

FOOD & BEVERAGE INSIDER

Alliance of Ontario Food Processors

Summer 2008

www.aofp.ca

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DESTINATION EXCELLENCE HAS ARRIVED!

The Alliance is pleased to announce the availability of the comprehensive Best Practice training and support materials now on the AOFP website. *Destination Excellence: Creating Employers of Choice in Ontario's Food and Beverage Industry* is a program providing comprehensive training and support materials for industry supervisors, management and business owners. It offers a series of *Fact Sheets* and *Self - Assessment* tools to assist companies in attracting, and retaining a strong workforce. Fact Sheet topics include: Fostering Employee Commitment, Keeping Your Good Employees, Essential Skills, Recruiting Foreign Workers, Rewards, Orientation and Effective Appraisals, among others. The Assessments include: Orientation, Training and Development, Job Design, Performance Management and Recruitment & Selection.

The material was produced by the Alliance of Ontario Food Processors, in collaboration with the Ontario Ministry of Agriculture, Food and Rural Affairs and the City of Toronto. The development and release of these materials is the next step following earlier workforce studies that documented trends of an increasing labour shortage in Ontario's food and beverage processing industry.

The Alliance supports and assists food and beverage processing companies in Ontario and their workers by promoting a training culture, supporting the development of a competitive and sustainable industry through its greatest asset, the workforce. Take advantage of Destination Excellence online resources available at www.aofp.ca/workforcedevelopment: Best Practice Fact Sheets, Best Practice Assessments and Employee Turnover Calculator.

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HR SUMMIT 2008

FOOD AND BEVERAGE INDUSTRY WORKFORCE ISSUES & STRATEGIES

Do you have the resources necessary to successfully source, engage and retain your most important asset – employees? The ability to succeed in this area will be key for your company in achieving and maintaining a competitive advantage. Recent studies indicate that labour shortages are an ever increasing challenge for Ontario food and beverage processors. The industry dinner and one-day Summit will focus on workforce issues and strategies that will empower your company to become an employer of choice and give you the edge you need to succeed in 2008 and beyond.

Be sure to mark your calendar for this timely event at the Old Mill, Toronto.

September 29th - Reception, dinner, tradeshow and key note address by Roger Martin, Chair Ontario Task Force on Competitiveness, Productivity, and Economic Progress.

September 30th - Summit sessions on strategies and tools for best human resource practices, tradeshow and networking opportunities.

This event is hosted by the Alliance in collaboration with the City of Toronto and the Ontario Ministry of Agriculture, Food and Rural Affairs. Early bird registration rates apply until September 2nd. A Summit registration form is included with this newsletter or visit www.aofp.ca to download a registration form as well.

DECEMBER 31, 2008. NEW DEFINITIONS FOR PRODUCT OF CANADA AND MADE IN CANADA

A July 15, 2008 news release on the new Canadian Food Labelling Initiative clarified *Made in Canada* and *Product of Canada* labelling on food products and in advertising. The government of Canada announced that the new food guidelines referring to product of Canada come into effect for foods produced after December 31, 2008.

Minister of Agricultural and Agri-Food Canada, Gerry Ritz, stated that, "by the end of the year, if a food is labelled Product of Canada, this Government is making sure that food is Canadian inside and out...We are also giving Canadian processors the credit they deserve when they make foods here in Canada and use imported products. For those foods, we are offering qualified Made in Canada labels".

In summary, the Government's new guidelines will require both that the contents and processing be Canadian to qualify for the Product of Canada label. For foods that are processed in Canada, but contain imported ingredients, qualified Made in Canada labels will be available such as "Made in Canada from imported ingredients." These guidelines were developed to reflect consumer and industry expectations about what

constitutes a Canadian product and to promote compliance with subsection 5(1) of the *Food and Drugs Act* and subsection 7(1) of the *Consumer Packaging and Labelling Act*.

Qualified claims for other food products that do not meet the new Product of Canada and Made in Canada guidelines may continue to be used as long as they are not false or misleading. However, the use of Product of Canada and the qualified Made in Canada claim is encouraged for those products that meet the guidelines in order to provide consistency and clarity for the consumer.

The CFIA will be enforcing these requirements.

For additional information and a review of the new guidelines, see the Industry Advisory posted at : <http://www.inspection.gc.ca/english/fssa/labeti/inform/pr od cane.shtml> or see the Canadian Food Inspection Agency's website at www.inspection.gc.ca for the complete 2003 Guidelines and relevant amendments.

SR & ED FOR FOOD PROCESSORS

Federal Tax Incentive Program

Where could your business expand if you participated in SR&ED and chose to reinvest the benefits into more research and development? OR, how much could SR&ED benefits contribute to your bottom line? Why not find out?

If your business is tackling challenges by developing new products or by improving your productivity through technical innovation, you are a candidate for the Scientific Research & Experimental Development Program, SR&ED. This government program stimulates and rewards scientific and technical innovation, to keep Canadian companies competitive. The program benefits are not restricted to lab coat exploration. The focus of SR&ED is the type of technical development work your company might undertake in the product development lab or on the plant floor.

