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On the cover:

We’d like to thank last issue’s cover photo provider, Artisan Edibles Fine Food Company, Ltd.

And thank you Gerry Pattison and Pattison Farms for letting us use the great photo of their unique coloured carrots!

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A Message from the Minister of State for Agriculture

The Canadian agriculture and agri-food sector is continually changing and growing, striving to meet evolving consumer trends and tastes. These changes bring new opportunities for Canada and for Canadian agri-food processors.

The specialty food sector is resilient, having withstood the economic downturn, by satisfying a growing number of consumers experimenting with new and unique culinary experiences at home. Also, an increasingly ethnically-diverse population and exposure to new foods through travel and multi-media has led to growing interest in specialty food products. Valued at US$60 billion in the USA alone, the specialty food market represents enormous, long-term, commercial potential for Canadian agri-food processors.

Canadian small-scale food processors are at the forefront of capturing commercial opportunities for specialty food by offering uniquely diverse products based on Canada’s highest safety and quality measures that are unmatched around the world. They also play a significant role in enhancing local and regional economic sustainability, and are key drivers of the “think global, buy local” consumer trend.

The Government of Canada is committed to supporting Canada’s small-scale food processors by offering various tools, services and programs to improve their competitiveness and development of export capacity. Under Canada’s Economic Action Plan, Agriculture & Agri-Food Canada (AAFC) assists the sector in improving its competitiveness by adopting new production technologies through the Agri-Processing Initiative. AAFC also provides funding and support for consumer-targeted promotions of Canadian agri-food products in international markets through the Agri-Marketing Program and the Brand Canada initiative. I encourage Canadian small-scale food processors to take part in these programs in their efforts to enhance ongoing market success.

The Government of Canada also recognizes the importance of the agri-food processing sector, Canada’s largest manufacturing industry and bedrock of many rural communities. I am very committed to advancing the Canadian food processing industry and have created the Food Processing Industry Round Table (FPIRT), of which the Small-Scale Food Processing Association (SSFPA) is an active member. The FPIRT is developing a Food Processing Competitiveness Action Plan to help identify solutions to competitiveness challenges and position Canada as a world leader in food processing. Hearing industry views on ways to advance the long-term well-being of Canadian food processors is important to the success of this Round Table.

I am proud of the SSFPA’s members for their passion and ongoing dedication to producing the highest quality, innovative, specialty food products, and commend the Association for its commitment to advancing Canada’s agri-food sector.

Jean-Pierre Blackburn
Minister of Veterans Affairs and Minister of State (Agriculture)

A Message from the SSFPA President

It is our privilege to introduce this 2nd edition of the Specialty Foods Magazine, the official publication of the Small Scale Food Processor Association (SSFPA). This issue gives us the opportunity to once again showcase a strong, vibrant and growing local food processing industry as well as an opportunity to highlight the success of our members.

The specialty food industry is flourishing in Canada and is becoming vital in the global marketplace. We are committed and passionate in connecting farmers, manufacturers, distributors and retail outlets involved in the production of specialty food to ensure their participation in this opportunity.

In 2010 our board of directors and working committees have been identifying the needs in three specific areas:
1. Regulation and advocacy;
2. Membership services and marketing; and
3. Issues affecting production, sales and distribution.

The SSFPA has been in a good position to address these core needs of our members and to assist them in achieving viability in both local and international markets. An action plan is being implemented that incorporates the framework of the decision notes of the Canadian Food Processing Roundtable and the requirements of the International Standards Organization.

The SSFPA is pleased to once again deliver the Food Safety Systems Implementation for Processors program on behalf of the Province of British Columbia. This Federal / Provincial program has been of great benefit to the industry and has provided the SSFPA the opportunity to participate in food safety consultations regionally, provincially, nationally and internationally.

This magazine is a great vehicle to profile the successes of our members, provide valuable industry specific education articles and updates on association activities and events. We would like to acknowledge Matrix Group Publishing Inc. and the advertisers for their support in launching this issue of the Specialty Foods Magazine – The official publication of the SSFPA.

Our organization continues to grow and we are attracting a strong supporter group and encourage new members to become part of our exciting and growing association. We are optimistic about 2011 and the opportunities that lie ahead for our Canadian companies!

