



VALUE ADDED

Resources for organic farms and businesses in the Maritimes

If you've wondered about how to get extra value from your farm product, or dreamed about making your own organic food business, this resource is for you. Find out where to go for help, what existing processors are interested in co-packing, what funding is available and more...

Funded in part by the PEI ADAPT Council and Agriculture and Agri-Food Canada.



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Introduction

Have an idea? Looking for greater profitability? Time to take it to the next level?

This document has been created by ACORN for anyone considering certified organic value-adding in the Maritimes. Whether you farm and want to add value to something you grow or raise, or are new to organics, ACORN wants to help you make good business decisions and find success in your organic product development.

This guide is intended to supplement existing information and books on value-adding that you may already be using. Although there are many detailed resources already available; most do not include information for those interested in producing a certified organic product.

There are many reasons to consider value-adding in organics and no one means to achieve your vision; however, the foundation of any new business venture is good planning. We understand that it can seem daunting to get started, but there are many resources to help you in our region—and a wealth of opportunities. Start by reviewing this guide and you will feel much more confident about taking your next steps towards value-added success!

Table of Contents



Opportunities	4
Finding New Value from What You've Already Got (G. Morton)	6
Organic Certification for Processing	10
Resources	19
Organic Processor Profile: Terra Beata	24
Organic Processor Profile: Forever Green	27
Organic Inspector Insights: Brian Ives	29
Appendix A - Nova Scotia and New Brunswick processors	
Appendix B - PEI processors	

The Opportunity

Why value-add? Why not!

Value-adding is an important addition to our organic food sector in the Maritimes. It is part of making the regional food system more sustainable and decreasing reliance on unnecessary food imports. Value-adding by small and medium sized businesses also has a significant multiplier effect—creating more jobs than farming alone while helping to reinvigorate our rural economy.

Currently, there is a very limited availability of value-added local organic products. You may be able to find a similar product made in the Maritimes, but chances are, it is only available in limited quantities and not available for wholesale. This means that there are many value-added possibilities available to agri-entrepreneurs.

ACORN has witnessed organic farming grow in the Maritimes over the last 10 years, however much of this has been from small farms, with emphasis on direct marketing (farmers markets, CSAs and farm gate). While this allows for vibrant farmers markets, the demand is still out-stripping supply. Some retailers now report that they are unable to find sufficient supply of local wholesale organic products and must buy from out-of-region, even during peak production seasons. In addition, restaurants are increasingly interested in menus that feature local organic ingredients, yet supply can be “patchy” and options for local value-added products are virtually non-existent. In 2007, sales in Canada of all organic products to restaurants and food service was estimated at \$10 million (OACC). We anticipate this figure will experience solid growth, as culinary interest in quality products is strong.

You may also ask yourself if demand for organics is still developing and if the market will continue to expand, or if this is merely a fad? According to US data, even during the 2009 recession, organic sales growth far exceeded that of non-organic (OTA). Where regular food sales grew by 1.6%, organic food sales grew by 5.1% to \$26.6 billion! With that being said, organics is still growing and we certainly expect that as global markets recover, growth will rebound into the double-digits once again. People care about their own health, their children's health, and the environment—organic products offer this piece of mind.

Value-adding is a strategy worth considering to extend the shelf-life of your products, increase profitability, provide year-round sales options and even to reinvigorate your farm business. There are many opportunities for value-adding at every scale, from on-farm processing to out-sourcing and from local markets to wholesaling. Anything is possible if you do your research and create a strategic business plan.

Getting Started

Finding new value from what you've already got

It is not uncommon that most farm businesses find it challenging to recognize new value from what they currently grow. In general, most farmers are very busy and are deeply engaged in their daily activities, while trying to sell their products. As long as goods are moving out the door, and cheques are coming back in, most businesses don't spend a whole lot of time thinking about what kind of value their products are offering to their customers.

However, when sales take a sudden downturn, or there is a shift in the marketplace demand, interest quickly turns to finding new ways of retaining market share.

Unfortunately, the knee jerk reaction to market pressure by many is to drop the price in hopes of keeping their customers. While this band-aid solution may offer some relief in the short term, lowering prices not only reduces the profit margin, it can destroy any added value that has previously been established with the customer. In both good and bad times, the goal has to be focused on finding new and added value—not losing it.

If one looks up the definition of value in the dictionary, you'll find that it is defined as, "the ratio of usefulness to price paid". Therefore, the more useful a

Watch Gary Morton's two webinars on Value-Adding for Organics in the Maritimes:

<http://acornorganic.org/videos.html>

Avoid pitfalls, plan ahead, listen

and learn from the expert!