While the name SR&ED is familiar to many in agriculture and food, participation by the food processing sector is relatively low. There are many reasons for this, the majority being incorrect perceptions regarding the program. Taking an informed look at the program could result in benefits for your company that greatly outweigh the limited time and effort involved in participation. It is worth every business's while to check this program out.

The program is integrated with your business tax submission, generating a reduction of taxes payable or a cash rebate of a portion of your costs. Benefits range from 20 to 41.5 percent of your eligible costs, of which the major portion is usually labour and overhead costs associated with employees' time spent on 'research and design' and 'trial and analysis'. Materials, limited capital and contract service costs may also be eligible.

In trying to overcome a technical challenge and/or experiencing difficulty in doing so, you may have an eligible project. Some examples are:

- New product development
- Production trials, where you are taking a financial risk and the outcome is uncertain

- Energy efficiency projects using unproven technologies or innovative applications of known technology
- Environmental improvements where the technical solution is not readily available and trial or experimentation is needed
- Designing, customizing or adapting equipment for efficiency improvements
- Food safety or product traceability projects

Many food processors undertake projects like this every year, in one part or another, of their operation, and consequently receive SR&ED program benefits on an annual basis. Chances are pretty good that your business could be doing the same.

Where can you turn for help? While some firms manage their own SR&ED claims, the vast majority retain a service provider, allowing management to focus on other aspects of the business while ensuring maximum program benefits.

The key qualities to look for in an SR&ED service provider are:

- i) a comprehensive team of engineers, scientists, accountants and IT specialists - to address project eligibility in all areas of your company,
- ii) a thorough understanding of the program and a positive relationship with those who administer the program, and
- iii) a firm which understands businesses of your size and has the ability to work with you to minimize your time and cost as a program participant.

To source more information about SR&ED, you can access the program website at www.ccra.gc.ca/sred or you can contact an SR&ED service provider, most of which operate on a contingency basis, collecting their fees only if and when you receive a benefit.

Jim Wheeler, formerly with OMAFRA, is an associate of Business Improvement Group, an Alliance Associate Member and an SR&ED service provider. Jim can be reached at jim@wheelergroup.ca or at 519.400.1434

DIRECTORY OF ONTARIO FOOD AND BEVERAGE PROCESSORS

We are happy to announce that the Directory is close to completion. Testing of the Directory has been underway for the past month. AOFP members will be able to make use of this updated resource via login and password. The Directory will be flexible enough to allow members to update their own information and marketing messages or request the service provider to do it on their behalf. Enhanced listings will also be available for a fee. Some of our member companies who currently do not have a web presence can opt to have a web page created, giving them a low-cost marketing tool with a link from the Directory.

The Directory will comprise all food & beverage processors including non-members as well. However, these listings will be less prominent (less information given and listed after all the members) and can only be updated by the administrative team.

The Directory will be an ever growing and evolving tool for our members. Watch for the launch soon!

GOLF REPORT

Golfers participating in the June 26th Annual AOFP Golf Tournament and Dinner were able to complete play under hot sunny skies before heavy rains and thunderstorms descended on the course. The winning low score foursome of Richard Halenda, Ricky Halenda, Cam Hreljag and Mark Bergsma included *longest drive* for men – Cam Hreljag. *Longest drive* for ladies was won by Hillary Dawson.

The following members should be recognized for their generous support of the tournament and sponsorship:

Hole Sponsors: Conestoga Rovers & Associates, Gay

Lea Foods Co-operative Ltd., Rothsay and WWW.HACCP.CA

Prize Sponsors: AG Energy Co-operative, Bonduelle North America, Conestoga Rovers & Associates, First Spice Mixing Company, GE Capital Solutions, Golden Town Apple Products, H.J. Heinz Company of Canada, Joseph's Estate Wines, Rothsay, Sanimax, VSI Inc., Wine Council of Ontario, WRA Management Group and CP Industries, .

A good time was had by all. Thank you to all of our participants and sponsors.

AOFP WELCOMES NEW MEMBERS

The Alliance announces the newest Processor Member: **Farmgate Markets Inc.**, St. Thomas, Ontario. Farmgate is a processor of fresh sausage, deli and smoked products.

The Alliance is also pleased to welcome the following new Associate members:

Apollo General Contracting, Chatham, ON.

Business Improvement Group, Guelph, ON.

Colliers International, Toronto, ON.

VSI Inc., London, ON.

AOFP encourages all members to seek out and support other Alliance members by reviewing the list of members and the services and products they offer. A listing of Associate Members is available at www.aofp.ca/directories

EVENT DATES OF INTEREST

Canadian Health Food Association – Expo East
September 11-14, 2008 – Metro Toronto Convention Centre (North Bldg), Toronto

www.chfa.ca

Ontario Dairy Council – Golf Tournament and Dinner
September 18, 2008 - Lionhead Golf Club, Mississauga

www.ontariodairies.ca

Ontario Food and Beverage Processing Industry Labour Summit

September 29-30, 2008 – Old Mill, Toronto

www.aofp.ca

Ethnic and Specialty Food Expo 2008 (*All things Organic* section)

October 5-6, 2008 – International Centre, Toronto

www.ethnicandspecialtyfoodexpo.ca