

> PACKAGING IDEAS

Innovation drives food, beverage processing

Local initiatives helping to open up new markets and develop new products

DICK SNYDER
SPECIAL TO THE STAR

It's the not-so-sexy part of Ontario's economically powerful agri-food sector, but the industry devoted to food and beverage processing is a vital part of the local food value equation.

And these days, it's where a wave of Ontario-bred innovation and ingenuity is driving economic activity for businesses new and old by opening new markets, developing new products and providing Ontario farmers with fresh opportunities.

Take the celebrated Ontario apple. More than 16,000 orchards produce more than 165 million kilograms of apples in an average year, many of which are enjoyed by devoted apple-dayers with a hearty crunch. This represents \$634 million in economic activity and 5,127 full-time direct and indirect jobs.

The mere act of packing those apples into three-pound bags is part of the food-processing chain. So is storage, sorting, grading and washing.

But perhaps you'd rather drink that apple, say in one of Ontario's celebrated craft ciders. Picking, crushing, fermenting, bottling — these steps are all part of processing.

"Just look at the beverage sector alone," says Burkhard Mausberg, CEO of the Friends of the Greenbelt Foundation and Greenbelt Fund, which provides grants for projects that increase local food consumption.

"Making beer is a processed product. Making wine, making juices... it's all processing. And there is a huge value-add in that bottle of Ontario wine versus an import. Buying a bottle of Ontario wine puts about \$8 back into the local economy."

Then there's applesauce, apple pie filling, dried apples, apple slices. Processing takes many forms, from the slightest handling of a whole food to the transformation through cooking into a ready-to-eat dish.

Ontario grows

And it's all part of Ontario's greater agri-food sector, which supports more than 790,000 jobs and contributes more than \$364 billion to the province's GDP.

According to the Ontario Ministry of Agriculture, Farming and Rural Affairs (OMAFRA), Ontario's food and beverage manufacturing sector counts more than 3,800 companies and 96,600 jobs in the province. This makes Ontario the second-largest food and beverage manufacturing sector in North America.

It's a sector that continues to grow.



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SPRAGUE FOODS

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SPRAGUE FOODS

According to OMAFRA, the provincial and federal governments are investing about \$11.7 million in 223 food and beverage processing projects across the province. This supports Ontario's efforts to double the growth rate of the agri-food sector and create 120,000 jobs by 2020.

Unique in Canada, Toronto's Food Starter incubator was launched just over a year ago. Food Starter provides equipment and consultants for entrepreneurs to test and refine their products for market.

"Food Starter comes in at that point where you have people with great ideas who see an opportunity to serve unmet consumer needs," says executive director Dana McCauley, a veteran food marketer, food trends expert and cookbook author.

Of the 100 budding companies working with Food Starter, McCauley says they focus on local ingredients and local talent and expertise in creating healthy and unique products.

These businesses are helping to redefine the word "processing."

"We need to take the word back," she says.

"With processing, you can make crap or you can make great quality food. You know, with my car I can drive in a way that hurts people or I can stay between the lines and stop at the red light."

Canned heat

Sprague Foods in Belleville, Ont., is a mid-sized food processor of canned beans and pulses, soups and sauces. Established in 1925, the company has rolled with the times. Their organic products such as chickpeas, black beans and lentils used to be considered specialty products for an ethnic market. Now, these are popular with a broader consumer base.

"We're seeing in grocery stores a lot more products than when I was a kid. Products made in smaller runs and higher quality, which is what our plant is designed to fill," Rick Sprague says.

The company's canned beans are wet packed in water and cooked with steam right in the can on the packing line, which helps maintain nutrients and quality.

"We're a bit of a hybrid between a restaurant and a food processor. We prepare food products here like I would in my kitchen."

Sprague has been working to develop new canned soups and "meal builders" that will appeal to discerning, quality-obsessed and globally-influenced palates.

"Last fall, we made a very large commitment to Costco for our new organic lentil soup with vegetables. It was our biggest order in our 92-year history. A truckload a week was going to be coming out of here, and that was going to cause a bottleneck."