This is *essential* for those considering value-adding.

product or service is to a customer, the more value that can be associated with that product or service. Subsequently, the greater the premium or price the customer should be willing to pay for it. In simplified terms, to add desired value, you need to find ways of making your product or service more useful or valuable to your target customers.

Every business has basic value that they are currently offering to their customers, or they wouldn't still be in business. People typically don't buy things that don't offer them some level of perceived value. Customer value can be created in many different ways; such as through grades of quality, a special variety or unique breed, branding, distribution channel, product availability, a promotional strategy or by further processing. Perceived value is what drives the sales transaction and establishes the selling price. Price is the marketing tool used to capture the added value of a product or service.

The key to finding new value is in learning how to step back from your daily routine and to look at your business and products from a fresh perspective. If you look closely, hidden within your business you will find new value that you could be offering to your customers.

There is an old saying that, "it is a lot easier to ride a horse in the direction that it is going". It is also much easier to sell something to a customer that they want. The key to being a successful value adder of anything is to be able to more adequately understand your customer's needs and desires better than any of your competition. If your products or services make your customer's life easier or aids in solving some of their problems, then you are in a good position to capture added value and receive a price premium. Your main job as a value adder must be to target customers that are best suited to the level of value that your products or services can offer.

So, what if you produce a commodity product? Contrary to popular opinion, with some work it is possible to transcend from being seen in the marketplace as a commodity, and to increase your value ratio with your customer.

Commodity products can and do sell at different price levels in the marketplace. Grading is a common method used to create product differentiation and to capture added value. Varied grades or qualities offer value to different customer market segments. This results in new market opportunities and levels of return to producers. The more you are able to differentiate your products in the marketplace, while remaining congruent with your customer's needs, the greater the opportunity you will create to add new value to your products and services.

When searching for new value from what you have already have, start asking yourself questions. Questions provoke thought and discussion, and the expectation of answers. They also help to stimulate new ideas, innovations and create powerful synergies:

- What does our farm presently value the most about our products and services?
- What unique values do our products and services offer to our consumers?
- What do our current customers value most about our products and services?
- Are there other potential customers that share these same values?
- How do our customers use our products? What are their main challenges?
- Can our customers easily differentiate our products from the competition? What is unique about what we offer?
- What would make it easier for our customers to buy more of our products or services?
- What new technologies are available that could make our products better for our customers?
- What other products could we produce and offer to our current customers?

- What are our competitors doing to add value to their products?
- What are the future trends that could influence our product's demand?
- Who could we enlist to help us find new value from our products or services?
- If it was possible to offer our customer better value, how would we do it?

If you limit your future value added opportunities to anything less than the most that you can become; the world is sure to oblige you. Don't be afraid to ask the hard questions of your business that could change your future, forever.

By: R. Gary Morton, P. Ag. (Business Management Consultant), Morton Horticultural Associates, Coldbrook, Nova Scotia. This article first appeared on www.farmcentre.com, the official website of the Canadian Farm Business Management Council.

A Team Approach to Value-Adding

Creating a value-added product can be a long process, and without supportive collaborators, it may be too much for one person alone (depending on the complexity of the product). It's also a challenge for one person to have all the skills needed for success: vision, passion, planning, marketing, financing etc.

For some successful agri-entrepreneurs, they've found forming co-operatives to be right for them (see Field Gate Organics webinar in the resources below). Others, like Anne's Farm, have collaborated with several farms and work with one processor using a value-chain approach (this PEI jam product uses organic berries and processes them with the PEI Fruit and Preserve Co.). And other organic entrepreneurs have involved their families in the business—leveraging everyone's strengths while building a complete team dedicated to the farm's success.

Organic Matters

Issues specific to organic value-adding

It is *essential* to get familiar with the Canadian Organic Standards and processing requirements, including detail like allowable sanitizers. The standards for processing are in Section 8 of CAN/CGSB-32.310-2006 and Section 6 of the Permitted Substance List, CAN/CGSB-32.311-2006. These documents will help you understand how to best protect the organic integrity of your products and how to determine the percentage of organic ingredients in a product.

Download these documents for free here: www.tpsgc-pwgsc.gc.ca/cgsb/on_the_net/organic/index-e.html

Transition Timeline: In organic farming, there is a mandatory one year transition period (time between the start of organic farm management and when organic certification can be obtained). For processors, there is no minimum time period, however, certifying bodies do need appropriate lead time to process your application, inspect, and review the inspection report. You will also need to apply and renew your certification on an annual basis. If you change your product composition or add new products during the year, you will need to notify your certification body immediately to modify your organic certification coverage.