Maureen Drew
President
Small Scale Food Processors Association

The SSFPA would like to thank Minister Jean Pierre Blackburn for his introduction communication to our readers and for establishing a new federal department that deals specifically with the needs of the Specialty Food sector.
I have had the distinct privilege and honour of serving an organization whose members demonstrate a commitment to the economic health of their communities by ensuring success in their operations through best practises. The members’ understanding and intricate knowledge of the issues they face and their innovation in navigating these complexities provide the backdrop for the success of the association. The stories in the following pages portray the vision and entrepreneurial spirit that has contributed to the growth and development of the specialty food industry.

Since incorporation in 2002 the Small Scale Food Processor Association (SSFPA) has recognized that the business of food processing requires companies to meet and exceed international criteria for quality, marketing and business acumen if they want to succeed in today’s global market place. To that end the SSFPA has consistently stayed abreast of international trends and regulatory requirements to ensure continued participation in the market place.

The SSFPA has recently become a member of the Canadian Supply Chain Food Safety Coalition. In September of 2010, SSFPA representative, Phillip Watney participated internationally as a representative of the Standards Council of Canada on the ISO Working Groups developing the new international standards for food safety management systems (ISO 22000). Our board of directors and members are participating in consultations and on both internal and external committees to advance the sector and the organization continues to be sought after to provide information to allied associations and community groups. Our members demonstrate what can be done when companies use a collaborative approach and adopt principles of cooperation and value chain development.

To all the small scale food processors in Canada, we wish you success and commend you on your commitment to providing Canadians and the world with nutritious, safe and high quality tasty food.

Candice Appleby
Executive Director
Small Scale Food Processor Association
Community gardens to worldwide success

It all started with a little red mailbox. Leigh Lonsdale always had a passion for gardening and it was in South Surrey, at a community garden right by the ocean, that Edible Gardens was born. Leigh grew herbs and turned these herbs and fruits into delicious infused vinegars. Nestled in the garden was a red mailbox and before long, this is where she started receiving orders for her products. People couldn’t get enough.

Now, 14 years later, her husband Michael has taken Edible Gardens from a small plot to a national and international stage. Along with their daughter Hailey, 14, the family runs their business in White Rock, B.C. And although they have customers as far away as Australia, they believe in sticking to their roots.

“We still go to farmers markets because that’s where it all started for us. It’s our connection, our roots,” says Michael. Edible Gardens’ products are available in over 100 retail stores across Canada. Selling their products at farmers markets in Whistler and Ladner, B.C. got their products into the hands of people from Australia and other parts of the world. But again, they pride themselves on supporting their local community.

“We buy local as much as possible to support local business. The majority of our fruits and ingredients are sourced to those suppliers that are as close to our backyard as possible,” Michael says.

The distinctive fruits and delectable flavours of these local ingredients add up to a variety of original and distinctive products. Their products include savoury balsamic vinegars—ginger-fig, apricot chipotle, roasted garlic; artisan oils and spices—basil grapeseed and tuscan kitchen spice and their brand new line of Classic and Fire and Fig Balsamic Reduction.

“That is what makes it for us; motivates us. Every year we come out with a new product and when people come up to us at farmers markets or when someone tells us they bought a certain product and made a delicious meal with it, that’s what matters to us the most.”

“We strive to develop unique innovative packaging to go with the distinct and creative flavours,” says Michael. “It’s about being the ultra premium inside and out.”

Contact: www.ediblegardens.net
Educating the masses and fulfilling dreams on the Martha Stewart Show

Getting a call from a producer at the Martha Stewart Show is a pretty big deal. And that’s exactly what happened to Alana Elliott, president of Nonuttin’ Foods in Duncan, BC.

“The reason why the producer found us was because she has a child with severe food allergies,” says Elliott. “We were very lucky that someone in the allergy world pointed her in our direction. It’s something that you dream about as a small company.”

Elliott’s daughter also has severe food allergies and for this reason, Nonuttin’ Foods was born. Nonuttin’ Foods’ goal is to provide safe food for children with various allergies, from nuts to wheat and dairy. They sell granola bars, chocolate, dried fruits, cereal and trail mix in six provinces, the U.S. and online and on Thursday, April 29th, Elliott got to showcase these products to an international audience.

“It was very surreal,” says Elliott. “Now that I’ve done it, it feels like years ago. Being on TV was a whole new experience—you have to stay within certain time limits, people are showing you time cards, you’re trying to be natural and have a conversation but work within the confines of TV—it was airing live and my knees were actually shaking but at least only I knew it and my husband (who was in the audience) knew it too.”

