CANADIAN

January/February 2014

Meat Business

The Beef, Pork & Poultry Industry Magazine

Confidence in Canada's Food Safety System

The High Cost of Low Food Prices

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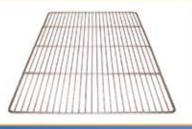
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Canadian agriculture and food sector on verge of long-term exclusion from vital market

THE CONTINUING DELAY in concluding a Canada-South Korea free trade agreement is not only slashing established Canadian agriculture and food sales to that premier export market, it is on the verge of jeopardizing any hope of recuperating those losses for years or even decades into the future.

The serious negative impact of relinquishing this vital market to our competitors is being felt by Canadian farmers, food processors, goods and services providers, workers, and regional economies across this country. Canada's agriculture and food sector not only requires a free trade agreement with South Korea, we need it now.

Characterized by an economy that ranks 15th in the world, a population of 50 million middle income consumers, and a land base of which only 30 per cent is suitable for commercial farming, Korea relies heavily on imports of agriculture and food products. Attracted by an import demand that exceeds \$25 billion annually, access to the South Korean market is coveted highly by all of the globe's major agriculture and food exporting nations.

The extensive opportunities offered by Korea were recognized long ago by Canada's trade negotiators. This country was a trailblazer when it initiated discussions with Korea in 2005. Unfortunately, Canada has regressed from leader to laggard during the intervening eight long years.

While Canada lingered, the EU, the United States, Chile and Australia launched negotiations and concluded agreements. Taking advantage of the preferential market access conditions those countries negotiated, their agriculture and food exporters are today feasting while Canadian farmers, processors, workers and exporters are fasting.

Coincident with the implementation of the Korea-U.S. free trade agreement, Canadian agriculture and food exports to South Korea spiralled downward from \$1.1 billion in 2011 to \$575 million in 2012. The tally for 2013 is expected to tumble another 46 per cent to approximately \$311 million, a loss of \$789 million or 72 per cent during the past two years. For every year this country remains on the sidelines, the greater and more prolonged the Canadian disadvantage will become.

Canadian meat exports to Korea figure prominently among the products for which the future is in immediate peril. For countries without a trade agreement, South Korean import tariffs remain at 40 per cent for chilled and frozen beef, 22.5 per cent for chilled pork, and 25 per cent for frozen pork. For countries with trade agreements, tariffs are being reduced progressively until they reach zero.

After reaching \$233 million for pork and \$96 million for beef in 2011, Canadian exports in 2012 collapsed to \$129 million and \$10 million, respectively. Canadian meat sector exports to Korea are projected to have tumbled by a further 45 per cent in 2013. These losses are real, they are measureable and they are having a negative impact on current and future prospects for Canadian crop and livestock farmers, workers, and economic growth in rural and urban communities across this country.

The Korea-U.S. agreement has an implementation period of five years for frozen pork, 10 years for chilled pork, and 15 years for beef. The fourth reduction in Korean import tariffs on U.S. agriculture and food products is scheduled to occur at the beginning of 2015.

It is now too late for Canada to recover, in the short term, access that is equivalent to that of our competitors. Conversely, and provided our government does the right thing and signs a deal with Korea, it is not too late to limit the degree and the duration of the tariff disadvantages that now challenge and threaten our meat industry.



Adequate Audit

Canadian Meat Council, CFIA remain confident in Canada's food safety system.

By Alan MacKenzie

THE UNITED STATES Department of Agriculture's (USDA) Food Safety and Inspection Service (FSIS) gave Canada's food safety system a low rating in a report released in December 2013.

The audit, conducted from Oct. 22 to Nov. 29, 2012, gave the Canadian Food Inspection Agency (CFIA) an "adequate" rating – the lowest of three allowed ratings (the others being "average" and "well-performing") needed to export products to the United States.

The audit looked at two red meat establishments, four processors producing ready-to-eat (RTE) meat products, and one egg processor. The FSIS also visited five government offices, including the CFIA headquarters, and two private laboratories.

Among the findings were non-compliances in HACCP implementation, sanitation and humane animal handling at the XL Foods facility in High River, Alta. that was at the centre of the largest beef recall in Canada's history at the time the audit was being conducted (the facility is now owned by JBS Canada, a subsidiary of JBS SA, the largest animal protein company in the world).

The issues were resolved and the establishment was relisted by the time the audit was completed.

Despite the unspectacular rating, no facilities were delisted as a result of the audit, the Canadian Meat Council (CMC) noted in a statement released Jan. 7. The CMC also stated its

confidence in the CFIA's inspection system.

"The USDA report shows that 99.95 per cent of meat and poultry products exported to the U.S. met American import requirements," the CMC stated.

"A recent 2013 audit of the Canadian meat inspection system by the Korean Government also relisted (the former XLFoodsfacility) and five other Canadian beef establishments and successfully renewed its systems for approval for pork exports to Korea. Mexico, Russia, Honduras and Costa Rica all audited and approved the Canadian system in 2013," the council added.

Canada and its trading partners routinely conduct audits of this nature, the CFIA said in a statement following the audit.

"These routine audits help maintain confidence in foreign meat inspection systems," the agency noted.

"Opportunities for improvement that were identified have all been addressed to the satisfaction of U.S. authorities. Similar findings were observed during a recent Canadian audit of U.S. meat facilities which will be publicly released in the coming months," the CFIA said.

Still, industry watchers took note of the low rating in the audit, when the findings were reported in the media in January.

Michael Lucas, president and founder of Frequentz, a California-based company that specializes in traceability technology, suggested that the audit demonstrates a critical need for better oversight and procedures within Canada's meat industry.

"The recent audit guarantees that Canadian meat exports will be under greater scrutiny. CFIA should require traceability technology is used by all of its meat processing

"These routine audits help maintain confidence in foreign meat inspection systems."

– Canadian Food Inspection Agency statement

facilities to ensure the highest quality meats are distributed and sold within the region and across the border," he said. "Track and trace solutions would also improve CFIA's oversight by delivering the agency more accurate knowledge of which facilities are not following protocols and more likely to cause contaminations."

Greater traceability is part of the government's new *Safe Food for Canadians Act*, which was passed in November 2012 and comes into force next year. The act was the result of years of extensive consultations, building on recommendations

from the Weatherill Report, which followed 2008 listeriosis outbreak at an Ontario Maple Leaf Foods plant that led to the deaths of 23 Canadians.

The act will improve food oversight by:

- instituting a more consistent inspection regime across all food commodities;
- implementing tougher penalties for activities that put the health and safety of Canadians at risk;
- giving inspectors an enhanced ability to compel food producers to provide information in a timely manner and standardized format;
- giving the CFIA the authority to require traceability systems for food producers and processors by way of regulation;
- providing better control over imports and exports; and
- strengthening food traceability throughout the value chain.

The legislation will also implement tougher fines for activities that put the health and safety of Canadians at risk. Previously, anyone convicted of a serious offence could have been fined up to a maximum of \$250,000. Under the legislation, penalties could be as high as \$5 million or possibly even more, depending on the severity of the case.