With a grant from the Greenbelt Fund, Sprague modernized its packing line to meet increasing demand and introduce seven new products. By the end of 2017, the company will have tripled revenues over early 2016.

It's a similar story at NMK Foods Inc., a manufacturer of halal-certified products made from Ontario-sourced poultry. The company obtained a Greenbelt Fund grant to upgrade its packing line, improving efficiency and capacity. This is opening new retail opportunities with national grocery chains. The company expects to add four new full-time jobs this summer.

"Buying local has intrinsic benefits to us, but the help we have received from the Greenbelt Fund and Foodland Ontario, monetary and beyond, has helped us reach a much higher level of business operations," says NMK's Adnan Khan.

The market momentum for local foods has driven Toronto's Fresh City Foods Inc. from its inception six years ago as an organic food delivery service into new territory with meal kits and prepared foods.

Commitment to local

"We have an ironclad commitment to local," says founder Ran Goel. "It's not that we use it 'when we can.' A Greenbelt Fund grant helped the company build a new production facility customized to process whole ingredients from its own farms and more than 100 other farms and growers."

Fresh City's local food sales reached \$2.6 million in 2016. With January's new product launches, the company expects to add \$1 million in marginal revenue, with the addition of 20 full-time jobs to its existing staff of 50 by the end of the year.

"All the decisions I've made are based on wanting to be in a place where if we win, other people win, society wins," Goel says.

"That sounds corny, but I wanted to feel that every extra buck of revenue means an extra job in our facility, an extra job for other farmers, better health for our customers, a cleaner environment."

"I really feel that what we do has a broader impact than just making a dollar of revenue."

> LOCALLY GROWN

Juicer presses for healthy business

Innovative processes boost nutrition, taste and demand

DICK SNYDER
SPECIAL TO THE STAR

The Greenhouse Juice Co. is on a roll. Their cold-pressed juices are hot. In just three years, the company has gone from a tiny retail shop in Summerhill to 13 locations spread across the city, including kiosks at Pusateri's and at Brookfield Place.

In a city recently obsessed with all things juice, Greenhouse is unique in its commitment to cold-pressing all organic ingredients. This is a gentle hydraulic process that extracts the juice while avoiding the damage of heat and oxidation that can result from the whirling blades of centrifugal juicers. The purported benefits are better nutrient retention, fresher taste and richer colour.

"We were living in L.A., where cold-

pressed juice was a big thing," co-founder Emma Knight says. "And we really felt the benefits of working these juices into our daily life. We looked at the juicing scene in our hometown of Toronto and saw an opportunity because no one was doing it."

Greenhouse uses certified organic product from local growers, such as Pinnings Organic Farms and Zephyr Organics.

"We try to go direct to the farmer wherever possible," co-founder Anthony Green says. "It's just the pleasure of doing business with people on the land who are passionate about what they are growing."

In the winter, Greenhouse will add some imported organics, but they also adjust their recipes to use what's available locally. While the company plans its growth, the price of their drinks — \$8.50 for 250 mL and \$11.50 for 500 mL — is a pain point.

"It feels at odds with our mission, which is about accessibility to this phenomenally nutritious product," Green says. Unusual for any company, Greenhouse is actively working to reduce prices.

But operating sustainably isn't cheap. For instance, Greenhouse reuses its glass bottles, encouraging customers to return them for credit. This actually costs more than buying new glass bottles.

A new hydraulic press, obtained with help from the Greenbelt Fund, will help bring prices down. It will allow continuous production as opposed to the single-batch process Greenhouse has used up to now, essentially increasing capacity tenfold and creating efficiencies and cost savings that the company will pass along to its customers.

The new press will be installed in a brand-new production facility that will be in operation this summer.



GREENHOUSE JUICE

Cold-pressed juices from Greenhouse Juice Co.

THE GREENBELT BOOK

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This beautiful coffee-table book is a portrait of Ontario's Greenbelt and the people who nurture it. Stretching from the Niagara Peninsula to Tobermory and Rice Lake — with farmland, forests, and watersheds — the Greenbelt is the largest protected peri-urban landscape in the world.

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