Certifying Bodies: If you don't already have a certifying body (CB) that you are working with, you'll need to choose one (please do it sooner than later, to avoid

any problems). There are several agencies active in the Maritimes, all compliant with the Canada Organic Products Regulation and using the Canadian Organic Standards. The variations between them range from the people involved, to the different organizational models (private vs. cooperative). If you are targeting an international market (ie. Japan or the EU), you'll have to find a CB that can certify to that country's standards. It's best to call around and talk about what you are doing/planning and ask about the process for certification. You may also want to talk to other processors and ask for their recommendations.

Atlantic Certified Organic (ACO) Co-operative

Administrator: Heather MacKenzie

200 Harmony Road, Salmon River, NS, B6L 3P6

Phone: 1-888-375-9190 or 902-897-4318

Fax: 902-897-4247

e-mail: aco@ns.aliantzinc.ca

Centre for Systems Integration (CSI)

Jim McCullagh

200 - 240 Catherine St.

Ottawa, ON K2P 2G8

Phone: 613-236-6451

Fax: 613-236-7000

e-mail: jmccullagh@csi-ics.com

website: www.csi-ics.com

Ecocert Canada

Simon Jacques

71 St-Onésime

Lévis, QC, G6V 5Z4

e-mail: info@ecocertcanada.com

Website: www.ecocertcanada.com

Organic Crop Improvement Association (OCIA) NB Chapter

Susan Tyler, Chapter Administrator

Phone: 506-433-3935

Fax: 506-432-9435

e-mail: ocianb@nbnet.nb.ca

Pro-Cert Organics Inc.

Dave Lockman

2311 Elm Tree Road

e-mail: infoebo@pro-cert.org

Phone: 705-374-5602

Fax: 1-705-374-5604

Organic Plan: The Canadian Organic Standards requires that each processor or handler develop an Organic Plan on an annual basis. This is a document written by the processor/handler and approved by the certifier. The Organic Plan usually occurs in the form of the annual application to the Certifying Body, and that application effectively becomes your plan.

In this document, you describe your complete practices and detail ingredients and substances used in production. The Organic Plan must describe monitoring practices, the record-keeping system, and how you prevent commingling of organic and non-organic products and contact with prohibited substances. If any non-organic ingredients are used, the rationale should be provided on why it was necessary, including documentation on your efforts to source organic inputs. The Organic Plan may also need to include a pest management plan, overview of transportation integrity and waste management practices.

Record keeping: Traceability “from receipt of raw material to the release of the product” is essential to maintaining the integrity of your organic product. A good record keeping system will detail the source and quantity of ingredients, additives and processing aids, including date of delivery to the processing location. The record keeping system will also document production dates and assign tracking methods to trace production units. Good records will also be required to document the process and ingredient composition for all value-added products. Records of invoices and sales must also be available for the inspection, to assist the inspector in verifying that ingredients, and to match production output and sales. Other records on transportation, pest control, and storage facilities may also be needed. Records must be kept for at least five years.

Another Benefit of Good Records:

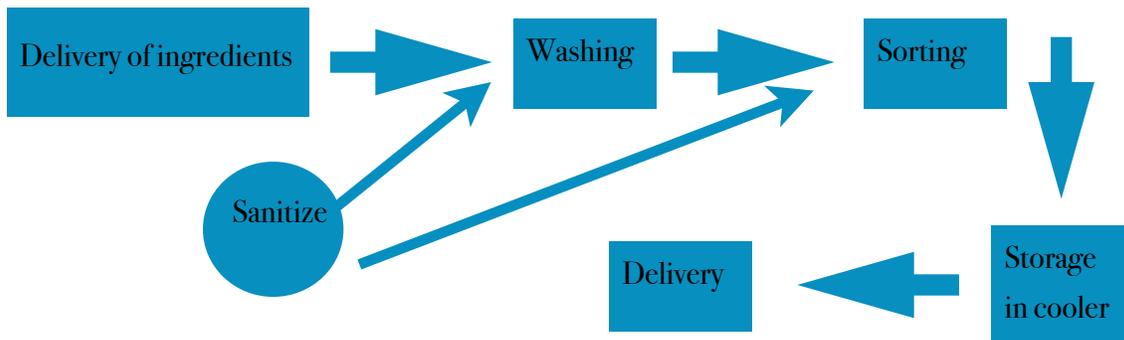
The bakery was having problems with one type of organic bread they were baking. Several batches did not rise properly. The resulting loaves did not have good texture and could not be sold. The bakers turned to the record-keeping system they had recently put into place for their organic certification. This audit trail allowed them to track every ingredient to its source. They looked at their batch sheets and found that they could trace the problem back to a certain lot-number of flour. They contacted the supplier and asked not to be sold that particular lot-number of flour in the future. Their bread quality quickly returned to its usual high standards.