The CFIA added that in the last year the Canadian government took several steps toward improved safety for Canada's food safety system, including the introduction of enhanced controls on E. coli; increased the frequency of E. coli testing; and enhanced oversight activities.







U.S. Pork Giants Make Animal Welfare Plans

Smithfield and Tyson start the year with commitments to hog well-being.

SMITHFIELD FOODS and Tyson Foods, the two largest pork producers in the United States, in early January announced initiatives toward animal welfare improvements.

Smithfield Foods on Jan. 7 said it is recommending all of its contract sow growers to convert their facilities to group housing systems for pregnant sows by 2022, with a sliding scale of incentives to accelerate that timetable. Growers who commit to convert to group housing will receive contract extensions upon completion of the conversion, the company noted in a release.

"More and more food companies are looking to suppliers to move toward group housing systems for pregnant sows," Smithfield's executive vice-president Dennis H. Treacy stated. "To date, more than 50 companies – many of them Smithfield customers – have announced that they will source pork in the future from suppliers utilizing group housing."

Treacy noted that although the conversion of contract sow growers' facilities to group housing systems is being encouraged, it is not mandatory. If growers choose not to participate, their current contracts with Smithfield's hog production subsidiary, Murphy-Brown LLC, will remain unchanged, although extensions are less likely.

On Jan. 9 Tyson Foods outlined hog raising practices that will be followed as part of its animal well-being program.

In a letter to its suppliers, Tyson said it will increase the number of third party sow farm audits conducted through its FarmCheck program this year.

The company also urged pork producers who manage Tyson-owned sows to install video monitoring systems by the end of 2014, a move designed to avoid animal mistreatment in facilities.

Producers were also urged in the letter to discontinue the use of manual blunt force as the primary method of euthanizing sick and injured piglets. Tyson said it will require contract farmers to adopt an alternative method consistent with the most current recommendations of the American Veterinary Medical Association by the end of 2014.

The company also noted it supports the development and use of pain mitigation for tail docking and castration for piglets.

"Although this is a topic of debate within our industry, we believe current practices need to improve. Tyson will fund research to further improve practical pain mitigation methods," the company said in the letter.

The company also asked contract farmers to implement improved "quality and quantity of space" standards in the design of any newly built or redesigned gestation barns beginning in 2014.

+

"More and more food companies are looking to suppliers to move toward group housing systems for pregnant sows."

- Dennis H. Treacy, Smithfield Foods

"Whether it involves gestation stalls, pens or some other type of housing, we believe future sow housing should allow sows of all sizes to stand, turn around, lie down and stretch their legs," the company stated in the letter.

In Canada, Olymel and Maple Leaf Foods have also made commitments toward the phase-out of gestation crates. Last April the Retail Council of Canada said all eight of Canada's major supermarkets are working to have gestation stalls phased out over a nine year period.

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The High Cost of Low Food Prices

The market landscape has changed in Canada, making it harder for Canadian retailers to compete.

By Dr. Sylvain Charlebois

THE HIGH COST of low prices for food stretches far beyond retail casualties in the food sector.

Case in point: Leamington Ont., Canada's self-proclaimed tomato capital, received news in November that Heinz will close its plant, laying off more than 700 employees and eliminating many regional farmers' sole client. Ironically, while Canadians will likely have access to cheaper tomato-based products as a result of this closure, many are losing jobs in the agrifood sector. It will be the same for Corn Flakes and Raisin Bran lovers since the London-based Kellogg plant will also be shutting down next year.

There is little doubt that consumers have benefited greatly from the discounts on many food categories like dairy products, pasta, coffee, and spices. The price of rice, yogurt, ice cream, and peanut butter actually dropped last year, a first in more than two decades in some cases. Given the increasing scope and scale of aggressive pricing

strategies in the food business, the situation will likely worsen before it gets better for food retailers, to the delight of Canadian consumers.

In fact, several staple products have now become loss leaders for food vendors, normally a bad sign for industry. Loss leaders are usually inconveniently located in food stores to compel consumers to pass, and buy, items with higher profit margins. In an effort to retain market share, food retailers have no choice but to more frequently promote loss leaders.

And the market landscape has changed. Target, a small player in the food space, entered Canada in early 2013 with an aggressive goal to open 124 stores and increase its food offering in the future. Walmart, a powerful threat to established Canadian food retailers, proactively kept food prices competitively low in the midst of the impending expansion and continued to ensure its viability in the grocery market.

Loblaw, Canada's largest food retailer and private employer, is desperate to reach new urban markets where consumers can cope with higher price points. This is mainly why it bought Shoppers Drug Mart last year - to offset the Walmart menace. On the other hand, Sobeys had a very good year with its purchase of Safeway to tap

Given the increasing scope and scale of aggressive pricing strategies in the food business, the situation will likely worsen before it gets better for food retailers, to the delight of Canadian consumers.

into Canada's very lucrative western market. The robust Western economy makes Ontario and Quebec look like proverbial poor cousins.

Metro, which allegedly lost to Sobeys in the battle to acquire Safeway, is the one which may have the most to lose next year. Sales are dropping and it has already announced the conversion and closure of some Ontariobased stores. More market retraction is expected if it fails to scale up.

Coupling the highly competitive nature of the food retailing landscape in Canada with a low-inflationary global economy would certainly appear to be welcome news for consumers, especially those affected when food prices skyrocketed from 2009 to 2011.

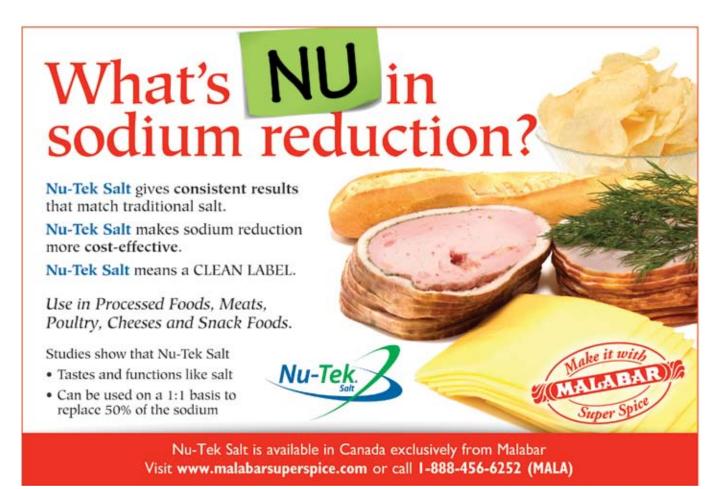
At that time, the high cost of food created havoc in developing countries and hurt consumers struggling to get by financially. To stretch their dollars, consumers were forced to invest in highly nutritious food instead of just buying fuel to survive. Food was not as trivialized as before, and that was a good thing.

But now, the situation has completely changed as the food industry struggles to achieve growth. Analysts expect food prices to increase by no more than 0.5 per cent next year. And looking at the macroeconomic fundamentals, it can be argued that these predictions will be accurate by year's end next year.

