May/June 2013

Meat Business

The Beef, Pork & Poultry Industry Magazine

Stalling the Sodium Strategy

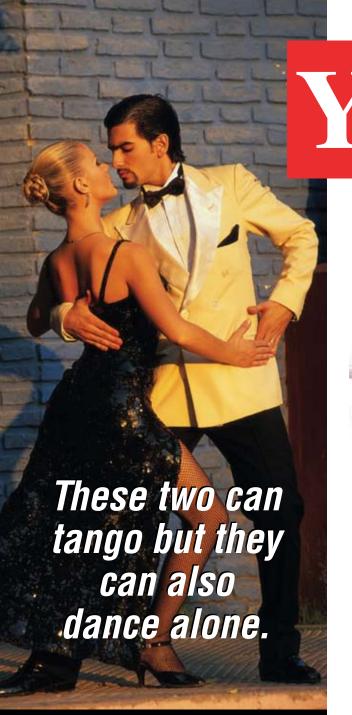
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Searching for Justice in Geneva

THE CANADA-USA Free Trade Agreement was to have secured free trade in red meat and harmonization of inspection and border measures. This has not happened. Rogue U.S. Customs officials have introduced their own inspection system. There have been anti-dumping and countervailing investigations into swine and beef cattle from Canada which have cost millions to defend. While the complaints were eventually found to be groundless, the investigations disrupted and chilled trade for months.

The latest trade harassment of choice is country of origin labelling (COOL). The U.S. mandatory COOL rules were never about food safety. They were designed to reduce imports of Canadian hogs and cattle to make them uncompetitive.

The COOL rules imposed more onerous recordkeeping on imported livestock, which must also be segregated to meet the rule. The additional costs led to some U.S. packers deciding to source steers and hogs born and raised in the U.S. exclusively. Unfortunately, COOL did what American cattle producers wanted it to do. Since COOL I was announced in 2008, the value of Canadian live swine exports to the U.S. has declined by about \$2 billion and the volume is down about 40 per cent.

The Canadian Pork Council and the Canadian Cattlemen's Association, together with the Canadian government, challenged COOL I at the WTO. It took more than two years of litigation, but Canada prevailed.

The WTO ruled that COOL was discriminatory and that it denied Canadian exporters of hogs and cattle equivalent competitive opportunities. The U.S. was given ten months to bring their rules into line with U.S. trade obligations.

That ten month period ended May 23, 2012, and now we have COOL II. Not only does COOL II fail to remove discrimination, it will make things worse for Canadian exporters. Under COOL I, there was some limited ability to comingle U.S. and Canadian (or Mexican) livestock at the packing plants. This flexibility has now been removed, making it even less attractive for American packers to use Canadian livestock.

Canadian exports of live swine to the U.S. have fallen by nearly 15 per cent since the draft revisions to the COOL II regulations were published on March 8, 2012.

Canada has followed WTO rules and procedures. The U.S. has not. It has chosen to behave like an international trade outlaw and a bully.

Agriculture Minister Gerry Ritz agrees that the U.S. is not in conformity with its WTO obligations. He has expressed a firm resolve to fix COOL, including retaliation against U.S. exports if the discrimination continues.

Section 52(2) of the Customs Tariff permits Canada to impose surtax or impose quantitative restrictions to enforce Canada's trade agreement rights and remedy adverse impacts on exports. Canada has the tools needed to help the USA understand that trade is a two way street.

The Canadian Pork Council will continue to work with the Government of Canada to secure fair, WTO-consistent treatment for our exports. This is the right thing to do.

However CPC members are losing patience with doing the right thing. The rules-based WTO system has failed to protect Canadian farmers and ranchers from the unfair and illegal treatment enshrined in COOL I. COOL II will compound the injury.

We need the justice we have fought for and won now - not years from now. M

Jean-Guy Vincent is the chair of the Canadian Pork Council.



Stalling the Sodium Strategy

Industry needs timely government action for further sodium reduction.

By Alan MacKenzie

ACCORDING TO INDUSTRY sources, Canada's meat sector has made significant progress in reducing sodium in processed meat and poultry products but timely decisions and actions by the Government of Canada are required for the industry to make further reductions by 2016, a date targeted by Health Canada's Sodium Working Group (SWG).

"A huge frustration in this industry is that we've been meeting with the government for years now and there's been no significant progress," said Mary Ann Binnie, a nutrition consultant with Canadian Meat Council (CMC), who also heads up the CMC's sub-working group with the SWG, which was formed in 2007.

The SWG in July 2010 released the *Sodium Reduction Strategy for Canada*, which noted Canadians were consuming more than double the sodium needed according to Health Canada guidelines.

Through discussions with representatives from the manufacturing sector, foodservice groups, health-focused non-government organizations, the scientific community, consumer advocacy groups, health professionals and the government, an interim intake goal of a population average of 2,300 mg of sodium per day to be achieved by 2016 was announced.

Canadians currently consume about 3,400 mg of sodium a day.

After further consultations, the group came up with voluntary "benchmarks" for 2012, 2014, and 2016 for the amounts

of sodium to be used in processed meats. The proposed sodium levels for the 2016 benchmark were established by reducing the baseline SWA (sales weighted average) sodium content by approximately 25 to 30 per cent, according to Health Canada.

The health risks associated with high sodium include high blood pressure, stroke, heart disease and kidney disease.

On its website, the CMC has a list of examples of sodium-reduced processed meat products at or below the 2016 guidelines that are currently available to consumers. The list – which includes bacon, sausage, deli meats and other meat products from several companies – is "not by any means exhaustive," the council noted.

"It's a voluntary guideline, but clearly the meat industry has incorporated sodium reduction within its corporate plan. Any new formulations are meeting those guidelines, and they are also reformulating existing brands so that they meet these targets," Binnie said.

She noted there are two measures on which meat processors are awaiting decisions from Health Canada. The first of which is the use of a time/temperature equation to determine whether heat treated products containing nitrite need to be submitted to rapid or slow cooling – a food safety approach, she said, is used in other jurisdictions, such as the United States.

The other measure is the approval of the use of potassium chloride as a partial salt substitute, something that is also already approved in the U.S.

"The meat industry has been very responsive, but we're at the point where we can't reduce any further until the government makes some timely changes," Binnie added.

Bill C-460

On May 9, the House of Commons voted on a private bill, Bill C-460, which would have required regulations on the amounts of sodium that companies can use. The bill, introduced by NDP MP Libby Davies, was significantly different from the



"The meat industry has been very responsive, but we're at the point where we can't reduce any further until the government makes some timely changes."

- Mary Ann Binnie, Canadian Meat Council

Sodium Reduction Strategy, also proposed that food companies put high-sodium warning labels on foods that failed to meet targets.

The vote was 147 to 122 against the bill and, consequently,

it can't be reintroduced to Parliament - a relief to those that believe in the current system.

"The meat industry has demonstrated that a voluntary system definitely works," Binnie said.

Malabar Super Spice president Doris Valade, one of 12 members of the CMC sub-working group, said sodium could be reduced by up to 50 per cent and the difference could be made up by potassium if it is to be recognized as a salt instead of as a seasoning, as it currently is.

She noted that the World Health Organization (WHO) guidelines say adults should consume less than 2,000 mg per day and more than 3,500 mg of potassium per day.

"Potassium actually buffers many of the negative effects of sodium. So we're seeing quite a movement growing, both in research and industry awareness, of the benefits of potassium, and as a result of that potassium chloride becomes a very viable alternative," Valade said.

She added that potassium is often associated with having a bitter, metallic taste, but said advances have been made to change that. Malabar has been working for the last few years with Minnesota-based Nu-Tek Products, a company that has developed a patented system that takes those bitter flavours away. Nu-Tek's potassium chloride has the same functionality as sodium chloride but is weak in ionic strength, and can be used in combination with salt at a 50/50 ratio.

Valade added that using potassium chloride would also mean no alteration of existing processes in production.

