Mohr reports that Dynamic was

forced to sell off all of its 40,000 feeder hogs to the U.S. to pay off the bank. The company still has its 100,000 weanling pigs.

On the processing side, Springhill Farms in Western Manitoba shut down its packing plant last summer and re-opened in the fall at half capacity, and Maple Leaf Meats laid off 30 people from its Elite Swinehog—producing division. The laid-off employees were people whose work involved developing new barns. Maple Leaf has also cut the prices it is paying producers to help make up for the exchange rate losses.

Investing Maple Leaf

by Myron Love

Protos International, which has been fishing around for additional investors in its Manitoba-based Maple Leaf Distillery and Salisbury House restaurant chain, has reeled in a trophy catch. The Tribal Councils Investment Group (TCIG), the largest First Nations investment company in Canada has bought a minority interest in Protos and a significant interest in Maple Leaf Distillery and the Sals chain.

TCIG is a Winnipeg-based consortium of seven Manitoba tribal councils. Its flagship company is Arctic Beverages, a Pepsi bottling franchise that covers an area ranging from northwestern Ontario to northeastern Saskatchewan as well as Nunavut.

Maple Leaf produces more than 125 cream and regular liqueurs and spirits with sales forecasted at \$25 million this year. A major impetus for the deal, notes Protos CEO Costas Ataliotis, is the potential synergies between the two firms.

“We have the technical ability to produce and bottle all of Arctic Beverages’ Pepsi products instead of their having to go to a co-packer,” says Ataliotis. “Over the next year, we were planning to go into bottling non-alcoholic beverages.”

Sun-Rype partners with university

Sun-Rype Products Ltd. is partnering with the Okanagan University College (OUC) as a patron sponsor of

the new Regional Chemical Analysis Centre at the university’s North Kelowna Campus.

The facility will research phytonutrients, nutraceuticals and other natural health products. Sun-Rype initially donated \$50,000 to the project and its

commitment includes a relationship with the Research and Development Department.

As a partner, Sun-Rype will have access to the food and beverage analytical instrumentation as well as the OUC’s team of research scientists.

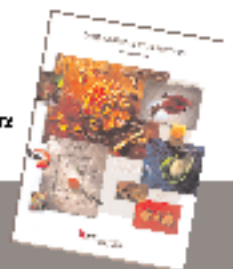


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PEOPLE ON THE MOVE

Agropur appoints **Pierre Claprod** to CEO. He succeeds **Claude Ménard** who left in December. • **Eric Sorensen** is the new president and CEO of Sun-Rype Products Ltd. • Pepsi-QTG Canada has appointed **Tom Bené** president. He succeeds **Greg Shearson** who has been named president of Tropicana Beverages North America. • **Mike Welling**, vice-president, brand development for foods at Unilever Canada, has left the company. • At Labatt Breweries: **Rob McCarthy** was promoted to director of the Budweiser family of brands; **Harvey Carroll** is the new director of import and domestic specialty brands; **Steve Silverstone** is the new director of the Blue family, value brands and new products; **John Campbell** is the new director of innovation; **Lauren Michell** is now national marketing manager, Interbrew specialty brands; and in Quebec, **Stephane Duval** is the new national marketing manager, Labatt Blue and Bleu Dry. • Mother Parker's Tea & Coffee has appointed **Brian Goard** to executive vice-president and COO. • **Willie Van Solkema**, Canadian business manager, Cargill Foods, is the new president of the Canadian Meat Council (CMC). The CMC's new vice-presidents include: **John Haupt**, vice-president, Operations, Schneider Corporation; **Alain Heroux**, vice-president and GM, Aliments Prince Foods Inc.; and **Brian Nilsson**, president, XL Foods Inc. The executive members include: **Laurent Brochu**, executive vice-president, Les Salaisons Brochu Inc.; **Don Davidson**, vice-president, business development, government and industry relations, Maple Leaf Pork; **Conrad Huber**, vice-president, corporate affairs and corporate purchasing, Piller Sausages & Delicatessens Ltd.; **Arie Nuys**, president, Delft Blue Inc.; and **Brian Read**, GM, Levinoff Meat Products Ltd. • **Neil Harrison**, CEO of Heinz North America, is leaving the company to pursue other interests. • The Pepsi Bottling Group (PBG) has five appointments: **Shaun Holliday** is president of PBG Business Operations, **Neal Bronzo** is chief information officer, **Kevin Cox** is chief personnel officer, **Pamela McGuire** is general counsel and **Gary Wandschneider** is senior vice-president of operations. • The Guelph Food Technology Centre has four appointments: **Dr. John Michaelides** is the new technical director, **Frank**



Pierre Claprod



Eric Sorensen



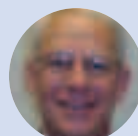
Tom Bené



Willie Van Solkema



John Michaelides



Jim Dodson

Schreurs is director of food safety and quality services, **Iain Wright** is audit services manager and **Paul Medeiros** is senior quality systems specialist. • Del Monte Foods Company appoints **Melissa Plaisance** to senior vice-president, finance and corporate communications and has been designated an executive officer. • **Gordon Coukell** was re-elected chair and **Bruce Saunders** was re-elected vice-chair of the Dairy Farmers of Ontario. • Campbell Soup Co. named **David White** senior vice-president – global supply chain.

ON THE SUPPLIER FRONT: Export Development Canada appoints **Pierre Gignac** to senior vice-president, short-term financial services. • North York, Ont.-based SAP AG, an e-business solutions provider, appoints **Carol Burch** to senior vice-president to lead the SAP NetWeaver Global Initiative. • Toyota Canada Inc., Industrial Equipment Division, has appointed **Jennifer McGhee** as sales manager. • **Mette Petersen** is president and managing director of Chicago-based Koelnmesse Inc., the subsidiary of Koelnmesse GmbH, an international trade show organizer in Cologne, Germany. • Chr. Hansen Inc. appoints **James Dodson** as vice-president of sales for animal health and nutrition and **John Lyne** as director of technical development for dairy. • **Tracy Nguyen** is the new West Coast regional sales manager of Fortitech Inc.'s facility in Fontana, Calif. • Kom International, a global engineering and supply chain consulting company based in Montreal, has appointed **Alan Taliaferro** as president and CEO. • Ircan, a manufacturer of thermal imaging systems and infrared thermometers, has appointed **Paul Olinick** as director of sales for the Americas. • Balchem Corporation has several appointments: **Dr. Dana Putman** is director, animal nutrition and health; **Ilya Zhivkovich** is national sales manager, food and nutrition; **Dr. Paul Richardson** is director of research and development; **Carl Pacifico** is manager, international business development; and **Lucien Hernandez** is business manager, nutrients. • Weber International Packaging Corporation has appointed **Andrew Wick** executive vice-president, sales and marketing. • Purac America appoints **John Fenstermacher** senior market development specialist in food and general sales.



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