To reflect the true cost of distribution, food inflation's sweet spot would be anywhere between 1.5 per cent to 2.5 per cent right now. Such a threshold would flush the industry with more resources to innovate while building a case for consumers that food is not inconsequential.

As we embark upon another year of low food price inflation, let's hope consumers don't forget how important food is to all of us. M

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



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The Marketing Plan

An essential tool for the meat department.

By Ronnie P. Cons

IN THE LAST issue of Canadian Meat Business, we discussed the importance of having the meat department carry out a market research study in order to guide the department manager in his duties. We discussed how the market research study can involve a simple survey of the clients asking them questions on the four main marketing elements called the "4Ps": Price, Product, Promotion and Place. In short asking the right questions about these four elements will allow the manager to correctly determine the right products to sell; the right price to sell them at; the right promotional program to use; and the right distribution methods - or place - to sell the products.

In this article we will describe the basics of developing a marketing plan in relation to these four main marketing elements, going into more detail than we did before. But why, one may ask, should we bother to write up a marketing plan? The reason is that

a marketing plan is the blueprint or plan of action that is consistent with the market research and thus causes the manager to be responsible in his decision making and makes sure that his decisions are based upon market reality and not just "gut" feelings.

Pricina

For instance, the market research questions posed to the clients concerning pricing such as; "Do you feel the prices are too high?"; "Do you buy meat products elsewhere because you find them cheaper there?" etc, will give the manager the ability to pinpoint the right prices for all his products.

Getting more detailed, the manager must also determine: holiday pricing; bulk purchase discounts; repeat customer promotions, short term promotional pricing; loss leader pricing on certain goods; the idea of high markups on certain high end goods just to promote a high quality image of the department (not really for actual profit); liquidation pricing to move older stock. Managers of new meat departments may decide to offer "just opened" advertised specials in flyers just to get the customers in for the first time.

To note, in general, a price discount or special is only as good as its advertising. The word needs to get out.

Promotion

As mentioned, the manager must make sure that his price promotions are advertised effectively. In short the manager must make sure that the cost of the advertising program is less that the additional profits that it brings in. Some managers overspend.



The manager must make sure that the cost of the advertising program is less that the additional profits that it brings in.

To determine if the advertising dollar is bringing in profits, the manager should make sure that he has a tool to measure whether the client purchase was motivated by the ad. A simple way is cut-out coupons that the client hands in for a discount. A simple count of coupons and the net profit it brought in can be estimated and compared to the advertising expense.

Promotional elements that must be considered are: which newspapers, flyers, radio, etc. are used by your clients to get information on meat products. The manager wants to make sure advertises in the media actually read by his target market. He or she must decide; an advertising budget; the right message to convey (e.g. special this week); frequency of the ad (e.g. once a week in local neighbourhood flyer for next three months), size of ad, etc.

In general it is advised that the use of an advertising consultant be used as there are many factors to consider.

Products

As mentioned, the product marketing research questions to the clients include: "What do think of the quality of our products?"; and "Are there any products you buy elsewhere because we don't carry them or because they are of higher quality in another store?" These and other questions will guide the manager in determining the mix of products he

In general, the manager has limited shelf space and thus wants to maximize the net profits of the whole department which usually means maximizing the net profit per unit of shelf space. Going further, the manager must determine how he want to position his store. He may find that he is in a low income area that buys mostly according to price, so specials are important. Thus he may position his store as a low price, mid quality meat retailer. A high income area would more likely go for higher quality more expensive cuts and special labels, so he might position his department as a high quality higher priced meat retailer. Thus each manager must understand the client breakdown.

In addition the manager must always stay up to date on the latest products and labels so he can be an early bird and not lag to competitors as that can cause loss of clients. The manager should also be keeping a close eye on the products sold by the competitor and should be reading their flyers to keep up to date on their offering and specials.

A department catering to wealthier clients may have a segment of customer that will be willing to pay for home delivery. They will appreciate a meat consultant to talk to over the phone for ideas and information.

Ready-made, catered and delivered will also be more appealing to this segment. A younger market may be keen on the idea of ordering online and delivered to their office. On the other hand an older or more conservative base of customers prefers in store purchasing and is not keen on online purchases of groceries. In addition, the lower income clients will usually not be willing to pay for delivery.

The manager must be sensitive to these social and economic realities of his market if he is to make the right marketing decisions.

In summary, a well laid out marketing plan that is consistent with the market research realities will lead to optimal decision making and maximum profits. 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.







2014 Global Outlook

Rabobank expects favourable year for poultry, continued tight supply for beef.

THE GLOBAL POULTRY sector has a favourable outlook for 2014, according to a report from financial services group Rabobank. The group said the view is generally bullish due to sharply lower feed costs and tight global supplies of pork and beef.

Raboank said poultry producers in the Americas enjoyed a strong third quarter of favorable margins in 2013 as tight supplies of competing proteins kept prices high and lower corn and soy meal prices drove more favorable feed costs. Bucking a five year trend, producers in the Western Hemisphere outperformed their counterparts in the Eastern Hemisphere on profit margin for Q3 and for most of 2013.

"Global poultry fundamentals for 2014 look positive, with cost relief coming from lower feed costs, high prices of competing proteins and recently improved export volumes, but supply growth discipline will be the key element between profitable and not-profitable industries under these bullish market fundamentals," Rabobank analyst Nan-Dirk Mulder stated in a release.

Rabobank noted that animal disease and food safety will continue to be major issues in 2014, as the industry in China has not yet recovered from the outbreak of H7N9 this spring, which has put consumption growth under pressure. Also, in Mexico there is a lingering risk that the bird flu will reappear this winter as temperatures fall.

The group said it expects the global beef supply to remain tight in 2014, driven by lower feed costs, induced herd rebuilding in the U.S. and a strong export demand from Brazil and Argentina, which will continue to support strong prices. Rabobank forecasted continued high prices in 2014, while global beef supply is expected to rise only slightly.

The group reported the market has been unable to reach its full potential due to consumers' resistance against high prices in the United States and the European Union, two of the main beef markets. In addition, exchange rate movements have impacted the competitive position of exporters, resulting in Brazilian and Argentine beef becoming increasingly attractive and leading to a surge in exports.

A number of recently announced trade deals will also come to bear in the beef market over the coming months



"Global poultry fundamentals for 2014 look positive, with cost relief coming from lower feed costs, high prices of competing proteins and recently improved export volumes..."

Nan-Dirk Mulder, Rabobank analyst

and years, including commitments to reopen closed or impeded markets for beef imports and the Trans-Pacific Partnership, which set goals to improve trade between five beef-exporting countries, including Canada.

In 2013 record prices were reached in both Canada and the U.S., the report said.

Rabobank predicted in the report that the Canadian cattle market will remain strong in 2014, with additional record prices expected.

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The Thermo Scientific Xpert C600 X-ray system

features a 50 per cent larger aperture and wider X-ray beam than that found on the previously-launched Thermo Scientific C400. The 22-inch wide by 10-inch tall aperture enables larger food products that do not fit through standard X-ray machines to be examined for contaminants or inspected for missing or damaged pieces. Examples include larger diameter pizzas (individual or stacked in multipacks), bagged or cartoned items, bulk packages and/or those already placed in corrugated cases.