She noted that some Canadian companies have been working on developing products using this system and are awaiting government approvals. M





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Mad Cow and the Legacy of a Crisis

The Canadian Food Inspection Agency became a more effective organization, but there is still room for improvement.

By Sylvain Charlebois

MOST WOULD AGREE that the "mad cow" event of May 20, 2003, following the discovery of our country's first native bovine spongiform encephalopathy (BSE) case, wasn't really a food safety-centric crisis, at least in Canada; in retrospect, it was primarily a trade crisis.

As domestic demand for beef shattered records in Canada that year, 35 countries, including the U.S. and Japan, overnight issued an embargo on Canadian cattle and beef. Since half of Canada's \$7 billion beef industry was based on exports, the embargo was a catastrophe. Despite billions in compensation, many farmers went under, and livelihoods were destroyed. The mad cow crisis was very real to the cattle industry, a passing worry for Canadian consumers, but most importantly, it was a crisis that could have been prevented.

For the world at large, the "mad cow" crisis began on what is now known as "Black Wednesday" - March 20, 1996 - the day the British Government admitted that there was a probable link between exposure to infected meat and Creutzfeldt-Jakob's disease (vCJD), the human variant of mad cow. The admission resulted in the culling of millions of animals in an effort to control the disease. Unfortunately, this did not prevent the death of more than 200 people from vCJD.

Soon after, the world realized that BSE gradually developed into an epidemic as a consequence of an intensive farming practice spanning over 200 years, which consisted of the recycling of animal protein in ruminant feed.

By the end of 1996 the British beef industry was experiencing a complete meltdown, as more than 30,000 workers in the beef sector lost their jobs. Demand for beef products across Europe dropped by more than 35 per cent.

In Canada, however, no immediate measures were taken, despite the fact that the first Canadian domestic case of BSE was detected in a British-born cow in 1993, three years before Black Wednesday. The only significant regulatory change in Canada before 2003 came in 1997 with the ban of the practice of rendering ruminants for cattle feed. However, ruminant feed was still readily available on the market, and violations of the ban were reported.

With the establishment of the Canadian Food Inspection

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Agency (CIFA) in 1996, the post-May 20, 2003 era brought further policy changes. Primarily, regulators prohibited the sale or import for sale of food products containing specified risk material, such as skulls and brain tissue. In addition, the Canadian BSE surveillance system was also established in order to test more cases.

This decision was long overdue; indeed, some argued



Communicating food safety risks to the Canadian public was also a challenge for the CFIA during mad cow, a challenge that the federal regulator faces to this day.

that it was several years too late. Implementing such a policy earlier could have resulted in significant advances in detection and preventative technology. Diagnosis of BSE continues to be a challenge, as the incubation period can last years without showing any symptoms. There is virtually no way to detect the disease without examining brain tissue post mortem, using neuropathological methods. Since 2003, we have discovered new methods to detect BSE in living cattle, but none are commercially available.

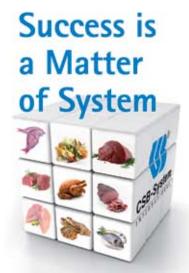
Most damaging for the CFIA, proud of its science-based heritage, was its unfounded assumptions throughout the 2003 ordeal, significantly affecting its credibility. For example, the agency mentioned time and again that animals could not develop BSE under the age of 30 months. In Japan, which has discovered over 30 BSE cases since 2001, and where BSE testing is compulsory, two of the country's mad cow cases were in 21-month-old and 23-month-old animals. The CFIA seemed only concerned about the politics of food safety, which severely limited its understanding of the scope of the crisis that was unfolding. Food safety, after all, is first and foremost a public health issue.

Communicating food safety risks to the Canadian public was also a challenge for the CFIA during mad cow, a challenge that the federal regulator faces to this day.

Looking back a decade later, it is somewhat reassuring to see that the CFIA has matured into a learning, open organization that is still committed to evidence-based rigor. Looking at food safety from a scientific perspective, the regulator has shown it can proactively balance the economics of food safety with concerns modern Canadian consumers have regarding food systems in general. The 2003 "mad cow" crisis made the federal regulator more efficiently attuned with the realities of modern food safety practices; however, when considering the XL Foods scandal that began in September 2012, there is still room for improvement. M

Dr. Sylvain Charlebois is associate dean of the College of Management and Economics at the University of Guelph. This article is reprinted courtesy of Troy Media (www.troymedia.com)





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Niche Network

New social media site launches specifically for the meat industry.

By Alan MacKenzie

IS SOCIAL MEDIA becoming too wide-reaching?

Founded in 2004, leading social media site Facebook currently has 1.11 billion monthly active users. Twitter, which allows users to send short, snappy 140-character messages, has 200 million active users. Both sites connect everyday people around the world with their friends and relatives, favourite products and businesses, celebrities, and even total strangers.

The ability to reach that many people from your computer or smartphone is great for marketing and business networking, but when your potential audience is that big, you're connecting to more than just your target audience – and suddenly an online chat with a close friend or business partner is being hit with criticism from someone who doesn't share your views. When your business is meat, and you find yourself of the same social site as opinionated vegans or animal activist groups, this can be a real problem.

This is where Social Meatia hopes to come in. Launched in early May by Northfolk County, Ont.-based communications consultant Greg McLachlan, the site (*socialmeatia.com*), hopes to keep meat industry professionals connecting online, without having their conversations open to those who'd rather not hear it.

McLachlan said he started working on the site a little over a year ago, after working with a local butcher who uses social media to reach people creatively, but finds sites like Facebook too all-encompassing.

"I'm not trying to be Mark Zuckerberg," McLachlan said, referring to the Facebook founder who, according to Forbes magazine, is now worth \$13 billion. "The idea is to form a niche network, not to replace something like Facebook but to provide another extension for some conversations you might want to take away from that network, to just get that audience that really is focussed on your interests and the messages that you're trying to get across."

The site launched a beta version for desktop computers on May 3, and McLachlan said a mobile version will follow within a month. Planned features, and those already in place, include events listings, job postings, photo sharing and localized community pages. Like with Facebook, users are asked to create a profile page with photos and information.

The site also has links to what McLachlan calls the "big three" in social media – Facebook, Twitter and photo sharing network Pinterest.

"Any time you post something on Social Meatia, you can choose to share it through those channels as well," he said. "But if you have something that you think might attract a bunch of anti-meat people, you don't have to share it everywhere. It allows flexibility."

So far, he noted, members of the site include butchers and industry reps from agriculture organizations in the U.S. and Canada. He hopes to see more farmers and consumers for a true gate-to-plate experience.

"My experience with farmers is that they don't all want to be on something as big as Facebook, so something like this might be more up their alley," McLachlan said, noting that farmers are a lot more connected to the Internet than the average consumer thinks. "I know farmers are busy, but I also know they carry their smartphones with them and have them in the fields."

McLachlan is particularly excited about people using the site to post job listings for butchers and other meat professionals.

"This is something Facebook doesn't have," he said. "If you were to try recruiting people through Facebook, you'd get a lot of people applying that don't necessarily have the skills you're looking for. A more niche network like this hits the target audience that you're after."

Leon Wildberger, a retired meat cutter from Georgia who started his own meat-centred website in May 2011, said he sees great value in the Social Meatia concept and in the job postings in particular.

"I have about four or five recruiters that keep sending me stuff, so apparently it must be working," he said. "The more meat sites there are, the better it is for all of us."

His site – *meatcuttersclub.com* – features links to meat-related news stories, business spotlights, instructional videos, a chat room, and a message board, where Wildberger and his four assistant managers from across the U.S. and Canada answer all trade-related questions.

While he maintains an active presence on both Facebook

and Twitter, Wildberger agrees that there are times when certain conversations would be better suited to a meat specific site.

Cory Van Groningen of VG Meats, a family business located in Simcoe and Stony Creek, Ont., was one of the first people to sign up on Social Meatia. He has been active on Facebook and Twitter for the last few years, and said he definitely sees room for an additional site, especially one that is meat specific. He noted that he plans to use Social Meatia to connect with other professionals, and continue to use Twitter and, to a lesser degree, Facebook to connect with customers.