The show had two segments. In one segment, Elliott made her allergy-friendly chocolate chip granola bars with Martha using a recipe people could create at home using gluten-free oats. The second segment was a Q & A on food allergies where Elliott answered two questions from audience members.

The impact on Elliott’s business has definitely been positive.

“The day of the show, traffic on our website multiplied by 10, it was certainly higher than usual. When we offered a free shipping sale a month later, our server actually crashed so yes, we are seeing major results since being on the show,” Elliott says.

Appearing on the Martha Stewart Show also served as a vehicle to educate the masses on specialty diet products. “Understanding the severity of allergies is the bottom line,” she says. “People sometimes see allergies as intolerances. But if my child got traces of it, it can kill her. People need to understand the difference between true food allergies and intolerance.”

You can watch clips of Alana Elliott on The Martha Stewart Show on the Nonuttin’ Foods website.

Contact: www.nonuttin.ca

Verka: “The taste of Punjab”

Verka is an entrepreneurial initiative of young immigrants from India that is predominantly focused on the distribution of foods and dairy products related to South Asian households. The group started its operations in 1997 by an enterprising young immigrant Gagan Matta, who was later joined by his brother Garry Matta in 2007.

In these ten years the Canadian operations merely focused on the distribution of a wide variety of basic food items like basmati rice, spices, pickles, cane sugar, tea, biscuits/bakery, fruit juices, snacks, festival items, cookware and numerous other items supported by a supply chain in India. Slowly the list of products shot up to thousands and the distribution network became vast. Initially, distribution was only to the lower mainland and to the Greater Vancouver area but now the network has spread out all across Canada, not only in ethnic South Asian stores, but mainstream stores like Loblaw’s, Price Choppers, Shoppers Drug Mart, Wal-mart, Price Pro and many others.

Today the company proudly says that not even one single household in Canada needs to be without a food product distributed or produced by VERKA. They also export to the U.S., Hong Kong, Australia and Europe.

Dairy products are a food of choice for South Asians. Products like Paneer, Ghee, Dahi (plain set yogurt), Rasmalai, Khoa, Kheer (rice pudding), and Lassi (a yogurt drink) are staples for South Asians. Riding on the vast distribution network and restrictions on the imports of dairy products by the Canadian Government, a production facility processing such dairy products was established in 2006 in Richmond, B.C. The plant got its federal approval in 2007 and since then is growing steadily.

Paneer is a main source of proteins for vegetarians. This is heat acid coagulated non melting cheese, which can be cooked as chicken. You can fry it, bake it, cook it in gravy, shred it on salad and stuff it in tortilla/roti. Bringing paneer to Canadians is a new endeavour of VERKA.

Food brings our hearts closer and that’s their goal!

Contact: www.verkafoods.com
From red carrots to purple cauliflower

At Pattison Farms in Black Creek, B.C., Gerry Pattison and his wife Dagmar strive to grow the best quality vegetables possible for the local community. In 1998, Gerry left his career in the wholesale electrical industry to follow his passion for growing food. They began slowly, with a very small property, and then purchased their first 10 acre property to start growing vegetables in earnest. It was a personal choice to grow their crops organically without pesticides or chemical fertilizers, and so they followed the lengthy process to become certified organic.

“It was definitely worth it becoming certified,” says Gerry. “With a third party inspection and certification, there’s no hearsay. People know that what they’re buying is actually organic.”

Gerry and Dagmar began making a name for themselves by taking their produce to the local farmer’s market. Customers appreciated the quality and freshness of their vegetables, and local chefs looking for a quality local supply of produce for their restaurant were attracted to the new and different varieties that Gerry loved to grow, such as coloured carrots (red, white, yellow, black with orange centres, and ho-hum orange), purple cauliflower, heritage tomatoes and more.

“We developed a niche market for our product. But you don’t always see our specialty vegetables, like the coloured carrots, in stores because then you get customers standing there wondering why the carrots aren’t orange,” Gerry laughs.

But the carrots have become a hit and it wasn’t long before it was time to move to a larger property. They have expanded to three greenhouses for tomatoes, peppers, cucumbers and basil, and field production with different varieties of beets, carrots, squash, garlic, and broccoli.

Pattison Farms is located in the heart of Black Creek on Vancouver Island, half-way between Campbell River and the Comox Valley on a 15.5 acre farm.