Source: attra.ncat.org

Sample record-keeping templates by EcoCert: www.ecocertcanada.com/en/information.html

Organic Flow Chart

Certifying bodies will require your operation to submit a flow chart of the processing system. This doesn't need to be overly complicated, but should show what happens when product/ingredients arrive at your processing site, and how they are handled (stored, washed, processed, packaged, shipped). It is a good visual for helping to identify critical control points (where problems may arise).



Organic Inspection: Organic certification requires an annual inspection by an independent inspector hired by your certifying body. The inspector's job is to ensure that you are in compliance with all relevant organic standards, and that your record keeping is in order. The inspector is usually expected to observe each facility where your product is handled, processed and stored. The inspector then reports back their findings to the certifying body to review. If there are no major problems, you will be granted your organic certificate, stating what products you are certified for.

Inspection can be a valuable and constructive process. While inspectors can't recommend any specific products or practices, they can answer general questions about certification, organic processing as well as handling and record keeping.

Organic Labelling for Food and Agricultural Products: The following comes directly from the Canada Organic Office (CFIA):

Only products with organic content that is greater than or equal to 95% may be labelled or advertised as "organic" or bear the organic logo. For multi-ingredient products, the organic contents must be identified as organic in the list of ingredients.



Multi-ingredient products containing between 70-95% organic content may use the declaration "contains x% organic ingredients" on the label or in advertising, specifying the percentage of organic ingredients. These products may *not* use the organic logo nor the claim "organic." If the declaration "contains x% organic ingredients" is used, the words "organic ingredients" must be of the same size and prominence as the preceding words, numbers, signs or symbols that indicate the applicable percentage. The organic contents must be identified as organic in the list of ingredients.

Multi-ingredient products containing less than 70% organic content may identify ingredients in the list of ingredients as organic. These products may not use the organic logo nor the claims "organic" or "contains x% organic ingredients". When used, the above organic claims or statements must appear on the label in both French and English.

For more information on labeling, visit www.inspection.gc.ca/english/fssa/orgbio/questlabele.shtml

Remember: Always have your certification body verify your label before you print!

The 5% Rule: If an organic multi-ingredient product is made up of more than 95% certified organic ingredients, there is the possibility of including up to 5% non-organic content and still meeting the Canada Organic Standard and regulation. The purpose for this allowance, is to assist processors in maintaining their organic claim where a necessary ingredient may not be commercially available as organic. If you require this allowance, you must document why it's necessary and where you searched for the organic ingredient. Your certifying body may also chose to do its own search to verify that its not commercially available. It should be noted that price is not an acceptable barrier for deciding that an ingredient is not commercially available.

Even in the less strict categories (products with less than 95% organic ingredients), it is not permissible to use both an organic and non-organic version of the same ingredient (ie. you can't have organic peppers and non-organic peppers in a sauce), nor can prohibited substances be used (you must still document that non-organic ingredients are non-GMO).

Non-food products: Cosmetics, textiles, pet food, soil amendments/inputs, aquaculture and natural health products are not covered by the Organic Products Regulation. This means that they can not use the Canada organic logo. It is still possible to certify these products as organic and make organic claims, if a certifying body will accept them. For example, EcoCert has its own organic aquaculture and cosmetic standards and will certify these products. These product items are in demand and should not be overlooked as organic business opportunities.

Parallel Processing: Under the Canada Organic Standards, producers are not allowed to grow non-organic and organic crops that are visually indistinguishable; however, this is not true for processing. Processors must have a strict system for differentiating organic ingredients from non-organic, which may include labels and color coding. This system should be well documented in the Organic Plan and is confirmed by the organic inspector.

Using a Co-packer (3rd party) to Process: If you won't be processing your product on-farm or in a location covered by your certification, you'll have to include a copy of your contract with the co-packer to demonstrate that there is an organic system in place for ensuring compliance and traceability to meet the organic standards.

Livestock Processing: Certainly selling select cuts of meat adds value for organic livestock operators; however, there are currently no certified organic abattoirs in Atlantic Canada. The OPR has recognized this infrastructure gap: "while not required to be certified, the slaughtering of organic livestock, the transportation of organic products or organic livestock and the storing of organic products must be done in accordance with the standards. This is for the preservation of the organic integrity of an organic product from the reception of the ingredients through to the end consumer."