"If we have something to talk about, we go on Twitter. Twitter's faster and easier than Facebook," he said. "We do quite a lot of retail business, so social media is kind of an extension of the over the counter interaction we have with our customers. It absolutely helps with our business."

Because of VG Meats' business model – which includes humanely raised animals that are not fed growth hormones – Van Groningen said he rarely encounters militant anti-meat people on traditional social media, but agreed that it could be a problem, especially for "big agriculture" businesses.

He added that social media interactions lead to good exposure, especially for a small business like VG Meats, which specializes in local food that is controlled by the company from the farm to the retail and foodservice level.

"If we're putting together an order for a restaurant that we supply, we can show them what's coming, or make a comment about a product that we put together for them, and that helps their Twitter followers see that they support local and high quality ingredients," he said. "It's good for both of us."

He added that Social Meatia will allow him to communicate with other meat professionals on the same level that Twitter does with consumers. M





Foreign Workers Vital

Misinformation and allegations by a few places in serious jeopardy the best interests of the many.

By Jim Laws, Robin Horel, and Robert DeValk

ACCOUNTING FOR 70,000 direct jobs, \$24 billion of sales and \$4.6 billion of exports, Canada's meat, poultry and egg industry constitutes the largest segment of this country's food processing sector. Continued access to foreign workers is not only critical to the industry, it is of significant benefit to Canadian farmers, workers, consumers and municipalities. Unfortunately, a combination of misinformation and allegations of potential misuse by a few seems to be placing in serious jeopardy the best interests of the many.

The unqualified first choice of our industry is to employ Canadians. The reason for this preference is straightforward: the costs associated with employing foreign workers are substantially greater. Foreign workers are members of the same labour unions and receive the same salaries and benefits as Canadians. However, foreign workers incur substantial additional employer expenditures for recruitment, return airfare from and to home countries, worker compensation, government mandated accommodation standards, language training and multiple communications with government agencies.

Our industry offers a crucial market outlet for Canadian livestock, poultry and egg producers. Should this cease to be the case, the futures of Canadian farmers would either be captive to the prospect of export sales to companies operating in the uncertain, and sometimes even unwelcoming, U.S. market or they would stop farming.

Foreign workers perform tasks for which an insufficient number of Canadians are available. The important contributions they make allow meat, poultry and egg processing plants and chicken catching companies to remain in operation, thereby supporting the jobs of thousands of Canadian workers. In the absence of an adequate number of foreign workers to complete work teams, they would be forced to go out of business, reduce the number of production shifts or eliminate product lines. Under any of these scenarios, Canadian competitiveness would be jeopardized and both direct and indirect jobs for Canadians would be lost.

Companies operating in this country make it possible for consumers to purchase domestically produced and processed meat, poultry and eggs. Canada is already a net importer of beef, chicken and eggs from the United States and our positive trade balance in pork is diminishing. Reduced access to foreign workers would result in Canadian consumers becoming even more reliant on food imports from other countries.

Canadian meat, poultry and egg graders and processors are an integral component of local economies and job markets across the country. In some instances, they are a primary source of employment and economic activity. The closure of a plant, or even a significant reduction in employment, would have a major impact on the local and regional economies.

Foreign workers may apply to become permanent residents of Canada. If successful, both the community and Canada benefit from the acceptance of a proven contributor who already possesses not only established job experience in a worker deficient region or special skill, but who is integrated into the local economy and Canadian society.

Although efforts to recruit Canadian workers are genuine, extensive and constant, they are only partially successful. The clearly documented reality of our industry is that the jobs available at many locations exceed, by far, the number of Canadians able and willing to perform the physically arduous tasks that are required. While not exclusively, many of the unfilled positions could require that Canadians relocate to rural communities. Should any readers be interested in these employment opportunities, we would welcome an opportunity to forward their contact information to employers who are searching for workers and ready to provide the requisite training.

In conclusion, access to foreign workers is vital, not as the first preference, but rather as the only option currently available for sustaining the supply of labour necessary for a viable and competitive Canadian-based meat, poultry and egg industry. M



Jim Laws is the executive director of the Canadian Meat Council. Robin Horel is the president and CEO of the Canadian Poultry and Egg Council.

Robert DeValk is the general manager of the Further Poultry Processors Association of Canada.



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Safe Food Plan

Beef safety changes lead government's new action plan.

ON MAY 17, the federal government unveiled its Safe Food for Canadians Action Plan, which aims to improve Canada's food safety system by strengthening food safety rules, more effective inspection, improved service and more information for consumers.

Through the plan, the Canadian Food Inspection Agency (CFIA) will launch a number of food safety enhancements over the next two years, and will work with consumer groups and industry to develop new regulations that will bring into force the Safe Food for Canadians Act, passed in November 2012.

As a first step, the CFIA is strengthening some of its beef safety rules and has implemented new mandatory requirements that will strengthen the control of E. coli in federally registered beef plants.

Also, by July 2, federally registered plants that produce mechanically tenderized beef cuts, such as steaks or roasts, will be required to label those products as tenderized and with cooking instructions.

In addition, Health Canada intends to propose broader mandatory labels to identify beef that has been mechanically tenderized at retail outlets. This voluntary practice has been in place since 2012.

The Canadian Meat Council (CMC) and Canadian Cattlemen's Association (CCA) both expressed support for the new safeguards for E. coli in beef that were announced as part of the plan.

E. coli enters beef processing plants on the hides or in the intestines of cattle. Federally registered establishments maintain stringent food safety management systems incorporating a series of hurdles designed to reduce the possibility that E. coli may be present in products. In-plant interventions include hide-on carcass washes, thermal pasteurization with hot water and/or steam, and antibacterial organic acid rinses. In addition, steam vacuuming is an effective tool for spot decontamination, CMC noted.

Although rare, when food safety incidents do occur, the industry cooperates with the CFIA to gain insight into causes and to identify and implement measures to prevent a recurrence, the council said.

The plan will introduce its new safety rules and requirements over the next two years. During that time, the CCA said it hopes to gain approval for irradiation of beef from Health Canada.

The CCA believes irradiation, when used with food safety interventions already in use, could essentially eliminate E. coli related illness associated with ground beef," CCA president Martin Unrau, in a separate release.

For more information, visit the CFIA's website at www.inspection.gc.ca/safefood. M

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Taking a Stand

Canadian grocery retailers join restaurants and pork production companies in gestation stall phase-out plans.

THE RETAIL COUNCIL of Canada (RCC) on April 29 announced that all eight of Canada's largest supermarket chains will move away from gestation crate confinement of pigs in their supply systems over the next nine years.

Gestation crates are narrow cages used to confine breeding sows to the point where the animals can't turn around.

"Increasingly, stakeholder expectations have...been changing and industry is being encouraged to shift towards alternative [gestation crate-free] housing practices. The Retail Council of Canada believes that sows should be housed in an environment where their pregnancy, health and well-being are taken into highest consideration," the RCC stated in a release.

The chains that made the commitment include Walmart Canada, Costco Canada, Metro, Loblaw, Safeway Canada, Federated Co-operatives, Sobeys and Co-op Atlantic.

Humane Society International/Canada and The Humane Society of the United States applauded the announcement.

"We applaud the Retail Council of Canada and its members for taking seriously one of the most critical animal welfare issues in food production today," said Sayara Thurston, campaigner with Humane Society International/Canada. "The Canadian food industry has made it clearer than ever that these unsustainable and inhumane cages have no future in pork production, and we encourage pork producers to make the

transition to group housing systems as quickly as possible."

The announcement follows similar announcements from restaurant chains including McDonald's, Burger King and, most recently, Tim Hortons. Leading North American pork producers Smithfield, Hormel, Olymel and Maple Leaf Foods have also pledged to end the use of gestation crates at their company-owned facilities.

The Canadian Pork Council (CPC) said it views RCC's commitment as an opportunity for productive dialogue between farmers and retailers.