The system can analyze an X-ray image to estimate weight and fill or determine whether a packaged item has missing objects. Its highly-sensitive detectors are available in 0.8mm resolution, and its suite of algorithms is designed to find small contaminants in complex images with few, if any, false rejects. The Xpert C600 also features a high power 160W X-ray source for better penetration of large objects.

The unit's flexible software design also allows up to eight lanes to be simultaneously fed through the aperture to maximize throughput and reduce cost of inspection.

The Thermo Scientific Xpert C600 is designed to run around the clock in harsh environments with less maintenance and fewer repairs than other systems. It operates over a wide 5° to 40° C temperature range and is available in both IP54 and IP65 dust and washdown ratings. Because of its modular design and built-in remote support capability, technicians can troubleshoot and service the system quickly, minimizing expensive downtime.

thermoscientific.com/productinspection

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

GFTC to host Meat Microbiology course

The Guelph Food Technology Centre (GFTC) will host a one-day course in meat microbiology on Sept. 29.

Meat and meat products, due to their high water and protein content, are a good medium for microbial growth. This renders them susceptible to spoilage and can make them a source of pathogenic microorganisms. Preservation methods alter the microflora of the meat and increase the shelf life of meat products. A good understanding of meat microbiology and methods of effective control of the microflora are key to producing safe meat and meat products for consumption.

At the end of the program, participants will be

- identify the various microorganisms in meat;
- identify factors affecting the presence and growth of these microorganisms in meat and meat products;
- distinguish between raw and processed meat microbiology;
- · list methods of microbial control in meat and meat products;
- validate the role of sanitation in management of harmful meat microflora;
- sanitation understand and product micro test results.

For more information, visit www.gftc.ca.

Shanghai food expo to feature emerging Canadian Pavilion

The Shanghai International Hospitality Equipment & Supply Expo will hold its annual Expo Finefood this spring, and is inviting participants to join its emerging Canadian Pavilion. The event showcases three theme exhibition sectors including food and beverage, coffee and tea and wine and spirits.

Taking place March 31 to April 3 at the Shanghai's new International Expo Centre, is one of the largest exhibitions in the hospitality industry in China. The event has been taking place for 22 years and has continuously grown by 100 per cent in exhibiting space for the last two years, organizers noted.

Last year 70,557 professional buyers visited the threeday trade show, including 3,906 overseas buyers from 123 countries. For more information, visit www.ccmec.ca or www.aoyee.ca.

Top chefs will dazzle at CRFA Show



Celebrities, a certified master chef, and a molecular cuisine guru are just some of the chefs that will show their sizzle on the demo stages at the CRFA Show in Toronto.

The CRFA Show is the annual trade show destination for the hospitality industry – presented by the Canadian Restaurant and Foodservices Association. It takes place March 2 to 4, at the Direct Energy Centre.

Below is the list of chefs who will share their culinary secrets on the demo stages:

Appearing all three days:

- Graham Tinsley, MBE, who baked one of the official cakes for the royal wedding of William and Catherine, the Duke and Duchess of Cambridge;
- Judson Simpson CMC, Canada's only certified master chef.

Appearing Sunday, March 2:

- John Placko of the Modern Culinary Academy;
- Food Network chef Anna Olson.

Appearing Monday, March 3:

- Food Network chef Anna Olson;
- Brad Long of Café Belong shares his commitment to local food.

Appearing Tuesday, March 4:

- Christina Tosi of Momofuku Milk Bar;
- Roger Mooking, Food Network celebrity chef, Chopped Canada judge, executive chef of "Twist by Roger Mooking" at Pearson Airport in Toronto.

Now in its 68th year, the CRFA Show features over 1,200 exhibit booths and ongoing chef demos, seminars and events. For more information, visit www.crfashow.ca.

Upcoming Events

March 2014

2 - 4**CRFA Show** Direct Energy Centre Toronto, Ont. crfa.ca

19 - 22NAMA Meat Industry Management Conference The Westin Mission Hills Golf Resort & Spa Palm Springs, California meatassociation.com

April 2014

13 - 14**APFX Exhibition Park** Halifax, N.S. apextradeshow.ca

May 2014

7 - 9Canadian Meat Council's 94th Annual Conference Westin Harbour Castle Toronto, Ont. cmc-cvc.com

12 - 13

Alberta Foodservice Expo **BMO** Centre Calgary, Alta. albertafoodserviceexpo.ca

September 2014

29 Meat Microbiology Course Guelph Food Technology Centre Guelph, Ont. gftc.ca



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.







Protecting Ears and Your Business

Ear protection offered by the employers has to be fit for purpose.

By Sean Smith

THE USE OF ear plugs in a noisy workplace is necessary in order to provide the workers with the means of protecting their hearing. Developed countries around the world have established legal requirements in various forms of occupational safety and health regulation. Fundamentally the requirements are similar. For example, in UK legislation it is a legal requirement for employers to supply their staff with ear protection if they are exposed to noise of 85 dB (decibels) or greater. In Canada, the U.S. and many other countries, this is the accepted noise level at which ear protection for workers becomes a requirement.

It has been estimated in the U.S. that the annual costs due to lost productivity, special education and medical care as a result of untreated hearing loss which sets the amount at \$56 billion per year. Applying the same factors to 15 EU countries would show an estimated cost of EUR 92 billion per year. The annual direct costs for workers' compensation for hearing loss in Germany for example have been calculated at 190 million euros.

The good intentions of these regulations can be undermined by a number of factors. Firstly the ear protection offered by the employers has to be fit for purpose.

To achieve the noise reduction objective, the ear protection needs to bring the level of perceived sound down to below the 85dB level. You should check the recognized rating of the plugs before you buy. There are two rating systems in use. The NRR or noise reduction rating is used in North America and the SNR is the system used within the European Union to indicate the amount of protection offered by a correctly fitted hearing protection device.

The next challenge is to ensure that the staff is using the protection continuously when exposed to the excess noise level. They will not do that if they find the plugs are uncomfortable to wear. Discomfort can be caused by badly fitting plugs which means that one-size-fits-all may not be a good idea. Companies like Detectamet therefore offer a number of alternative designs, but their most popular flanged designs are available in two of three flanged versions that can be chosen to fit smaller or larger ear canal sizes.

Once the size issue is resolved, another disincentive to wearing the plugs can be the discomfort from painful ear infections. A well designed ear plug will not in itself cause problems for the user, but the estimates for the U.S. indicate that there are as many as seven million incidents of ear infections per year in the country.

Detectamet's medical grade silicone material is smooth and hypoallergenic and doesn't irritate the ear, yet there is always the risk that plugs used by a worker with an ear infection will be picked up accidentally and used by another worker transferring the infection from person to person. In the same way a person with an infection in one ear may re-use the contaminated plug into the opposite ear making their absence from work or reduced efficiency twice as likely.