Contact: www.pattisonfarms.com
Food Safety Systems Implementation (Processor) Program

British Columbia food and beverage processors are well aware of the importance and economic advantages of implementing food safety systems in their operations. The purpose of the Food Safety Systems Implementation (Processor) Program is to offer education and funding for processors across British Columbia to develop food safety plans. The FSSI (Processor) Program delivers educational workshops, one on one consultations and funding to eligible food processors to implement GMP and/or HACCP plans. The Small Scale Food Processor Association (SSFPA) is pleased to deliver this program in support of British Columbia food processors like you.

The FSSI (Processor) Program is composed of two elements:

**Outreach Element** – one-day food safety planning workshops and homestudy program, as well as FREE on-site consultations

**Implementation Element** – cost-share funding to individual companies to support the implementation of written GMP and/or HACCP food safety systems.

The Food Safety Systems Implementation (Processor) Program is part of Growing Forward, a federal-provincial-territorial initiative which offers programs and services to promote a profitable, innovative, competitive and market-oriented agriculture, agri-foods and agri-based products industry. Funding for this program has been provided by Agriculture and Agri-Food Canada and the BC Ministry of Agriculture and Lands.
More and more food retailers are expecting their food suppliers to have a HACCP plan. Nobody wants a major health scare from a food disaster! However, it can be difficult for a smaller company to know how to get started on developing a full HACCP Plan. That’s why a “A Step by Step BC HACCP Plan” was developed.

Food Safety Planning Workshops

Food processors are invited to attend an introductory food safety workshop to learn basic food safety for food manufacturing using food safety systems such as GMPs and HACCP. The workshops are also a valuable educational tool. What’s more, they offer an opportunity to network and learn how you can enhance your bottom line.

NEW! We’ve developed learning from a distance options for people who can’t attend a workshop in person. Choose from our Conference Call Workshops or a personal Homestudy Program to complete the “A Step by Step BC HACCP Plan” program.

On-Site Consultations and Implementation Grants

Eligible companies that attend the food safety planning workshop may apply for FREE one-on-one site visits by Food Safety Consultants who will help conduct an assessment of your processing operation. This consultation is an advisory process, not an inspection. The information is entirely for your use – to help keep you and your business safe and to develop efficiencies that pay for themselves. The Food Safety Systems Implementation (Processor) Program also provides for financial assistance to eligible food and beverage processing companies to help implement their food safety system plan. This funding can be used to assist with the purchase and installation of equipment to improve food safety and to train staff in the adoption of a food safety system.

For more information on the Food Safety Systems Implementation (Processor) Program, please contact the Small Scale Food Processor Association

Toll Free 1-866-547-7372

www.ssfpa.net/foodsafety
Sweet success

Judy Campbell and her husband Mike are pretty sweet...and so is their honey. The retired couple has been running Campbell’s Gold Apiary in Abbotsford, B.C. and beekeeping since the early 90s. While Mike always had an interest in keeping bees, it was a much different story for Judy.

“I definitely had an irrational fear of bees,” she says. “When we first started our business I made him keep the bees at the very back of the property. We knew nothing of beekeeping and I wasn’t going near them. Mike looked at me with these big sad eyes, learned what he needed to learn and started over again. I finally said, I could live with this.”

Now, Judy is doing a lot more than just “living” with the bees. With the support of her husband, she took a basic beekeepers course through the ministry of agriculture and then the master beekeepers course which her husband was already certified in. Now they share the duties on their farm, which includes running the farm store front, honey extraction centre and meadery.

The Campbell’s offer a wide range of products—everything from natural honeys, beeswax candles and healing bee hive products to lotion and honey wines. According to Mike, the honey wines are the oldest known alcoholic drink and they are especially known as the drink of love.

The couple also takes the time to support their local community. They have a store full of art and natural crafts on consignment from local artists. They also give “From the Hive to the Table” educational and school tours for people of all ages.

“We are very proud of the fact that we can do this,” says Judy. “We love how we can take this business and watch it grow. We can apply our business sense to our hobby and leisure time activities and we get to meet people in the community. We are building community, interacting with the community...and we’re doing it together.”

The Campbell’s are also very proud of how their farm is run in a way that is eco-friendly. One of the ways they’re doing that is by running their store on geothermal energy. “We’ve actually done a demo that shows how small acreages can, in fact, be farmed in an environmentally sensitive way. We took a farm that was totally unproductive and is now extremely productive. It’s diverse and environmentally friendly.”