"As a farmer, my first priority is the care and welfare of the animals. I am proud that my farm helps the Canadian pork industry provide consumers a healthy and safe food supply," CPC chair Jean-Guy Vincent said in a separate release. "Any change on farm must be done in a way that protects the welfare of the animals and keeps Canadian farms strong."

The council noted that substantial capital investments and considerable human resource efforts will be needed to upgrade barns and train workers on new animal handling techniques.

The CPC said it looks forward to meeting with RCC to hear its proposals on "how changes to sow housing can be managed and how the value chain and others can share in the investment." Market



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For a Good Cause

Trust and communication between the poultry farmer and the processor – Part 2.

By Ronnie P. Cons

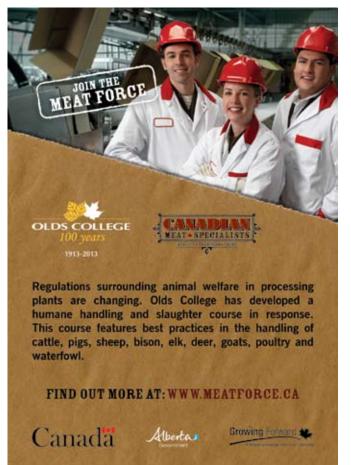
IN THE LAST issue of Canadian Meat Business, we brought you an article on the importance of trust and communication between poultry farmers and processors/distributors. Establishing this relationship between both parties will help ensure that the processor receives their expected quantities and qualities of chicken from their poultry supplier. The supply management system under which the industry works makes this imperative.

In Part 2, we look at advice on how to enhance the relationship between the poultry farmer and the processor/distributor to which chickens are supplied. There are three "soft" behavioral strategies to improve the relationship, one of which is to establish shared social events and contribute to similar causes.

A processor should contribute to similar worthy causes. This will lead to a closer and more trusting partnership oriented relationship which will encourage the supplier to maintain higher quality.

Here are details of implementation:

1) The processor should appoint an in-house existing director to be in charge of running this program. That person should research and come up with about five worthy causes that are relevant and local (if possible) to both the processor and the farmer.



- 2) Next, the owner/director of the farm should be contacted and asked if he would like to partner up in supporting a worthy local cause. This will help their public image which is good for business, and bring both their businesses closer together.
- 3) The joint contribution is then made to the cause in the name of a program name such as "ABC Processor and XYZ Poultry Supplier Good Cause Fund."
- 4) A press release is submitted to the local paper of the poultry farmer that they made a joint contribution to a good cause. The article will explain how they work close together and care about local causes. They should ideally both bring the cheque to the good cause and have a photographer take pictures of the donation.
- 5) Next, the processor makes and delivers to the poultry farmer two to three laminated certificates to the effect that they are proud partners in contributing to good causes. These certificates are to be placed in the owner's office as well as a place where the farm employees will see. It is important that the workers see it, as they are crucial to the quality of the product.

The result of this simple to implement program will be a closer and more productive relationship - and all for a good cause.

- 6) A letter signed by the CEO explaining how happy he is to be jointly contributing to a worthy local cause, and how he is thrilled he is to have this specific supplier is sent by mail to the owner of the poultry farm. This can be followed up with a phone call to this effect. The processor can use this call to further open the channel of communication between both firms.
- 7) Another letter should be sent addressed to the employees of the farm explaining, again, how happy they are to be partners in this good cause. He should also express his appreciation for their good work and quality of product supplied to the processor.
- 8) The above steps and contribution should be repeated yearly to reinforce their relationship.

The result of this simple to implement program will be a closer and more productive relationship - and all for a good cause.

This partnership feeling among the poultry farm employees and owner/management should encourage the owner and his employees to work even harder to maintain the quality and quantity of the chickens supplied to the processor. M

Ronnie P. Cons is the executive vice-president of C&C Packing Inc., a leading Canadian meat and poultry distributor. He can be reached at 514-461-5202 or rcons@ccpacking.com.

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High-speed vision inspection technology for the fresh food industry



Producers of both large and small packaged fresh food products can now benefit from high-speed, highprecision product package and label inspection with CLS Series vision inspection technology from Mettler-Toledo CI-Vision.

The series comprises three machine sizes developed specifically for the fresh food industry to inspect labelling

of packs of varying widths and heights for the correct bestbefore date, lot number and barcode at high throughput rates. Technologies in the CLS Series are ideal for flat-packed fresh

food products, ensuring they comply with retailer labelling guidelines and regulations. By tracking each product's lot number as it passes through the processing line, the technology also guarantees due diligence through traceability throughout the supply chain.

Available in 200mm, 300mm and 400mm widths, the CLS Series offers manufacturers a choice of machines able to inspect fresh food products of different widths and lengths. In addition, cameras automatically adjust position to facilitate set up of each system for examination of products ranging from 10mm to 200mm in height. This boosts flexibility for fresh food producers, while optimising camera focus and lighting for accurate label verification regardless of pack height.

To enable high-speed processing of inspection data, the CLS Series features Mettler-Toledo CI-Vision's advanced CIVCore Software. This software enables the CLS Series to analyse high resolution images at a speed of 250 packs per minute, enabling the inspection of every pack without compromising line productivity. The CIVCore Software offers manufacturers a large memory capacity for the storage of data and images of rejected packs.

Touchscreen displays with intuitive dropdown menus and graphic toolbars allow the systems to be set up quickly for the inspection of a new product, simplifying product changeovers and enhancing flexibility. Conveyor speed adjusts automatically during machine operation to meet the needs of the processing line for enhanced productivity.

mt.com

Cascades antibacterial towel wins gold medal



Cascades recently received Gold in the Edison Awards Consumer Packaged Goods: Cleaning Solutions category for its antibacterial paper towel.

The company's novel paper towel was launched October 2012 in the North American market as a simple, safe and effective way to reduce bacterial contamination and transmission. Dry to

the touch, the green-coloured Cascades Antibacterial paper towel has been confirmed in third-party testing to kill over 99.99 per cent of harmful bacteria upon coming into contact with wet hands.

Among other uses, the product was designed to help decrease contamination possibilities within the food processing and food service industries, and reduce absenteeism rates at work and school. Studies also show that paper towels are the best choice for good hand hygiene; the antibacterial version is therefore an even safer option.

cascades.com

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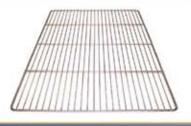
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Report Slams "Risky Meats"

U.S. report says ground beef and chicken are most likely meats to make consumers sick.

ACCORDING TO AN April 23 report from a U.S. nonprofit group, chicken and ground beef are "the riskiest meat and poultry products" and are most likely to make consumers sick.

Based on the analysis of more than 33,000 cases of foodborne illness connected to products regulated by the U.S. Department of Agriculture (USDA), the report,

titled Risky Meat: A Field Guide to Meat & Poultry Safety, ranks 12 categories of meat and poultry based on outbreak reports and the likelihood of hospitalizations associated with the pathogens most commonly reported in those foods.

The report found that ground beef and chicken are responsible for the largest numbers of outbreaks and cases of illnesses, and that those illnesses tend to be more severe than those associated with other products.

CSPI noted that E. coli O157:H7 was responsible for 100 outbreaks associated with ground beef in the 12-year study period. Ground beef is also connected to illnesses caused by clostridium perfringens and salmonella, the group noted.

"Outbreaks from ground beef and chicken are reported frequently, and all too often cause debilitating illnesses—illnesses that lead to hospitalization," CSPI food safety director Caroline Smith DeWaal stated in a release. "For example, approximately a quarter of those who are sickened by salmonella will go to the hospital. The hospitalization rate for E. coli infections is nearly



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Phone (847) 673-0300 24Hour Fax (847) 673-0350 Web Site: www.mmequip.com 50 per cent and for listeria infections it is more than 90 per cent."

Hospitalizations caused by salmonella put chicken in the report's "highest risk" category alongside ground beef. Clostridium perfringens and norovirus also cause outbreaks associated with chicken. Campylobacter bacteria are also believed to cause a large number of individual illnesses associated with chicken but rarely cause outbreaks, the report said.