As a result a number of businesses follow a single use policy and dispose of the plugs once they have been used. This can get expensive. So Detectamet has developed an optional solution that means the staff can re-use the plugs and avoid cross contamination.

The left-to-right cross infection can be controlled by using one red plug (left) and one blue plug (right) on a cord that is supplied in a unique storage box which can help to reduce person to person cross infection. The Sonar plugs can be cleaned and sanitized at the end of the shift using a mild antibacterial soap and the holes in the box allow the plugs to be dried by air passing through. The box can be sequentially numbered and when issued to individuals can be recorded.

In situation where there is the risk of the cord being caught in equipment the plugs can be used without the cord, or can used on an expandable headband that fits under the chin or behind the head.



To achieve the noise reduction objective, the ear protection needs to bring the level of perceived sound down to below the 85dB level.

Re-usable or disposable once the choice is made it is important that the workers know how to use these protective tools, and training them to fit the plugs correctly is fundamental, and each box of the Sonar plugs has an instruction sheet. The box and the plugs also satisfy the requirements of both the EU and U.S. for plastics on contact with food.

With the workers hearing protected it is also important to protect a food company's products from contamination. For this reason Detectamet has not only resolved the hearing protection needs but it has also added detectability. Should an earplug or part of an ear plug or the connective cord become lost in the workplace and get into the food process it will be identified by a metal detector or an X-ray detection system as the products pass through. M

Sean Smith is the CEO of Detectamet Limited, based in the United Kingdom. His career in the plastics industry and the food engineering industry spans more than 30 years. He can be reached at s.smith@ detectamet.com.

Banff Pork Seminar Honours Manitoba Innovator

New tool makes processing of piglets a safer task.

THE DEVELOPER OF a tool that improves handling for baby pigs at processing and improves the health and wellbeing of farm workers has been awarded the 2014 F.X. Aherne Prize for Innovative Pork Production by the Banff Pork Seminar.

Helmut Janz, a barn manager for Maple Leaf Foods in Zhoda, Man. (located about 90 km southeast of Winnipeg), received the award for his invention called the "piglet processing arm."

"Innovation is the lifeblood of any industry and the F.X. Aherne Prize for Innovative Pork Production is an opportunity to recognize those individuals who have developed either original solutions to pork production challenges or creative uses of known technology," said Dr. Michael Dyck of the University of Alberta, chair of the F.X. Aherne prize committee.

The award is named after the late Dr. Frank Aherne, a professor of swine nutrition and production at the University of Alberta in Edmonton and a major force for science-based progress in the western Canadian pork industry.

As a hog barn manager, Janz recognized the need for a better way to process baby piglets when he saw employees suffer repetitive stress injuries as a result of performing piglet processing tasks.

The piglet processing arm gently and safely holds the animal and allows it to be pivoted and rotated during the handling process. This makes the processing of piglets a safer task by eliminating the potential for repetitive stress and strain injuries on the employees.

The beauty of the design lies in its simplicity. It is constructed out of six simple, standardized, easy-to-source, low cost parts.

A universal joint similar to what is used on power take off shafts on tractors serves as the basis for the device. A holding plate for the piglets is attached to that and mounted on the processing cart. Various trial designs lead to improvements in the final product. Foam inserts were added to cradle the piglet and a Velcro strap was added to easily hold the piglet in place.

The processing arm is designed to attach to a processing cart. It can be adjusted for height of employee and can be used easily by both right and left handed people.

With this new tool, processing tasks such as injections, tattooing, castrating, tail docking and oral drenching can now all be done with the piglet in the cradle by simply swiveling the arm to the correct position. Since the piglet can be processed without being held and



squeezed by staff, there is less stress on the animal and far less repetitive stress on the staff.

The arm is now used by 40 people in 20 barns across the Maple Leaf system. This means the processing arm will be used on approximately 1.5 million piglets annually.

As well, Maple Leaf is now manufacturing new custom designed carts for their barns with two arms. Use of the carts will be a mandatory part of operating procedures because they are seen as an important opportunity to improve injury prevention.

+

The piglet processing arm gently and safely holds the animal and allows it to be pivoted and rotated during the handling process.

Held since 1972 the Banff Pork Seminar is coordinated by the Department of Agricultural, Food and Nutritional Science, University of Alberta, in cooperation with Alberta Pork, Alberta Agriculture and Rural Development and other pork industry representatives from across Canada. For more information on the seminar, visit www.banffpork.ca.

- Banff Pork Seminar



ALBERTA

Alberta resident's fatal case of H5N1 first in North America

The Public Health Agency of Canada (PHAC) on Jan. 7 confirmed that an Alberta resident died of H5N1, also known as avian flu. This is the first human case of H5N1 in North America.

"H5N1 is an avian form of influenza which has been found to circulate among birds, mainly poultry. It has been found in birds in Asia, Europe, Africa and the Middle East," Dr. Gregory Taylor, deputy chief public health officer for Canada, explained in a technical briefing.

"There has only been less than 650 human cases of H5N1 in 15 countries over the last decade, primarily in people who were exposed to infected birds," he added.

Taylor stressed that the risk of transmission is very low.

The individual died shortly after returning from China on Dec. 27. PHAC did not release the name or gender of the victim, but family members did confirm through Alberta Health Services that she was a 20-something nurse who grew up in China and studied nursing at Red Deer College in Alberta. They withheld her name to maintain confidentiality.

Province signs deal to unlock agricultural opportunities in India

Alberta Premier Alison Redford signed a memorandum of understanding (MOU) in January with the State of Meghalaya, India that will provide new opportunities for Alberta agricultural producers.

The MOU supports an immediate increase in the sale of livestock genetics from Alberta to Meghalaya and facilitates further trade and cooperation on food processing and safety and on products such as canola, pulses and agriculture machinery.

"This region of India has a population of more than 40 million – that's more than Canada's population -and it holds huge opportunities for Alberta agriculture producers. In particular, this means Alberta's innovative and efficient pork producers will have new and exciting opportunities in India," Redford stated in a release

This MOU will allow a smooth flow of Alberta agrifood products to India, including, but not limited to, swine genetics. It will also and create an agricultural working group which will meet on a regular basis to discuss further trade and cooperation on products such as canola, pulses, and agriculture machinery.

India represents a market of more than one billion people and is one of the world's fastest growing economies. With a growing middle class, and an increasing demand for healthy foods and alternative sources of animal proteins, India is a high priority market for Alberta's agriculture sector. India is already Canada's largest market for pulses (dry beans, chickpeas and lentils) as well as the world's largest consumer and importer of pulses.

Calgary company's feed supplement approved

Calgary-based Canadian Bio-Systems Inc. (CBS) announced recently that it received final registration approval for feed supplement BioZinc 20X, for use with poultry, swine, cattle, sheep and equine.

The product, designed to enhance feed performance through the unique slow release of zinc oxide, is manufactured by Agranco Corp. U.S.A. and CBS has secured exclusive distribution rights for Canada.

"This product is a proven performer in the U.S. that represents a new way to improve profitability for livestock operations," CBS sales and marketing manager Mark Peters said in a release.