Contact: www.bchoney.com
A family specialty

It all started with college care packages. While Catalina Dudka was studying to become a graphic designer, her mother was busy in the kitchen developing recipes for caramel and apple spreads. All of a sudden, Dudka couldn’t keep her care packages to herself.

“Whenever a package arrived, all our friends would come over. So when my mom and dad were looking for new ideas for the orchard they’d been running for a number of years, we suggested they do something with the spreads,” says Dudka.

The Dudka family started doing local shows and farmers’ markets in Kelowna, B.C., with their caramel spreads and apple butters from their very own apple trees.

“Specialty food was just beginning back then,” says Dudka. “At the time, the manager of a fine gift store in Kelowna thought our product tasted great but the label, which was geared more towards children, wasn’t appropriate.”

So Dudka, using her skills as a graphic designer, transformed the label and shortly after they started getting picked up by distributors.

Caramoomeel Products was born and they’ve been expanding ever since, while firmly establishing themselves in the gift industry and the gourmet specialty foods industry.

“We all work together,” Dudka says. “My mom, Antonia, is the chief product developer. My dad, Alex, is chief official taste tester and I’m the marketing sales person. But we all do whatever it takes.”

The Dudkas pride themselves on being sustainable, composting almost everything and growing entirely their own fruits and vegetables. They’re also not afraid to show their product to the rest of the world. They’ve presented their products to the chef at the White House in Washington, DC and the man in charge of buying products for all the MGM hotels. A company that just began importing Canadian products to Germany has noticed them as well.

Before long, the Dudka’s veggie caviar, hot garlic pepper wine jelly, mocha caramel and their chocolate sauce with merlot will not just be seen in B.C., Alberta and Manitoba, they will have an impact on taste buds everywhere.

New student business venture in School District 47

By Justin Ostensen, Management Innovations 12 Student and Anne Hutchings, Business Instructor

The students at Brooks Secondary School in Powell River are running a new business called Mountain Ash Preserves as part of their Management Innovations 12 course. Not only are they learning the theory about running a small business, they are putting it into practice.

Students are responsible for both the production side and the management side of this new venture. They have access to a state-of-the-art kitchen shared by the VIU Culinary Arts program and Brooks Culinary Arts high school program. They also work in the kitchen with VIU Chef Mike Austin to prepare, cook and process the preservatives and have become involved with every portion of the business.

“We want everybody to be a part of everything” says Chef Austin. “We want the students to be involved with every level of production so that they’re not just salesmen who know nothing about the product.”

Working with Chef Austin is Anne Hutchings, Brooks’ Business Education teacher. She explains, “along with the production side of things, students learn about many business aspects, including web designing, marketing, invoicing, shipping and filling orders. Students also traveled to Vancouver Island to make deliveries and shipments to Courtenay and Nanaimo businesses, such as Edible Island, Nanaimo Sausage House, Niagara Grocery and Plenty Epicurean of Nanaimo”.

This course also has the support of Powell River businesses. Local stores, such as Ecossentials (Sunshine Organics) and Mitchell Brothers have been ordering items from Moutain Ash Preserves for resale. Mountain Ash Preserves tries to purchase fresh, local ingredients whenever possible. The cucumbers, zucchini, beans, tomatoes and beets for next fall’s batch of pickles and relishes have been ordered from Hatch-A-Bird farm in Powell River.

Contact: www.mountainashpreserves.com
ISO 22000: Ensuring Food Safety

By Albert Chambers

Food safety is a top priority for every business along the supply chain, from input suppliers like the makers of packaging materials to the final marketers at retail and food service. However, demonstrating that your food business has put in place the systems you need to ensure the safety of your products and processes is something that more and more food businesses are now being asked to do.

Today, food safety management system certification is a competitive advantage but tomorrow it may be both a market requirement and a regulatory requirement. That is the situation in Europe today and quite likely the situation in the United States next year, if legislation to amend their Food Drug and Cosmetics Act passes through its final stages in this session of Congress. To export your products your business will need to be certified by a third party.

One option is to look to ISO 22000:2005 Food safety management systems—requirements for any organization in the food chain and the other standards in its “family” (see sidebar). This international standard has been designed to incorporate the Codex Alimentarius approach to HACCP with a robust and auditable management systems approach. Key elements include:

- System management: management responsibility and resource management.
- Interactive communication within your organization and with your suppliers and customers.
- Documentation requirements.
- Planning and Realization of safe products:
  - Prerequisite programs;
  - Preliminary steps to enable hazard analysis;
  - Hazard identification and assessment of control measures;
  - Establishing the HACCP plan;
  - Verification planning;
- Establishing a traceability system; and
- Control of nonconformity.
- Validation and verification.
- Improvement of the Food Safety Management System (FSMS).