"Meat and poultry producers must bear primary responsibility for keeping pathogens out of their products, but when it comes to beef, chicken, and other raw meats, restaurateurs and home cooks must treat them

45

"Outbreaks from ground beef and chicken are reported frequently, and all too often cause debilitating illnesses—illnesses that lead to hospitalization."

- Caroline Smith DeWaal, CSPI

like hazardous materials and take steps to minimize risk," stated CSPI senior food safety attorney Sarah Klein.

"Care should be taken to avoid spreading germs from the meat around the kitchen, and meat thermometers

should be used to ensure that ground beef, chicken, and other meats are fully cooked," she added.

Meats classified as "high risk" included steak and other forms of beef, except for roast beef, which is considered medium risk. Steak is typically seared on both sides, which helps to kill surface bacteria, but E. coli O157:H7 is still a problem, the report said, noting that the practice of mechanically tenderizing steak may increase risk.

Others in the "medium risk" category include barbecue, deli meat, pork (excluding ham and sausage), and roast beef. Listeria monocytogenes, though not a common cause of outbreaks, is a critical concern with deli meats, the report said.

The report found that chicken nuggets, ham, and sausage pose the lowest risk of foodborne illness. However, CSPI noted this report is "totally separate" from the risk of chronic disease presented by saturated fat or sodium.

"In other words, this analysis shouldn't be interpreted as license to eat a lot more sausage," the group said.

The American Meat Institute (AMI)

responded to the report noting that U.S. meat and poultry companies produce 90 billion pounds of meat and poultry products a year, 99.99 per cent of which are consumed safely.

AMI Foundation president James H. Hodges criticized the report for focusing solely on meat products.

"A broader examination of the total food supply could have delivered a more meaningful examination of food safety risk from our normal diets and would have shown that we have a meat and poultry supply that delivers consistently safe eating experiences," he stated.

"In fact, when CSPI looked more broadly at the food supply in the outbreak analysis they released last month, they noted declines in foodborne outbreaks related to E. coli, salmonella, and other pathogens of more than 40 per cent."

In that report, CSPI said the adoption of Hazard Analysis and Critical Control Points (HACCP) programs in the meat, poultry, and seafood industries may have contributed to the decline. CSPI cited several other food categories that were not seeing the level of food safety progress that the U.S. meat and poultry industry has achieved in the last decade, Hodges noted.

"We do agree with CSPI's perspective that better food attribution data is needed to understand the causes of foodborne illnesses and potential strategies for improvement," he added. "While we are always seeking to do better, our industry's food safety performance reflects commitment and continuous improvement. Consumers should continue to enjoy the meat and poultry products they normally choose and should continue to follow the safe handling instructions provided on all packages." Ill

- staff





Events Calendar promotes upcoming trade shows, conferences, workshops and other events for the meat industry. For up to date listings, visit meatbusiness.ca/events.



IFFA sees high level of internationality

IFFA 2013 saw a 2.5 per cent increase in visitors this year, with over 60,000 people from 142 countries taking in the international meat industry event, which takes place every three years, in Germany.

For six days, 960 companies from 47 countries presented their latest products to an audience of trade visitors. Sixty-one per cent of all visitors and 57 per cent of exhibitor companies came from outside Germany this year.

Additionally, the exhibition space occupied rose by six per cent compared to the last edition of the event in 2010 to 110,000 square meters.

"At this year's IFFA, there were only winners. Exhibitors and visitors are extremely pleased with the fair and the results achieved. The increases in all main indices reflect the high level of dynamism in the sector," stated Wolfgang Marzin, president and CEO of Messe Frankfurt, organizers of the event. "IFFA is unrivalled as the leading innovation platform and meeting place for the meat-processing sector."

The next IFFA will be held from May 7 to 12, 2016. For more information, visit www.iffa.com.

CMC conference speakers announced

The Canadian Meat Council has unveiled the line-up of speakers for its 93rd Annual Conference, which will be held May 29 to 31 in Banff, Alta.

Confirmed speakers and their topics include:

- Bill Layden, FoodMinds, LLC "Marketing in Today's Food Environment: Observations and Opportunities";
- Élaine De Grandpré, Health Canada "Health Canada: The Eat Well Campaign – Focus on Food Skills";
- Theresa Dietrich, People Talking "The Canadian Consumer Retail Meat Study - A look at the consumer and

the retail environment in Canada today";

- Alexis Williams, Loblaw Companies Limited "Guiding Stars";
- Betsy Booren, American Meat Institute "Meat & Poultry Industry: The intersection between Safety and Nutrition";
- Dennis Hicks, Pemberton & Associates Inc. "Automation in the Meat Processing Industry";
- Ron Doering, Gowlings "Future Regulatory Changes";
- Stéphane Beaudoin, Elanco "The Good, the Bad and the Ugly of meeting Global Demand for Animal Protein: Where does Ractopamine fit in?";
- Tom Graham, Canadian Food Inspection Agency "An Update to Compliance Verification System (CVS) and Food Safety Enhancement Program (FSEP)";
- Rick Holley, University of Manitoba "Inspection: Horsemeat, Kangaroos and Culture";
- John Ibbitson, Globe and Mail "The Big Shift";
- Carly Weeks, Globe and Mail "The Challenge of Consumer Confidence in a rapidly-changing world";
- Patrick Boyle, American Meat Institute; and
- George Da Pont, Canadian Food Inspection Agency.

Beef producer symposium slated for Banff in June

In conjunction with the joint meeting of the Canadian Society of Animal Science and the Canadian Meat Science Association, a one-day beef symposium called "Beef from farm to fork: A producer's perspective" is scheduled for the Banff Park Lodge in Banff, Alta. June 18.

A wide range of producer oriented topics will be covered including Dr. Jennifer Aalhus, a scientist with the AAFC Lacombe Research Centre giving a presentation on meat quality and improving carcass value, and Dr. Reynold Bergen, science lead at the Canadian Cattlemen's Association, discussing trends and new opportunities in the industry.

Two international speakers are also featured. Dr. Todd Calloway, of Southern Plains Agricultural Research Center, in College Station, Texas, will provide insights on mitigating pathogens in food safety. Dr. Anthony Confer, of Oklahoma State University will present his research on bovine respiratory disease, predisposing factors for bacterial pneumonia.

The increasingly high profile area of animal welfare will be featured in a presentation by Dr. Karen Schwartzkopf-Genswein of AAFC Lethbridge Research Centre who will discuss welfare management practices that benefit production.

The symposium is being supported by several sponsors including the Alberta Livestock and Meat Agency (ALMA) and MNP. To register for the free event, contact Trevor Alexander of the AAFC Lethbridge Research Centre – trevor.alexander@agr-gc.ca.

Upcoming Events

June 2013

18 - 20Canadian Society of Animal Science - Canadian Meat Science Association Joint Conference Banff Park Lodge Banff, Alta. csas.net

19 Canadian Food Additives Regulations Workshop Guelph Food Technology Centre Guelph. Ont. gftc.ca

Western Beef Development Centre's Annual Summer Field Termuende Research Ranch Lanigan, Sask. wbdc.sk.ca

October 2013

14 - 17Process Expo McCormick Place Chicago, Illinois myprocessexpo.com 25 - 26Ontario Independent Meat Processors 2013 Meat Expo International Centre Mississauga, Ont. oimp.ca

November 2013

3 - 6NAMA Outlook Conference Chicago, Illinois meatassociation.com



Thefoodnewz is an on line events calendar created by Debra Bradshaw of Zep Food & Beverage Division. To find out more about the events listed in this magazine visit thefoodnewz. com. If you know of events not listed please email Debra directly at zeprep@rogers.com.



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Smashburger plans Canadian expansion

American "better burger" chain Smashburger, which entered the Canadian market last year with the opening of two restaurants in Calgary, is planning further Canadian expansion by opening new locations in Edmonton, British Columbia, Ontario and Quebec by the end of 2014.

"Canada is an important growth market for us," Smashburger chairman and CEO David Prokupek recently stated.