Zinc oxide supplementation is a long-standing critical factor for optimal animal nutrition and performance, however maximizing absorption is a key challenge, added CBS technical services manager Rob Patterson.

"BioZinc 20X offers a unique solution for livestock operations to get the best value and animal performance, while protecting against the risk of high zinc levels that can be detrimental to gut health and the environment," stated Patterson. "It features patented technology including a micro-encapsulated design with concentrated ingredient that gets the zinc oxide to the target zone effectively and results in an even, slow release through the gastrointestinal tract. This also allows for a low inclusion level that provides a lot of flexibility in the feed formulation."

The product is designed with an edible lipid-based matrix coating that masks the taste of zinc oxide and diminishes the possible interactivity of ingredients.

MANITOBA

New program to support agriculture and food sectors

The Province of Manitoba and the federal government recently announced \$2.4 million in annual funding for five years to help farmers and food processors build water infrastructure and prepare for situations where water storage will directly impact their businesses.

"Water is a vital resource for the agricultural industry," Federal Agriculture Minister Gerry Ritz stated in a release. "These initiatives will help farmers and rural processors develop efficient water management strategies to support the environment and generate opportunities for economic growth."

Funding for the program is part of the five-year federal-provincial-territorial policy framework Growing Forward 2. In Manitoba, the federal and provincial governments are investing \$176 million over five years in the Growing Forward 2 program.

The Growing Adaptation Program will fund strategic water infrastructure projects, as well as studies on water management.

For more information on the program, visit www.manitoba.ca/agriculture.

Sales rise for local food program

According to the Manitoba government, a program promoting local foods at grocery stores in the province led to an additional \$1.5 million in product sales for participating companies in the year ended April 30, 2013, a 2.4 per cent increase over the previous year.

Preliminary data shows eight companies participating in the "Buy Manitoba" program have added 38 new jobs over the past year.

"Manitobans want to buy food products that are grown or

produced right here in our province," Agriculture, Food and Rural Development Minister Ron Kostyshyn said in a release. "The local food industry thrives on entrepreneurs who aren't afraid to compete with the world market. We are pleased to see local producers creating new food products, good jobs and new economic opportunities."

There are now 81 Manitoba food producers and processors registered as participants in the program and participating companies have achieved a 5.4 per cent increase in the number of new products for a total of over 60 new Manitoba products listed in grocery and foodservice outlets in the province.

Buy Manitoba is a public awareness campaign jointly funded by the Government of Manitoba and industry contributions. Launched in April 2012, it focuses on both processed and fresh food products. Safeway, the program's official retail launch partner, has placed Buy Manitoba signs and shelf markers throughout its 33 Manitoba stores. The program is expanding its retail presence to smaller independent retailers.

For more information, visit www.buymanitobafoods.ca.

Granny's Poultry partners with college

Winnipeg-based Granny's Poultry Farmers Cooperative is partnering with Red River College's (RRC) Hospitality and Culinary Arts program to develop products in a commercial kitchen to be taken to market.

Chefs and students are developing recipes and testing Granny's new chicken that is fed flax, alfalfa and ginseng, labelled as Granny's Finest. They are assisting in getting the product ready for market through applied research in a stateof-the-art kitchen at RRC's Paterson GlobalFoods Institute in downtown Winnipeg. Throughout development, the products will be featured in an urban upscale restaurant located in the culinary school and other college kitchens.

"Having the ability to test, develop and then consume Granny's product in our local market is advantageous to many stakeholders," Granny's CEO Craig Evans said in a release. "We are proud to collaborate with farmers, students, education, government and distributors to provide a product that is truly the finest for consumers."

Granny's newest products, prepared at the college, will be cooked and tested to ensure moisture retention, texture, and, most importantly, flavours remain consistent.

The Natural Sciences and Engineering Research Council of Canada is supporting this research with a \$25,000 grant through its College and Community Innovation Program. Through a 2012 investment from Western Diversification, the federal government supported the addition of research infrastructure for the Paterson GlobalFoods Institute with a \$2 million investment.

ONTARIO

Toronto company to distribute Sealpac in Canada

Sealpac, a leading supplier of modern tray sealing technology to the worldwide food industry, has added Heat Sealing Packaging (HSP) as a new distributor to its global network for Canada.

Based in the Toronto area, HSP is a supplier of packaging materials and equipment and has been servicing the

Canadian food processor industry for over 30 years. HSP services the processor industry specifically in the meat & poultry, produce, dairy, bakery and confectionary markets.

"We are delighted to be working with HSP, who are ideally placed to service a large and growing market in which they are already well established. HSP CEO Frank Lippa and Dan Margorian, vice-president, have been working in the industry for over three decades and have built up a very professional company that is well respected throughout the food industry. We look forward to partnering with them," Carsten Fouquet, general manager of Sealpac USA LLC, stated in a release.

Piller's offers Spanish deli meat Campofrio in Canada

Waterloo, Ont.-based Piller's Fine Foods will be the Canadian distributor of Campofrio hand-crafted, cured meats, a top selling deli meat brand from Spain.

"Spanish foods are carefully crafted to bring people together. And nothing satisfies guests like the rich tastes of Spanish specialty meats from Campofrio. Since 1952, the people of España have celebrated friends, family and guests with delicious meats from Campofrio, making it the #1 brand of traditional cured meats in Spain," a release from Piller's stated.

The Campofrio line features dry cured hams, and other Spanish charcuterie including Chorizo Clásico and Chorizo Sarta. The products are now available at Loblaw, Zehrs, and Real Canadian Superstore banners.





McDonald's Sets Sustainability Goal for 2016

Company's challenge in meeting target is finding a global definition for "sustainable beef."

By Alan MacKenzie

IN EARLY JANUARY McDonald's said it aims to begin purchasing "verified sustainable beef" for its burgers in 2016. The company said on its website that it wants to "improve environmental practices in the way beef is produced, support positive workplaces in the beef industry, and drive continuous improvement in animal health and welfare."

McDonald's said its three-part plan is to support development of global principles and criteria this year develop targets for purchasing verified sustainable beef and begin purchasing verified sustainable beef during 2016.

Its approach, according to the website, is to:

- create principles and criteria for sustainable beef production;
- identify and test sustainable beef production practices;
- lead with transparency and engagement; and
- work closely with our suppliers and other partners for change in the industry.

The company's greatest challenge, however, is the fact at this time there is no universal definition of "sustainable beef." Jon Rump, a global communications representative for McDonald's, said the company is working with other stakeholders to change that.

"We want to do our part to improve environmental practices in the way beef is produced, support positive workplaces in the beef industry, and drive continuous improvement in animal health and welfare," Rump said in an email.

"The global beef industry is very complex, with multiple stakeholders and diverse production systems. McDonald's approach is to work together with suppliers and industry stakeholders to determine the practices, guidelines and principles that can best unify the industry," he added. "We're in this for the long haul and are seeking a truly global, unified definition of sustainable beef that will ultimately lead to measurable impact."