A food manufacturer with an existing food safety program can incorporate the elements of ISO 22000 into their existing system by using a stepwise approach. If you already have Good Manufacturing Practices (GMPs) and Hazard Analysis Critical Control Point (HACCP) the transition can be made by adding the key management system components. If your business is in the midst of developing its food safety control measures, then ISO 22000 provides your business with a toolkit and an internationally accepted framework. Small manufacturers or other businesses involved in food supply chain can use “externally developed combinations of control measures” (an example might be the GMP documents developed by SSFPA), provided these are adapted to your processes and products.

Over its first three years (2006-2008) more than 8,000 firms implemented ISO 22000. These included major food manufacturers like Kraft and Coca Cola and small firms in almost every segment of the food chain. This was a great start for a new standard—it represented a doubling in use every 12 months. That pace can be expected to continue now that the Global Food Safety Initiative (GFSI)—an international project whose members include many of the major retailers and food service companies in the world (including Loblaws, Sobeys, Wal-Mart and more)—has recognized two certification schemes based on ISO 22000 alongside its other schemes such as the BRC and SQF. Certification to a GFSI recognized scheme will become a supplier requirement across North America, as it already is in much of Europe, over the next several years.

To learn more about ISO 22000 check out the special issue of ISO’s Management Systems magazine at: www.iso.org/iso/iso22000_imsc_08-3.pdf or order a copy of ISO 22000 Food Safety Management Systems – An easy-to-use checklist for small business – Are you ready? published jointly by ISO and the United Nation’s International Trade Centre.

To learn about GFSI and the schemes it recognizes go to www.mygfsi.com.

Funding assistance to implement ISO 22000 is available in some provinces under the federal/provincial Growing Forward initiative.

Albert Chambers is a consultant to the agriculture industry. He is currently the volunteer chairman of the Canadian Advisory Committee on the ISO 22000 family of standards (CAC/ISO TC34 SC17) and was an expert on the international working groups that developed ISO 22000, ISO 22003, ISO 22004 and ISO 22005. He is also the lead author of the ISO checklist publication mentioned in this article.

ISO 22000 “FAMILY” OF FOOD SAFETY SYSTEM STANDARDS

ISO 22000:2005 Food safety management systems – requirements for any organization in the food chain
ISO 22002-1:2009 Prerequisite programmes on food safety – Part 1: Food manufacturing
ISO 22003:2007 Food safety management systems – Requirements for bodies providing audit and certification of food safety management systems
ISO 22005:2007 Traceability in the feed and food chain – General principles and basic requirements for system design and implementation
Have you ever considered what would happen if someone became sick or even worse, became disabled or died, from consuming your product(s)? This risk exists every time one of your products is sold.

Our laws state that we have a legal obligation to be aware of the losses we cause and when losses happen, compensate those who suffer as a result. We are required to take all reasonable measures to reduce the risk of loss by others arising from that enterprise.

You can and need to protect yourselves from being held liable; you have a legal obligation to do so. It first starts with demonstrating an ability and attempt to manage your risks. This happens when reasonable care is taken every time you prepare, store, transport and display your products. Keeping records about the conditions food was processed also demonstrates due diligence. This way if someone does claim injury, you have evidence to show what you did to prevent or avoid any foreign substance from contaminating the process. This is called loss prevention.

Loss prevention and insurance are individual parts of an overall management process called risk management. Loss prevention happens before a loss occurs. Insurance happens only after something goes wrong. The real benefit of liability insurance is that it pays for a defence and if necessary, pays for the financial consequences of a claim or lawsuit.

Liability insurance pays for a defence to allegations of negligence, even when they are either false or fraudulent. If those allegations are proven in court, liability insurance pays for the negative financial consequences as awarded by that court.

When a claim does occur, your actions will be compared to what is called the “reasonable and prudent man.” This standard is defined by our courts to determine whether or not someone is negligent (i.e., did not perform up to that standard) and is therefore liable. Negligence is based on legal concepts of fault. It means that someone either failed to do something they should have or did something they should not have. Negligence is determined by our courts by considering:

- Was the danger foreseeable? (you have a duty to be aware, did you breach that duty?)
- Was the conduct within acceptable standards? (did you live up to the standards?)
- Was a management process in effect and used? (did you follow all processing standards?)
- Did danger exist for an unreasonable time (if you knew about it, did you fix it?)
- The ease of preventing the danger (what did you do to prevent it from happening?)