Generally, this means that the producer must identify the processing facility in their Organic Plan, and have a written agreement that the facility will follow the organic standards (ie. no prohibited substances/cleaners or possibility of commingling). This is usually accomplished by processing organic meat products as the first-run of the day, after all the equipment has been thoroughly sanitized and rinsed the night before. The Organic Plan should also include details on how animal stress during transportation is minimized, and what arrangements are in place for bedding and feed, if animals are kept by the

facility for more than 24 hours. As always, certification bodies can best advise on how to document and maintain organic integrity for this process.

Transportation: How will you transport your product to market? If you are shipping it with conventional product, you must ensure there is no commingling or opportunity to switch the contents of the products. Complete labelling of your products is essential, as the organic integrity of the product must be upheld by you until it reaches the marketplace.

Resources

People, Programs and More

There are many people and programs available to assist with your new value-added product development. It will take some calling around to find out who you should be working with, but it will be well worth your time, as funding can be significant.

In Atlantic Canada:

Steve Owen, Industrial Technology Advisor
Industrial Research Assistance Program (IRAP)

National Research Council Canada (NRC)

Tel: 902-426-2445

Fax: 902-426-2843

Email: Steven.Owen@nrc-cnrc.gc.ca

Web: <http://irap-pari.nrc-cnrc.gc.ca>

Gary Morton

Morton Horticultural Associates

2043 Langille Drive, Coldbrook, Nova Scotia, B4R 1C3

Phone: 902-679-1467

Fax: 902-679-0923

Email: mha@accesswave.ca

(Value-adding/business development consultant)

Atlantic Food and Beverage Processors Association

500 St George Street, Moncton, NB, E1C 1Y3

Phone: (506) 389-7892

Fax: (506) 854-5850

Email: info@atlanticfood.ca

Web: atlanticfood.ca

In New Brunswick:

Clara LeBlanc, Development Officer

[Market Development / Agriculture and Aquaculture](#)

Phone: (506) 856-2648 (Moncton)

Fax: (506) 856-2092

Email: Clara.LeBlanc@gnb.ca

Benoit Ouellette, Development Officer

[Market Development / Agriculture and Aquaculture](#)

Phone: (506) 475-7872 (Saint-André)

Fax: (506) 473-6641

Email Address: benoit.ouellette@gnb.ca

The *Agri-food Market Development Program* (<http://www.gnb.ca/0027/index-e.asp>) provides some funding for costs associated with product development and value adding.

In Nova Scotia:

Derrick Brooks, Manager

Industry Development and Business Services

Product and Quality Development Division

Phone: (902) 424- 0344

Fax: (902) 424-4671

Email: brooksda@gov.ns.ca

www.gov.ns.ca/agri/marketing/proddev/ -- funding programs are available.

The *Farm Investment Fund* offers support for new product development and marketing (www.gov.ns.ca/agri/prm/programs/fifguide.shtml).

In Prince Edward Island:

Kent Thompson, Product Development Officer

Agriculture Resource

Phone: (902) 368-5606

Fax: (902) 368-5629

Email: kwthompson@gov.pe.ca

PEI Product Development Fund helps PEI companies with the costs of using the PEI Food Technology Centre -- www.gov.pe.ca/ial/index.php3?number=20084

Innovation PEI has several programs related to new product development and marketing: www.peibusinessdevelopment.com/index.php3?number=1030431

Buy PEI (www.gov.pe.ca/af/agweb/index.php3?number=1022347&lang=E) includes funding assistance for value-adding and product development.

Good Reading

The Organic Path by ACORN provides a Maritime perspective on going organic from a business and market perspective: <http://acornorganic.org/organicpath/>

Value Plus: Quest for new organic farm value by Gary Morton is a detailed resource book commissioned by ACORN for the Maritime region. It is available for download at: www.acornorganic.org/pdf/valueplus.pdf

How To Go Organic by the Organic Trade Association has information specifically for processors. It is based on the US system, but contains relevant information for Canadians too: www.howtogoorganic.com

Get a free subscription to *Organic Processing Magazine*:

www.organicprocessing.com

Check out the articles on working with a co-packer:

www.organicprocessing.com/opfall05/opfall05coverstory.htm and

www.organicprocessing.com/opmayjune10/opmj10Processing.htm

Article on finding acceptable sanitizers:

www.organicprocessing.com/opaprjune06/opaj06processing.htm

Organic Critical Control Points (essential for your Organic Plan and records):

www.organicprocessing.com/opjanfeb08/opjf08processing.htm

Value-Chain Management Centre: www.vcmtools.ca/index.php

Adding Value to Farm Products: <http://attra.ncat.org/attra-pub/PDF/valueovr.pdf>