One key initiative that McDonald's has been involved in attaining this is the Global Roundtable for Sustainable Beef (GRSB), a multi-stakeholder group which recently drafted guiding principles and best practices for sustainable beef. In 2011, McDonald's was one of the founding members of the group, which is comprised of NGOs, ranchers, retailers, and agriculture and environmental groups. Other founding members include the World Wildlife Fund (WWF), Cargill, and JBS. The Canadian Cattlemen's Association joined the GRSB in 2012.



"We're in this for the long haul and are seeking a truly global, unified definition of sustainable beef that will ultimately lead to measurable impact."

- Jon Rump, McDonald's

Rump said traceability will likely be a key part of the standards outlined by the GRSB, which may determine where the company purchases its beef by 2016.

"Some areas of the world are more advanced when it comes to traceability capabilities and it is likely that our first purchases will come from one of those areas," Rump said. $\boxed{\mathbb{M}}$

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NAMA will also include a section on seafood using the *Commercial Guide to Fish and Shellfish*. Students will learn the basics of seafood selection to make this class an all-encompassing Center of the Plate Training experience.

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New chief veterinary officer appointed

The Government of Canada recently announced the appointment of Dr. Harpreet S. Kochhar as Canada's new chief veterinary officer.

Dr. Kochhar has a Master's degree in veterinary science and a PhD in biotechnology. He is an expert on animal biotechnology for the World Organisation for Animal Health (OIE) and has worked internationally with such organizations as the U.N. Food and Agriculture Organization (FAO).

He joined the CFIA in 2002 as a senior animal biotechnology policy specialist. Since then he worked in a number of roles in the CFIA's Science Branch and Operations Branch. Prior to joining the CFIA, Dr. Kochhar worked as a veterinarian in private practice and an assistant professor with research interests in animal biotechnology at the University of Guelph's Veterinary College.

Dr. Ian Alexander, who held the position prior to Dr. Kochhar's appointment, has been named executive director of animal health science for the Canadian Food Inspection Agency (CFIA).

Government invests \$2.65M in reaching export markets

Agriculture and Agri-Food Canada in early January announced an investment of up to \$2.65 million to the Canadian Food Exporters Association (CFEA) to help food and beverage processors increase their competitiveness in key global markets.

The CFEA will lead missions with its members to major international trade shows in Asia, Europe, and the Middle East, as well as smaller ones in Latin America and Africa.

The CFEA is a voluntary, non-profit industry association that aims to increase exports and raise the international profile of Canadian food, beverage, and ingredient products. Exports of processed food and beverage products were worth \$24.6 billion in 2012 – an increase of 5.6 per cent from 2011 – and reached 185 countries.

"The Canadian Food Exporters Association is very appreciative of the funding we receive from the AgriMarketing Program. We leverage this support to provide export programs for Canadian small to mid-sized food, beverage, and ingredient manufacturers to make them more competitive internationally. The shared financial assistance has allowed for an acceleration of our efforts, and we remain dedicated to opening new markets for our members," CFEA president Susan Powell stated in a release.

U.S. packing plants may close soon due to COOL: CCA

The Canadian Cattlemen's Association (CCA) believes that if the U.S. mandatory country-of-origin labelling (COOL) issue is not resolved immediately at least two major U.S. packing plants will close early this year as a result.

In a January newsletter, the CCA said, "a growing number of key U.S. influencers and decision makers are realizing that if (COOL) is not fixed in the Farm Bill, more U.S. packing plants will close and so will the U.S. feedlots that depend on them.

"The CCA and its U.S. allies are working to ensure that this message gets factored into the Farm Bill negotiations and

that the (COOL) legislation is resolved to our satisfaction in January," the association added.

The current COOL rule has been in effect since November, based on amendments made in May 2013. The CCA and several other Canadian and U.S. groups said the rule falls short of compliance with the U.S.'s The World Trade Organization (WTO) obligations.

The WTO will hear Canada and Mexico's oral arguments about U.S. COOL non-compliance in February. Both countries have said that if the U.S. fails to comply they may impose retaliatory tariffs.

"We ask U.S. decision makers to envision a scenario where Canada and Mexico impose those tariffs, perhaps as early as January 2015, and to further envision what that would mean for U.S. calf and feeder cattle prices starting around the first and second quarter of 2014," the CCA stated.

U.S. CattleFax estimates that U.S. beef exports to Canada and Mexico are worth over 10 cents a pound on U.S. fat cattle prices, the CCA noted.

Government invests \$15M in pork export industry

Agriculture Minister Gerry Ritz on Jan. 23 announced an investment of \$15 million to Canada Pork International (CPI) to increase the Canadian pork sector's access to both existing and emerging international markets.

The investment will be used over a five-year period on a cost-shared basis and will support CPI's domestic and international Canadian pork marketing strategy. It is designed help Canadian producers to better compete in existing markets, such as Japan, as well as new markets, including the European Union and South America. These markets will be targeted through the development of printed and in-store promotional products.

CPI will also undertake international missions and conduct market research to increase Canada's brand presence and improve industry-to-industry trade relationships.

"The Canadian pork sector provides high-quality pork at competitive pricing and is well positioned to compete in both established and emerging markets," Ritz stated. "This new investment will continue to provide Canadian pork producers with the tools they need to grow demand for their product, increase their profitability, and strengthen an industry that supports so many Canadian farms and families."

In 2012, Canada exported 1.2 million tonnes of pork products, worth \$3.2 billion to more than 100 countries. For the first ten months in 2013, they amounted to 980,000 tonnes, worth \$2.6 billion.

Under the Canada-EU trade agreement, the Canadian pork sector has market access of up to 80,000 tonnes of pork that industry experts estimate could result in \$400 million in new annual sales.

"This contribution will be of great assistance as it now enables our association and its members to develop and implement a five-year strategy, primarily aimed at differentiating our products from our competitors," CPI chair Edouard Asnong noted. "The Canadian pork industry is still very dependent on export market sales as more than 60 per cent of its production is exported outside of Canada, but we need to be fully recognized as a reliable supplier of high quality pork products if our industry is to fully benefit in the future."

Canada Pork International is the export market development

agency of the Canadian pork industry. Established in 1992, it is a joint initiative of the Canadian Meat Council and of the Canadian Pork Council.

Taiwan opens market to increased Canadian beef access

Taiwan will open its market to Canadian bone-in beef and other specified beef products, Taiwanese officials announced in January.

"This new liberalization will benefit an important part of the Canadian economy, namely agricultural exports, while also benefitting the Taiwanese consumer through greater choice," a statement from the Canadian Trade Office in Taipei (CTOT) said.

"Canadian beef, as has been recognized globally, is both of very high quality and safe. The Canadian food safety regime is among the world's best, and guarantees that Canadian agricultural products are a healthy and safe choice for the Taiwanese consumer," stated CTOT executive director Kathleen Mackay.

Following Canada's 2003 BSE crisis, Taiwan imposed a ban on Canadian beef. The country reopened its market to boneless beef from Canada in 2007.

Restaurant program to provide nutritional breakdown

According to recent research conducted for the Canadian Restaurant and Foodservices Association (CRFA), 92 per cent of Canadians feel it is important to know the nutrition breakdown of the foods they eat in restaurants.