The more information you can provide about how you manage risk, the more insurers take that into account, which results in lower insurance costs and in some cases, coverage that is not normally provided, such as product recall.

Even with due diligence, a claim can still come forth from someone consuming your product. The questions is, do you have the right insurance, what does it cover and is it enough?

This type of claim is known as a product liability. Insurance coverage is found for these claims through a policy called the Commercial General Liability (CGL), which is designed to respond to claims on behalf of a commercial venture when someone other than yourself, your immediate family or your employees suffers damage to their property and/or suffers physical injury after using your product, service, facility, etc.

The CGL provides insurance for your product liability by first, defining your products as:

“Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

1. You
2. Others trading under your name
3. A person or organization whose business or assets you have acquired; and containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.”

“Your product” includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items.

It’s also very important to know how far or if there are any territorial limitations which could reduce the coverage. What is unique about products is once they are sold, the manufacturer has no control over where they are consumed. That is why product liability is defined by the CGL with a coverage territory of:

“All parts of the world if the injury or damage arises out of:

1. Goods or products made or sold by you in the territory described or
2. The activities of a person whose home is in the territory described in above, but is away for a short time on your business.”

So, what insurance should you have? Consider your size, type of products, what types of product liability claims that have occurred and what amounts have been paid. You will need to choose for yourself what limit to insure, that you feel would be adequate. When you seek out terms for this insurance ask for a variety of limits of insurance. Then you will know what the costs are in relation to the limits that are available.

Whatever the limit of insurance you choose, the insurance coverage you should not be without as a food processor is the Commercial General Liability (CGL).

Don Radford is the Corporate Account Manager in Western Canada for the Cooperators General Insurance Company. He has been in the Commercial Insurance business for over 30 years and is currently licensed in all four western provinces.
Imagine if each one of the fifty U.S. states spoke a different language. Imagine if the cultural differences between each of the states was more distinctive than, say, New Orleans and Alaska. Outrageous inter-state transportation costs, no existing Free-Trade agreement with Canada and an incredibly successful domestic manufacturing base.

Well, that pretty much sums up the European Union (EU). Discouraged yet?

This is pretty much the end of the bad news. The EU consists of 495 million consumers living in 27 countries! The collective buying power of the various member countries is larger than the U.S. One just has to understand the EU in order to begin to exploit it. Today, there is one common currency (in most EU countries). And likely in the near future, there will be a Canada-Europe Comprehensive Economic and Trade Agreement (CETA).

One of the challenges in understanding the EU is that you are not “just” selling to the EU, you are often selling to one, several or all of their member states. For example, lobsters exported to the Netherlands will usually be re-exported to five other EU countries.

When we talk about food within the EU, where English is usually not the first language, let us first define the two most popular food terms:

- **Food security**: Food security is defined by the World Health Organization as access to sufficient, safe and nutritious food.
- **Food safety**: Food safety focuses on setting standards regarding the safety of food, good manufacturing practices and quality control of agricultural products at all steps of the processing chain.

Food safety, for many Europeans, is closely tied to green food, organic food and environmental impacts. This leads to another new term: green procurement. A trend in the EU, green procurement impacts decision makers in many ways:

- The fertility and biological activity of the soil is maintained or increased by the use of pesticides and fertilizers, resulting in water and soil contamination (eutrophication, acidification and ecotoxicity). Organic agriculture has less negative impact.
- Soil erosion.
- Loss of biodiversity.
- There is uncertainty about the use of genetically modified organisms (GMO) and their impact on the environment and human health.
- Use of energy for processing food and transportation.
- Use of resources for packaging.

It is also very common to see specialty food products sold in EU states containing 10 or more languages on the primary packaging.

**The new EU Organic Logo**

The EU organic farming logo offers consumers’ confidence about the origins and qualities of their food and drink and its presence on any product ensures compliance with the EU organic farming regulation.

As of July 2010, the EU organic logo is obligatory for all organic pre-packaged food products within the EU (see it at http://ec.europa.eu/agriculture/organic/eu-policy/logo_en).

It is also possible to use the logo on a voluntary basis for non-pre-packaged organic goods produced within the EU or any organic products imported from third countries.