The Canadian Farm Business Management Centre has many webinars and print resources on value-adding, including:

Field Gate Organics: A Value Chain Management Success Story (webinar):

www.agriwebinar.com/Webinar.aspx?id=c3c9356b-eae3-4da7-b9c2-c84f6de8ed6d

Capturing Value Through Market-Driven Innovation - Our Value Chain Concept

(webinar): www.agriwebinar.com/Webinar.aspx?id=b31ecb7c-71c3-479a-b7f7-96239bd51593

Adding New Value Powers Up Your Farm (webinar): [www.agriwebinar.com/](http://www.agriwebinar.com/Webinar.aspx?id=053f7a82-3404-41e9-a6c2-d70415e44535)

[Webinar.aspx?id=053f7a82-3404-41e9-a6c2-d70415e44535](http://www.agriwebinar.com/Webinar.aspx?id=053f7a82-3404-41e9-a6c2-d70415e44535)

How to identify and implement a pricing scheme that works best for my Value

Chain? [www.farmcentre.com/Resources/Detail.aspx?](http://www.farmcentre.com/Resources/Detail.aspx?id=1143bf1e-2a63-41a2-9cf8-deabc13c6ae8)

[id=1143bf1e-2a63-41a2-9cf8-deabc13c6ae8](http://www.farmcentre.com/Resources/Detail.aspx?id=1143bf1e-2a63-41a2-9cf8-deabc13c6ae8)

Value Chain Guidebook www.farmcentre.com/Resources/Detail.aspx?id=2e832c9c-43f0-4c7c-a34d-d7b866e39593

Building Added Value through Farm Diversification (book) available at www.farmcentre.com

Overview of sanitizing and cleaning processing equipment:
www.gaps.cornell.edu/Weblinks/Sanitizing_Equipment_Florida.pdf

Processor Profile

Terra Beata

“If you meet the CFIA, you’re already 95% there already for organic!” exclaimed Evelyn.

David and Evelyn Ernst are young owners of the only certified organic cranberry processing facility in Atlantic Canada. They decided to get into cranberries at a point when the Nova Scotia government was encouraging farmers to consider growing the rare berries—when they were fetching a high market price.



David took a course on how to grow them, and they started a conventional cranberry operation. In addition, they decided to take advantage of the cranberry boom and built a cranberry cleaning line—which takes berries from the field and readies them for processing. They processed their own berries and then began processing berries from other farms. Pretty soon, they saw the need for a processing facility for organic cranberries. Although there is a facility in New Brunswick, the minimum volume is too large to accommodate organic products.

“Last year,” says Evelyn, “organic producers were sending their berries through to Massachusetts—which meant they had a large processing bill.” As a result of Terra Beata certifying their processing plant, all organic cranberries in Atlantic Canada are cleaned and frozen by their operation. They intentionally built their plant just small enough to be able to remain flexible for the smaller-scale producers.

Not only can their small, efficient plant process cranberries, they can also work with cherries, blueberries, apples. They claim that a lot of the preserves they make feature raspberries and strawberries as well. They’ve also pressed

rhubarb juice and made raspberry lemonade.

Their minimum volume is “one day’s work,” claims Evelyn, and they enjoy the variety and creativity.

Terra Beata’s main advice for those considering value-added production is to make sure they have a market for their product.

To meet the CFIA food processing regulations, likewise for organics, you need proof of a

cleaning procedure that uses allowable cleaners. David and Evelyn didn’t find it difficult to restrict themselves to allowable cleaners.

“We mostly used hydrogen peroxide” says Evelyn. “It didn’t really cause any problems for our procedure.”

In addition, to meet CFIA standards, you have to have traceability for all of your products. Similarly, for organic processing you have to prove that you are maintaining the organic chain. If you’re already doing it for CFIA, it’s not difficult to put a different lot number or a color code to identify the organic product.

Handling organic fruit has been no problem at all, but finding market for the organic fruit has been a challenge. Terra Beata’s main advice for those

considering value-added production is to make sure they have a market for their product.

“We like to have farmer retain ownership of the process, which means they are responsible for finding a market.” David and Evelyn learned this lesson the hard way when they purchased a load of organic cranberries without having researched the market.

“Once you establish a farm, cranberries will grow every year, whether there’s a market or not—and you have to be prepared for that as a farmer and marketer, especially if you are going to invest in value-added activities,” says Evelyn. “My advice is pretty simple really,” she says, “make what the customers are asking for.”

David and Evelyn participate in a many consumer events that sell directly to their customers and they say that this is a huge advantage. “While we have our customers in front of us, we talk about cranberries and how to use them and we actively ask them what kind of products they wish they could find. Then, we go ahead and work on developing those products.”