Total fat, sodium and trans fat are the three most important types of nutrition information Canadians are seeking from restaurants, followed by calories and sugars.

The research indicated that if restaurants were to only provide calorie information, nine out of 10 Canadians feel they will be missing information that might be important to them. In addition, two-thirds believe that due to the complexity of menu items available, menu boards can only give a general indication of nutrition information, not the complete picture.

The survey results come ahead of the national launch this year of the Informed Dining program, an initiative unveiled in British Columbia in 2012. This is why 17 restaurant companies, representing more than 12,000 restaurants, including leading brands in Canada such as A&W, Dairy Queen, Harvey's, McDonald's, Milestones, Montana's, Pizza Pizza, Quiznos, Swiss Chalet and Tim Hortons have committed to implement the program by the end of the year, with most rolled-out by the end of March.

The Informed Dining program was developed by the Province of British Columbia in collaboration with industry and health groups, and provides restaurant guests with comprehensive nutrition information at the point of ordering.

Providing comprehensive information is essential as Canadians acknowledge that they do not all have the same nutrition needs, the CRFA said, noting that 83 per cent agree that different types of people will be interested in learning about different types of food information.

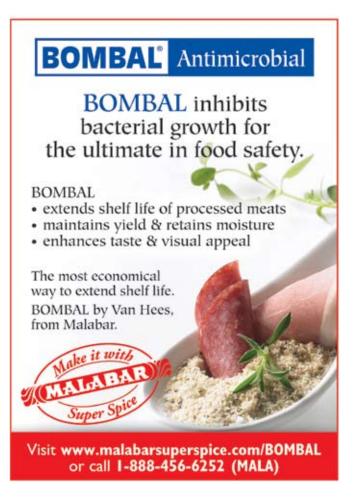
Further, survey respondents feel the information should be available to them in a variety of ways: only six per cent of Canadians believe that the best place to source nutrition information is from an overhead menu board and just onein-ten feel overhead menu boards can provide a complete nutrition picture. According to the survey Canadians prefer to source nutrition information on a restaurant's website (43 per cent), in the menu (36 per cent), in a brochure (24 per cent) or on a mobile app (11 per cent).

CMC urges progress on Canada-U.S. initiatives

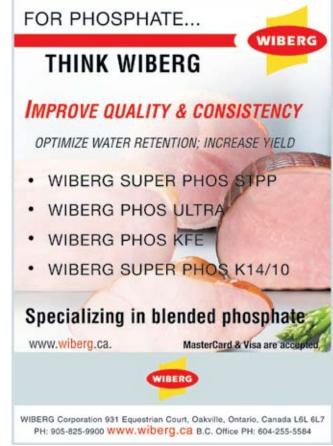
The Canadian Meat Council (CMC) is urging the governments of Canada and the United States to move forward expeditiously on all initiatives that were proposed in the second annual Canada-U.S. Beyond the Border Action Plan, which was released in December.

Announced initially by Prime Minister Stephen Harper and U.S. President Barack Obama in December 2011, the Action Plan on Perimeter Security and Economic Competitiveness presented a series of specific proposals to support bilateral trade and travel, improve security and align regulatory requirements - many of which could facilitate trade in meat products between Canada and the U.S., the CMC noted.

"Canadian meat processors recognize and appreciate the progress that has been achieved during the past two years on a variety of Beyond the Border projects, including the Single Window and the Border Fees Transparency initiatives," CMC president Arnold Drung stated in a release. "At the same time, we regret the apparent absence of progress on the promised bi-national pilot project on meat shipments."















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Join the Red Tape Revolution

Fighting the battle against confusion and outdated processes.

By Mandy D'Autremont

IF YOU ASK a business owner what his or her favourite government form is to fill out, the response will undoubtedly be one of frustration. We all know governments are not known for making regulations or forms easy to understand. On top of poor communication, governments are typically slow to update regulations to reflect Canada's dynamic business environment, which leaves entrepreneurs navigating through a maze of outdated rules.

More frustrating, when business owners try to get clarification on regulations, government staff often don't give clear or consistent interpretations. If officials can't provide an explanation of what the rules mean, how can business owners know what they need to do to comply?

We know entrepreneurs spend countless hours dealing with red tape (confusing forms, contradictory information and outdated processes). Inefficiencies like this only cost business owners time and money.



If officials can't provide an explanation of what the rules mean, how can business owners know what they need to do to comply?

The Canadian Federation of Independent Business (CFIB) has been fighting the battle against red tape for years. From Jan. 27 to 31, 2014 we celebrated our fifth year of Red Tape Awareness Week (RTAW).

Some people wondered how we could talk about red tape for an entire week, but given all the challenges at every level of government there are more than enough bad stories to highlight. In fact, this is a \$31 billion story – CFIB's research shows this is the cost of red tape to Canadian businesses every year.

RTAW 2014 included the following events:

- The 2014 Canadian Red Tape Report: Red tape affects us all. This year's report quantifies the cost of red tape for ordinary Canadians, as well as businesses.
- Provincial Report Card: Some governments talk the talk when it comes to red tape. Who walks the walk?
- How much does CFIA cost farmers?: For the first time, we cost-out the impact of complying with CFIA



regulations for Canadian agri-businesses.

- The Golden Scissors Award: CFIB once again recognizes red tape warriors.
- The Paperweight Award: For years, we've been recognizing the very best when it comes to fighting red tape. This new award goes to the very worst.

Last year, we released findings showing farmers are hardest hit by red tape. This year we wanted to look more closely at one of the agencies our members tell us is a top offender for inconsistent rulings and poor service by releasing our second CFIA Report Card. Farmers support rules needed to ensure safe food and recognize that the Canadian Food Inspection Agency (CFIA) plays an important role in regulating the Canadian food system, delivering inspection programs related to food, plants and animals across Canada.

It's when the CFIA imposes regulations that don't make sense, promote compliance, or contribute to better food safety that productivity takes an unnecessary hit.

For the first time we calculated the cost of complying with CFIA regulations for Canada's agriculture industry, which totals \$657 million each year, or on average \$20,396 per agri-business.

While the report shows the CFIA has improved accessibility and attitude of its staff, it clearly still has a lot more work to do when it comes to communication and overall service. Only one in five farmers believe the CFIA provides good "overall service".

Other key findings include: 60 per cent of agri-business owners say CFIA regulations add significant stress to their lives and 46 per cent report CFIA regulations significantly reduce productivity in their business.

Over the past seven years, the CFIB has worked with the CFIA to improve fairness, transparency and accountability. We're optimistic that as the CFIA modernizes Canada's food regulatory system through the Safe Food for Canadians Action Plan, they make concrete and practical changes to address farmer's concerns – as things really do need to change.

So if you, like many of our members, are frustrated by the CFIA or another government agency, please join the Red Tape Revolution by signing our petition on our website (cfib.ca) and tell governments across Canada that it's time to take action on this costly problem.



Mandy D'Autremont is a senior policy analyst, 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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