To help with the expansion, the company recently hired Audra Wosik as director of franchise sales in Canada.

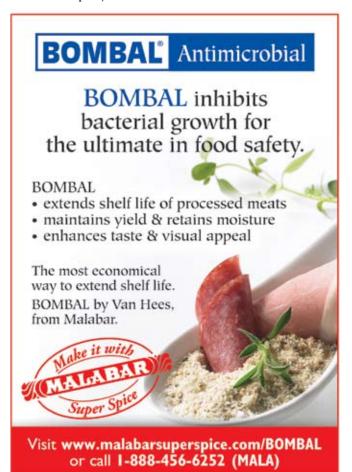
"We have lots of demand for our burgers in Canada. That is why we brought Audra Wosik on board. Her experience in the franchise industry will help us identify the right partners and develop markets designed to fuel our growth here," Prokupek said.

Wosik, with more than 20 years of experience in the franchise industry, previously worked with Regis Corporations and CARA Operations.

"Smashburger is a dynamic company that offers its customers a diverse menu, local ingredients and stellar customer service. I look forward to working with franchisees and introducing this award-winning concept into new Canadian markets," she said.

Smashburger aims to continue its expansion into Canada with plans for 200 new stores across country in the next 10 years.

The company is known for its fresh hand-crafted



burgers made with 100 per cent Certified Angus Beef, that are seared, seasoned and "smashed" on the grill. Smashburger localizes its menu in every market including a unique burger and often chicken sandwiches, sides and shakes that highlight the distinctive flavours of that region.

McDonald's drops pricey Angus burgers

McDonald's recently announced that it will drop Angus burgers from its menus in the U.S., as cashstrapped customers continue to favour selections from the company's Dollar Menu.

The third-pound premium Angus burgers, which have been on the McDonald's menu for the last four years, are among the fast food chain's most expensive offerings at roughly four to five dollars.

The company made the announcement the same week that beef prices in the U.S. hit record highs, according to the U.S. Department of Agriculture.

Also in May, McDonald's announced a one per cent drop in its global sales.

Maple Leaf Foods releases sustainability report

Maple Leaf Foods in May released its first sustainability report, highlighting the company's sustainability and community outreach efforts to date, with a particular focus on 2012.

"Our challenge and opportunity is to provide people with healthy, affordable, great tasting food produced in a sustainable and profitable way," Maple Leaf president and CEO Michael McCain stated. "This report represents the first formal account of our efforts in critical areas of sustainability. More importantly it reflects our commitment to do more and to openly sharing our progress against these goals."

According to the report, 95 per cent of waste from 40 of Maple Leaf's manufacturing facilities in 2012 was diverted from landfills, representing approximately 80 per cent of the company's total production.

Other highlights include Maple Leaf's commitment in 2007 to transition to a loose housing system for sows by 2017.

The report can be viewed at www.mapleleaffoods.com/ sustainability.

JBS sees revenue jump

JBS, the world's largest meat protein producer, in May reported a first quarter net revenue of R\$19.5 billion, a 22 per cent increase over the same period last year.

The Brazilian company, which moved into Canada earlier this year with the takeover of the troubled XL Foods operations, posted a consolidated EBITDA of R\$879.4 million, an increase of 26.3 per cent over the first quarter of 2012.

Q1 net revenue for the JBS USA Beef business unit, which includes the company's operations in Canada and Australia, was US\$4,315.1 million, outperforming the same period last year by 5.8 per cent, The company credited this to the increase in sales prices both in the domestic market and exports, besides the commencement of JBS' operations in Canada.

Compared to Q4 2012, net revenues decreased 11.1 per cent, but the company noted this is principally due to the seasonality of the period. EBITDA at this business unit was negative at US\$25.1 million, mainly impacted by the pressure in the cost of raw material, due to the lower availability of livestock for slaughter.

The company concluded its purchase of XL Foods assets on April 8, with the acquisition of XL's two U.S. facilities - an abattoir in Omaha, Nebraska, with capacity to process 1,100 head/day, and another in Nampa, Idaho, with capacity to process 1,100 head/day.

The facility in Nampa sits idle and the company has no immediate plans to reopen it.

CFIA reviewing approach to "local" food claims

The Canadian Food Inspection Agency (CFIA) said it will undertake an initiative to modernize its food labelling approach, focusing on a review of food labelling regulations, guidelines and policies including the use of the term "local."

The agency is adopting a "broad interpretation" of its current policy, expanding the geographic reach of what could be considered "local." In the interim, food produced in the province or territory in which it is sold, or food sold across provincial borders within 50 km of the originating province or territory will be considered local.

The interim policy will be implemented immediately and will remain in effect until the CFIA's labelling review is complete, the CFIA said.

Up to now, products labelled "local" or "locally grown" referred to food that originated within a 50 km radius of the place where it was sold, or food that originated within the same "local government unit" such as a municipality – or adjacent government unit.

"This approach is outdated and does not reflect current food production practices or consumer needs and expectations," the CFIA said.

The CFIA noted that claims such as "local" are voluntary and "industry are encouraged to add qualifiers such as the name of a city to provide consumers with additional information."

It is the responsibility of the regulated party to comply with applicable legislation and regulations, the agency added.

The use of the claim "local" is still subject to prohibitions relating to false and misleading claims of the Food and Drugs Act as well as the Consumer Packaging and Labelling Act, the CFIA stated.

Quebec company acquires 94 Burger King restaurants in Canada

Burger King Worldwide in April announced the sale of its Canadian subsidiary to Redberry Investments Corp., making the privately owned and operated enterprise the brand's master franchisee in Canada.

Redberry, established in Quebec in 2005, is privately owned by three shareholders, Robert Laverdure, Andreas Kragaris and Christian LeBrun. The company is set to have offices in Montreal, Toronto, Calgary and Detroit and more than 6,000 corporate employees.

"We are very excited to increase our portfolio with the Burger King brand. With new brand initiatives, including new product lines, we look forward to playing a key role in the ongoing success of the brand in the region," stated Kragaris.

The acquisition includes 94 company-owned Burger King locations across Canada.

"We believe there is tremendous opportunity to grow the Burger King brand in Canada," added Steve Wiborg, North American chairman of Burger King Worldwide. "I look forward to working with our master franchisee as they help expand our footprint across the country by delivering superior products and a positive guest experience in an inviting dining environment."

As part of the agreement, Redberry will implement a new restaurant opening program and an aggressive restaurant remodel strategy, which includes reimaging its restaurants to the company's global 20/20 design in the next three years.

Founded in 1954, Burger King is the second largest fast food hamburger chain in the world. The company operates in 86 countries and territories across the globe.





Increasing Profitability with Value-Added Hams

Spiral sliced, honey glazed ham is now a family holiday mainstay and food processors are equipping themselves to deliver.

By Ed Sullivan

MEAT AND FOOD processors, as well as retailers, can add spiral slicing and glazing of ham with very little incremental cost to their operations, yet make a quick return on investment (ROI), often within the first year, depending on volume sold.

In a market popularized by honey baked hams, a growing number of meat processors are discovering the profitability of offering spiral sliced, glazed ham to consumers hungry for taste, convenience, and value. With wholesale prices of plain ham averaging around \$1.75 per pound, spiral sliced, honey glazed hams can wholesale for up to \$4.99 per pound. For meat processors and even retailers, this value-added upsale can be a good way to substantially increase profits. As an example, for one company that added spiral slicing and glazing capabilities, with 2,016 half hams sold their first year, sales equated to \$150,095, bringing in net profits of \$102,456. So as a value-added product, this is a win-win for retailers and consumers.

"Rather than having to cook and carve a ham, as well as create a honey glaze, customers appreciate a gourmet, precooked, pre-sliced ready-to-eat ham, and they're willing to pay for it," says Bill Ridley, president of Ridley's Butcher Shop,

a family-owned business based in Duncan, Oklahoma that sells its quality meat products across the United States. "It's a perfect holiday or party food, requiring virtually no prep or clean-up time from the customer."