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RR #1, Lunenburg, NS, B0J 2C0
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Fax: 902-634-4135
Email: david@cranberryfarm.ca
Web: www.cranberryfarm.ca

Processor Profile

Forever Green

Value-adding can be a great way to effectively use all your product and eliminate unnecessary waste. Terrance and Mary Boyle from Forever Green Organic Farm and Gardens, have had great success in diversifying their beef market and all the products they sell. In fact, Terrance feels that he's getting close to being able to obtain a market for every part of the animals he raises, "everything but the squeal!"



"Customers always tell you what they want," says Terrance, "listen."

Terrance is in a unique position too because he actually processes all of his meat in his own provincially-inspected, certified organic processing facility.

When Forever Green first started selling directly to customers (a change from selling the animals to feedlots), they had trouble selling his certified organic ground beef. Having his own processing facility, in addition to cutting back his processing costs, provided him with the opportunity to experiment with different sausage options for the ground beef.

As far as setting up his own facility to be readily certified organic, Terrance claims it was not too challenging. “It’s likely even a bit easier for us, as we’re 100% certified organic,” as opposed to other slaughtering facilities that process both organic and non-certified meats, which would have more to prove to an organic inspector.

He cites the Department of Agriculture as a good source of information: “all of the resources are there, and the food safety department has been so helpful,” he says, “they are there to work with you, not against you.”

Terrance is another value-adder that advocates that organic certification is a good system for those considering value-added processing. “Food traceability is the new trend,” claims Terrance, “the government is looking at organic standards as a model—organics are way ahead.”

Forever Green took baby steps and Terrance brought each new idea to his customers at the farmers markets for review, taste tests and critical feedback. “Customers always tell you what they want,” says Terrance, “listen.”

Forever Green Organic Farm and
Gardens
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Inspector's Perspective

Words of wisdom from Brian Ives

“Far too often,” says Brian Ives, organic inspector for certified processing, “I see people spend way too much money on unnecessarily large, processing facilities. Most of the time, a small processing kitchen would suffice.”



An organic inspector can be hired as a consultant to help you set-up your Organic Plan.

Brian has seen a lot in the organic processing world, having done more than 500 organic inspections and he has a good idea of what works and what doesn't.

“In most cases, smaller is better,” says Brian, “simpler is better.” Ives clearly wants to encourage people to take up value-adding, and he often is heard quoting “think little”—his mantra for adding diversity to common market sales.

“Simplicity is often overlooked and it's put fear into the notion of value-adding for the farmer, when all they have to do is think little. You don't have to be big, but you do have to be good. Use your customers for product development—they will give you the most useful criticisms.”

“I can’t tell you how many great value-added products I’ve seen over the years,” states Brian, “every farm I stop at is already making something special, they just don’t make enough of it to sell at market yet.” Brian believes that many of these products would sell well at market.

Brian also advises those interested in on-farm processing to shop around for equipment, “There is second-hand equipment everywhere, you often don’t have to purchase anything new.” Keep costs low and grow the market from the ground up.

According to Brian, all of the information needed for value-adding is readily available: The provincial departments have the books and information and he highly recommends the British Columbia website www.foodsafe.ca, where there’s a straightforward workbook on food safety. The province of Nova Scotia even bought the model from BC because it was so simple and efficient.

Brian—who is also a food safety expert—affirms that organic is indeed close to complying with food safety regulations. Where the HACCP (Hazard Analysis Critical Control Point) model investigates critical points for food safety, the organic model investigates similar critical control points for organic integrity—providing full and clear traceability

“It’s not rocket science, it’s food. It can be done if you’re committed to being good—which is what we do as organic farmers. Take as much care as you do to grow it, as to process it.”

APPENDIX A

Value Added Production in New Brunswick and Nova Scotia

Value Added production represents an important opportunity for advancing the organic sector in the Maritimes. To encourage and support such development, ACORN has conducted a survey to assess current processing capabilities in New Brunswick and Nova Scotia. The information gathered will allow ACORN and organic stakeholders to identify existing opportunities and engage potential processing partners. All processors listed below are interested in being contacted about new value added processing opportunities, and would be interested in certified organic products if a large enough demand (how large varies with each operation) could be demonstrated.