Do your research and understand both the overall EU requirements and the regional differences. Dag Falck of SSFPA is among those who have been and continue to provide very valuable insight for food processors. A recent look at www.ota.com will provide further understanding and support, and Agriculture and Agri-foods Canada (www.agr.gc.ca) provides information on international market supports and programs.

So go ahead—there are obvious opportunities in the EU—supported by Canada!

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Pernille Fischer has worked in over 50 countries worldwide, she speaks six languages and she is on PROFIT’s Magazine’s panel of Export Experts. Kissersup has offices in Halifax, Nova Scotia and Copenhagen, Denmark.
This example was for a relatively minor accident (the costs in this example are based on one employer and five workers, with estimated wage rates of $20/hour for the workers and $30/hour for the employer). Imagine the effect of a spinal cord injury or even worse, a fatality on your facility.

How can you make safety a cost effective part of your business? Here are some tips:

• Safety First – Treat safety as part of how you do business, not as an add-on. By setting an expectation that a task should be done safely and done right every time, you can achieve safety, productivity and quality all at the same time.

• Set Example – Set an example for safe work practices. If you cut corners, so will your workers. By leading the way, you can make safety a part of the work culture in your winery, to everyone’s benefit.

• Promote – Talk about health and safety with your workers, encourage them to tell you their health and safety concerns, and provide them with feedback on their safety performance.

• Follow up – Observe work activity to ensure that safe work practices are being used consistently and correctly, support positive behaviours, and correct unsafe work practices.

A safe work environment is good business. For more information on what you can do to achieve a safe and healthy workplace, visit the Small Business page of the WorkSafeBC website, at: www2.worksafebc.com/Portals/SmallBusiness/Home.

For more information about WorkSafeBC, contact Mike Pearson at (604) 279-7640 or e-mail mike.pearson@worksafebc.com.
Packaging the Essence of Your Product

In the Premier Issue of Specialty Food Magazine, we talked about creating a concept and working with a designer to build a design that would accurately reflect your product. Hopefully you now have a concept that reflects the hard work and essence of your brand. Since opinions often come from all sides, it is now, more than ever, that you need to consider the four basics of creating good packaging:

1. Must be appealing to the consumer;
2. Must contain the product and provide it with a suitable shelf life;
3. Has to work well on the production line; and
4. Most importantly it must meet all regulatory requirements.

Now you need to manufacture it. In some cases you can handle this internally with your existing machinery. Or, some of you might use a private label manufacturer that specializes in the type of product. At this stage it is all about the details: labeling regulations, nutritional information, barrier properties, unwind orientation, and application temperatures all have to be addressed. It is one thing to create a great design but that design and packaging concept has to work on the manufacturing and packaging line and function well under the conditions your package is going to be subjected to on the shelf. A regulatory or packaging failure at store level can tear down your product’s creditability with the retailer and in some cases your product could get pulled or worse yet—require a recall.

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For the small food manufacturer the hurdles to create a safe product can be daunting. That is why a lot of smaller producers are opting for a private label manufacturer who, in most cases, has the facilities to accommodate the testing, production and sometimes they can inventory your product until time of shipment. Whichever way you decide to go, you will need to bring in both the manufacturer and the packaging suppliers to ascertain what is needed and to make sure all of it works. At this point, transparency and communication are key in keeping both parties on track.

I usually recommend to my clients that while this process is going on, you will have to consider your minimum target volume. In a new venture, if you can sell from a mockup, or pre-sell as much product as possible in advance before you go full production, it will give you the leg up in forecasting your volume for the production run. As we all know, a higher volume will dictate a lower per unit cost.

So, if you are trying to forecast volume, keep in mind that on the first production run you need to run enough to be cost effective but not so much as to have you wondering if you will ever sell your product. That being said, most packaging and private labeling companies have programs for small or test run products, so consult with your specialist as to the best course of action and they will usually be able to suggest a number of options.

Remember, lead time expectations may vary so communicate realistic lead times to your clients and suppliers. This will greatly reduce the stress of getting your product on the shelf. Also, I cannot stress enough the four D’s: Details, Details, Details, and copy me in Document form please.

Ken Gallie is the president of Label Pak Printing, Inc., and when he is not annoying his wife in the grocery store by trying to find non-compliant packaging, his passion is packaging and marketing. As an avid foodie and car nut he will never refuse a taste of a new product or a stop at a collector car show.
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