As sliced, honey glazed hams have become a mainstay of more and more families around the holidays, meat and food processors are equipping themselves to deliver. Retailers can sell their own quality, spiral sliced, glazed hams at a substantial discount to the market leader, encouraging repeat business and referrals in tight economic times.

"Our business has grown every year since we've offered spiral cut, glazed ham, and it continues to grow," says Ridley. "It's one of our most popular items. We get repeat customers and referrals every holiday, and they buy other products as well. In a high volume holiday season, it's possible to make enough to pay off the equipment."

After searching for the right equipment, Ridley turned to Spirocut Equipment Co., a Fort Worth, Texas manufacturer of spiral ham slicers and supplies. The company makes a machine that slices whole bone-in hams around the bone, or boneless hams with an attachment, to produce an unbroken, spiral cut.

"They provided us with everything we needed from the spiral slicing machine to the glaze process including training, spice, coloured foil, and propane torch supplies," says Ridley. "We get a nice even cut, and a golden brown glaze on our ham. They made it easy to get started and get profitable."

While Ridley currently uses the machine only for bone-in, spiral cut ham, he found it one of the most compact, least expensive slicers for its output. "Our spiral slicer fits neatly in the processing area on a portable stand, and moves easily on wheels for cleaning or layout change, as needed," says Ridley.

In an hour, one operator can slice up to forty hams at a consistent thickness of six slices per inch, according to Ridley. "There's no delay or rewinding necessary, so the operator can go quickly from slicing one ham to the next."

The operator maintains a razor-sharp blade edge with the slicer's sharpening stone attachment, making for consistent slices, according to Ridley. "The sharpener works very well," he says. "It helps the operator maintain clean, attractive slices, avoiding the rough cut, pulled look of some hams."

Even when meat processors choose to add spiral ham slicing to their production lineup without a honey glaze, they are finding that customer demand is substantially growing business.

"We've become busier and busier after offering spiral cut ham," says Dale Button, maintenance manager at Hempler Foods Group, a Ferndale, Washington-based producer of high quality hams, bacon and sausage sold through distributors in the Pacific Northwest. "We started running two Spirocut spiral ham slicers a couple times a week. Now we run them essentially full-time up to six days a week. They've helped to triple our growth with hams since we put them in about three years ago."

According to Button, the flexibility to do bone-in or

boneless ham helps with sales, and it just takes an operator a couple of minutes to switch from one to the other. Originally developed for bone-in hams, the spiral slicer can slice boneless hams with a simple attachment. It can also slice turkey breast, roast beef, pork tenderloin, and more for meat processors looking beyond ham.

"The spiral ham slicers were very simple to set up and get started," says Button. "We were spiral slicing hams within half an hour of their arrival. They do a nice job of slicing to a consistent thickness despite the different sizes of hams cut."

While Hempler Foods Group assigns one operator to each slicer, Button appreciates that the design allows an operator to run more than one. "It's helpful when we're short-handed," he says.

Since production machinery faces a tough environment, including frequent washing, Button is happy that the spiral ham slicers are designed for easy maintenance. The USDA approved, NSF and UL certified slicers are completely washable, including their motors. They are watertight, operated by three switches and a control box, with no troublesome electronics or computers to worry about. Because the motors are constructed with lifetime factory filled lubrication, no oil changes are required.

"Our spiral ham slicers are durable, easy to maintain, with all their components readily available out of maintenance catalogues," concludes Button. "That helps to maximize production uptime, growing customer demand, and profitability." M

Ed Sulliavan is a Hermosa Beach, California-based writer. He has researched and written about high technologies, health care, finance and real estate for over 25 years.



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SASKATCHEWAN

Water infrastructure program announced for farmers

The federal government and Province of Saskatchewan in May announced \$65 million over five years for the Farm and Ranch Water Infrastructure Program (FRWIP), a water infrastructure that benefits ranchers and other agricultural producers.

Introduced in 2008, FRWIP helps farmers, ranchers, First Nation bands, rural municipalities and irrigation districts develop long-term, reliable sources of water and the related infrastructure necessary to support their agriculture businesses.

"Our government is focused on helping create jobs, growth, and long-term prosperity for Saskatchewan's hard-working producers. I am pleased that Saskatchewan producers will continue to have access to this program as another tool in their toolbox to help build their operations and our overall economy," federal Agriculture Minister Gerry Ritz said in a release. "Building farm and ranch water infrastructure is an important way to increase producer profitability and secure a safe future for provincial water supplies and our producers' livelihoods."

"Establishing a secure source of water is crucial to the longterm success and livelihood of Saskatchewan's farmers and ranchers," added Saskatchewan Agriculture Minister Lyle Stewart. "This investment in long-term water infrastructure such as wells, dugouts, pipelines and irrigation infill, is essential to the future growth of Saskatchewan's agriculture industry and our economy."

Since 2008, more than \$49 million in federal-provincial funding has been invested through FRWIP to help establish nearly 5,500 wells, dugouts and pipelines. In addition since 2007, the federal and provincial governments have provided \$20 million for infill funding which has increased irrigation capacity by nearly 12,000 acres.

The program has now been enhanced to include a new component for Agricultural Business Development for intensive livestock and horticultural operations. As well, value-added agricultural businesses and non-district irrigators are now also eligible for funding.

"FRWIP has been a valuable program for livestock producers in Saskatchewan," Saskatchewan Stock Growers president Harold Martens said. "Many wells, dugouts and pipelines have been developed and we thank the federal and provincial governments for continuing this program."

MANITOBA

Few positives in provincial budget, ag group says

The Keystone Agricultural Producers (KAP), a Manitoba based farm policy group, said there is little positive news for farmers and rural Manitobans in the province's 2013 budget.

KAP president Doug Chorney, in a recent release, slammed the proposed one per cent increase to the provincial sales tax (PST), a cap on rebates to farmers over the provincial education tax, and cuts to the agricultural budget.

"The PST increase is the big buzz, and this will hurt us as consumers," said Chorney. "What also concerns me is that the money from this increase will be rolled into the Building Canada Plan and will go into major provincial projects – instead of into municipal hands to address local infrastructure issues."

With the provincial education tax, farmers have traditionally been taxed on all farm property, although in recent years a rebate program was implemented.

"The rebate is at 80 per cent, and we had been told that it would go right up to 100 per cent – but there has been no increase since the 2011 election," Chorney explained.

Chorney noted the newly announced cap on the rebate to farmers will affect some producers negatively.

He also commented on the cut to the agricultural budget – including closing of offices and consolidation of services.

"In the realities of today's smartphones and internet technology, we can look at how those services are delivered – and I think farmers can make changes accordingly," he said.

He did, however, say he is pleased funding has been increase for the STARS air ambulance, a non-profit program that provides rapid and specialized emergency medical care.

"This important service has saved the lives of rural Manitobans – and now it will be available seven days a week, 24 hours a day."

QUEBEC

Investment to help cattle sector in Quebec and eastern Canada

Agriculture and Agri-Food Canada (AAFC) recently announced an investment of up to \$7.7 million in a new biomass boiler plant at the Sanimax rendering facility in Levis, Que. that is intended to benefit cattle producers, abattoirs and meat processors.

"This plant will help meat processors and cattle producers throughout Quebec and eastern Canada become more competitive by offering them more cost-effective and safe disposal facilities," MP Jacques Gourde said in a release.

In addition to being able to incinerate up to 10,350 tonnes of processed SRM annually, the plant generates enough energy to power approximately 40 per cent of its own needs. Tipping fees that are paid to abattoirs for the disposal of SRM have gone down by \$22.50 per tonne, while the cost of picking up deadstock has decreased by 56 per cent

"Thanks to the \$15.5M biomass boiler, we can now turn animal protein waste into energy while reducing our CO2 emissions by close to 22,000 metric tonnes a year," noted Sanimax president and CEO Martin Couture. "As you can imagine, we are very proud of our achievement."

The project was funded under the Slaughter Waste Innovation Program (SWIP), which was part of the government's 2011 Economic Action Plan.

NEW BRUNSWICK

Sunnymel chicken slaughterhouse opens

Groupe Westco and Olymel held an official ribbon cutting ceremony on May 17 for the new Sunnymel chicken slaughterhouse and cutting plant in the Village of Claire, N.B.

The \$50 million facility, a partnership between the two companies, gradually started operations on Nov. 30

last year, and employs close to 200 people. Its products are already available in the Maritimes market, and the company is exploring distribution channels for other provinces as well.

When it reaches full slaughtering capacity, the Sunnymel plant will process 12,000 chickens per hour, or about 450,000 birds per week. The poultry supply comes mainly from New Brunswick, but also Nova Scotia, the companies said.

"This plant represents five years of solid effort and hard work to bring our products from our poultry producers to market," stated Groupe Westco president and CEO Thomas Soucy. "It's a dream we saw on paper for five years that is now real, and provides employment to some 200 people and creates many economic benefits for suppliers and services in the region. Sunnymel is a guarantee that producers like Westco can become part of the value chain for their products and create a bond of trust with consumers. This is a great day for the poultry industry in New Brunswick."

"Olymel's presence in New Brunswick through our partnership in Sunnymel translates our ambition to expand our market shares in Canada," added Olymel CEO Réjean Nadeau. "Our partnership with Westco, one of the most dynamic poultry producers in the country, is a success factor. In the Madawaska region we have found a great home, a committed, dedicated workforce, quality products and an undeniable desire for development. We interpret the presence here today of Premier Alward, the Honourable Bernard Valcourt, the mayor of Clair and all those who accepted our

invitation as a sign of confidence in what we have set out to build, and will keep alive for a long time with the invaluable assistance of our managers and employees."

Over 700 people attended the ribbon cutting event, including Sunnymel managers, employees and their families, as well as several representatives from various levels of government.

The companies noted the Sunnymel plant uses "next generation equipment and manufacturing processes." According to the release, the plant also includes "the most modern facilities in order to meet the highest environmental standards, especially as regards wastewater treatment."

The Sunnymel plant operates under federal jurisdiction and under the supervision of the Canadian Food Inspection Agency (CFIA), and the facility is HACCP (Hazard Analysis and Critical Control Points) certified. Sunnymel has also embarked on the process of obtaining Safety Quality Food (SQF) certification, a food safety standard that is recognized internationally by the Global Food Safety Initiative (GFSI).

Based in Saint-François-de-Madawaska, N.B., Groupe Westco is one of the largest poultry production organizations in Canada.

Olymel is a Canadian leader in the slaughtering, processing and distribution of pork and poultry meats, with facilities in Quebec, Ontario, Alberta, Saskatchewan and New Brunswick. The company markets its products mainly under the Olymel, Lafleur and Flamingo brands.



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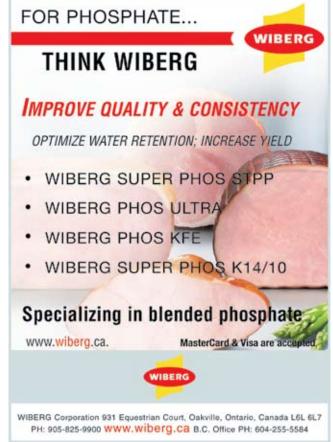
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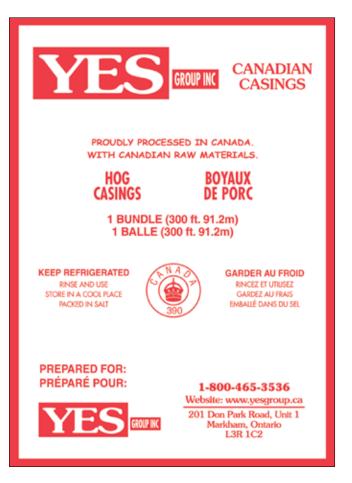
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Changes to LCGE a Big Win for Farmers

Small business gives 2013 federal budget a B.

By Marilyn Braun-Pollon

YOU MAY RECALL my last column highlighted the issue of agribusiness succession. The Canadian Federation of Independent Business (CFIB) research reveals that nearly 70 per cent of farmers with a succession plan will retire in the next 10 years.

That's why increasing the Lifetime Capital Gains Exemption (LCGE) has been one of CFIB's top agri-business lobbying issues. In fact, 94 per cent of CFIB farm members say indexing the LCGE to inflation would have a positive impact for their business. It was good to see the 2013 federal budget introduce \$110 million in tax relief by increasing the LCGE in 2014 and start indexation to inflation in 2015. While this is a big win for farmers, our work is not done. CFIB will continue pushing for the limit to be increased to \$1 million.

Entrepreneurs also received other positive news in the 2013 federal budget with movement on several of CFIB's top recommendations. Overall, this was a good budget for small business and Finance Minister Jim Flaherty did a solid job by remaining on course to eliminate the deficit while announcing some important measures, including:

- renewing and expanding by 50 per cent the Employment Insurance Hiring Credit;
- remaining focused on eliminating the deficit by 2015;
- extending the accelerated capital cost allowance for machinery and equipment for two years;
- making progress on red tape particularly at the Canada Revenue Agency; and
- announcing plans to address unfair sick leave provisions for civil servants and unaffordable crown corporation pensions.

"Our government increased the LCGE threshold from \$500,000 to \$750,000 in 2007, and CFIB has since pushed our government to index the LCGE threshold to inflation so that it maintains its value over time. We have acted on CFIB's request by not only indexing the threshold, but by also increasing the exemption to \$800,000 on capital gains, as of 2014," Flaherty said on May 1.

Given that half of Canadian small firms are concerned with the shortage of qualified labour, CFIB is pleased the budget includes renewed focus on skills training. The CFIB will be lobbying to ensure the new job grant recognizes informal, on-the-job training and those elements of current training programs that are working well.

However, CFIB is concerned recent changes to the Temporary Foreign Worker Program (TFWP) will be even more costly and restrictive and seriously impair the ability of smaller employers to effectively use the program. It's unfortunate the actions of a few have brought about changes that will undoubtedly punish small businesses who have been legitimately utilizing the program for jobs that have been extremely difficult to fill.

CFIB strongly opposes the elimination of the much misunderstood wage flexibility from the prevailing wage; forcing employers who rely on temporary foreign workers to have



a "firm plan" in place to transition to a Canadian workforce over time. In small, rural and remote communities, this could cut employers out of the program altogether. We also oppose temporarily suspending the accelerated Labour Market Opinion (LMO) process for employers with a good track record that want to bring in skilled workers.

We are however pleased the Seasonal Agricultural Worker Program and other primary agricultural occupations will be largely unaffected by the reforms, except being subject to the increase in the government's authority to suspend and revoke work permits and LMOs. But we still have concerns with the

"We have acted on CFIB's request by not only indexing the threshold, but by also increasing the exemption to \$800,000 on capital gains, as of 2014."

Finance Minister Jim Flaherty

National Commodities List for Agricultural workers, which does not cover sectors also facing acute labour shortages.

In its May 7 letter to Ministers Diane Finley and Jason Kenney, CFIB said until Canadian workers and available jobs are better aligned, the TFW program will be a vital lifeline for some entrepreneurs. Bringing in temporary foreign workers should be a last resort, and for small business, it is.

We know this is a political decision, but the practical impact on small businesses, especially those in rural areas, will be massive. CFIB has already had discussions with the federal government on our disappointment with this decision, and will push for changes so that those businesses that legitimately use the program to fill labour shortages are not negatively affected. Here's hoping this knee-jerk decision can be fixed so it doesn't seriously harm Canada's small businesses, our economy and our communities.



Marilyn Braun-Pollon is vice-president, prairie and agribusiness with the Canadian Federation of Independent Business (CFIB), Canada's largest association of smalland medium-sized businesses. She can be reached at mssask@cfib.ca.

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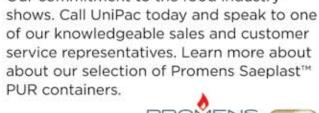
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