Company Name Location	Ability to do co-packing or custom processing	Interest and/or ability to do organic	Product	Minimum Volume Required	Capacity for:	Contact Information
Fancy Pokket Corporation, Moncton	Yes	Yes, if volume/demand is large enough. Not certified.	Bakery – pitas, bagels, pizza crusts, tortillas, flatbreads.	Depends on product.	Freezing, dry warehousing, temperature controlled warehousing, baking.	Mike Timani, or Khaled, 506-853-7299
Bonte Foods, Moncton-Dieppe	Yes	Yes, if volume/demand is large enough. Not certified.	Processed & smoked meats, bakery goods, sauces, portioned meals for airplanes.	Depends on product, fairly large volume.	Meat grinding, slicing, baking, smoking, sauce mixing, freezing, drying, vacuum packaging, extruding, portioning, pickling, dry warehousing, temperature controlled warehousing.	Mike Whittaker, president, 506-857-0025

Value Added Processing Resources in New Brunswick and Nova Scotia, 2

Company Name Location	Ability to do co-packing or custom processing	Interest and/or ability to do organic	Product	Minimum Volume Required	Capacity for:	Contact Information
Mrs. Dunster's, Sussex	Yes	Yes, if volume/demand is large enough. Not certified organic.	Donuts.	Depends on product, but at least a full day's shift.	Freezing, extruding, portioning, dry warehousing, temperature controlled warehousing, packaging, individually wrapped items.	Greg McLeod, Prod supervisor, 506-433-9333 ext. 324
G.E. Barbour Inc., Sussex	Yes	Yes – certified organic (QAI) for processing and packaging, currently only doing packaging	Teas, spices.	Depends on product.	Vacuum packaging, portioning, dry warehousing, temperature controlled warehousing, blending.	Robert MacLeod, marketing director, 506-432-2300
Scotsburn, Saint John	Some, but they work with already processed materials, and are currently at capacity	Some, but at capacity now, possibly in future. Requires berries in juice form, processed milk, etc.	Produce novelty bars, etc	One run (eg. 3 shifts, or a couple of days, 25-3000 dozen bars)	Freezing, portioning, dry Warehousing (limited), temperature controlled warehousing.	Earle Branscombe, 506-633-9040
Connors Brothers, Blacks Harbour	Yes	Not yet.	Mainly fish – tuna, salmon, sardines – frozen and tinned.	Depends on the product.	Drying (fishmeal), extracting, canning, dry warehousing (limited).	Doug Morgan, 506-456-3391
Northumberland Dairies, Miramichi	Yes – but not ready for organic.	Not yet, but they are actively looking into it.	Currently certified to handle and distribute organic products that are packed elsewhere in their name.	Yes, but there is not enough volume at present.	Processing of raw milk.	Judy Macdonald, 506-627-7720

Value Added Processing Resources in New Brunswick and Nova Scotia, 3

Company Name Location	Ability to do co- packing or custom processing	Interest and/or ability to do organic	Product	Minimum Volume Required	Capacity for:	Contact Information
Ocean Pier, Scoudouc	Yes. They are a custom processing plant – certified for meat and seafood.	Yes, and willing to undergo the certification process.	Seafood, some meat, appetizers (crab cakes, bacon wrapped scallops, etc.) and lasagna. Do lots of custom packaging/private label processing.	A) minimum print run for packaging – 25-30,000 boxes, can be more flexible if product fits common box size. B) Full day's production, 300-1000 cases, depending on complexity	Freezing, vacuum packaging, extruding, portioning, dry warehousing, temperature controlled warehousing. Licensed meat and seafood processors, HACCP certified.	Jeff Legge, jefflegge@oceanpierinc.com
Degenhardt's European Sausages, Glenvale	Yes	Yes. Not certified.	Sausages.	Small family-run company, no set minimum volume.	Freezing, drying, vacuum packaging, portioning, pickling, temperature controlled warehousing.	Reinhardt Degenhardt, 506-756-8489

Value Added Processing Resources in New Brunswick and Nova Scotia, 4

NOVA SCOTIA						
Company Name Location	Ability to do co- packing or custom processing	Interest and/or ability to do organic	Product	Minimum Volume Required	Capacity for:	Contact Information
Scotian Gold Cooperative, Coldbrook	Yes	Yes. Not certified.	Fresh apple slices.	Depends on the product.	Dry warehousing and temperature controlled warehousing.	David Cudmore, 902-679-2191
Nova Agri Inc., Centreville	Yes	Yes. Not certified.	Fresh cut onions and condiments.	200 cases of 12 per week.	Freezing and controlled atmosphere storage.	Nancy Tregunno, 902-582-1445
Knol Farms, River Phillip	Yes	Yes. Not certified.	Re-packer of fruits and vegetables.	Depends on the product.	Freezing, controlled atmosphere warehousing, dry warehousing, vacuum packaging.	John Swan, 902-686-3839
Terra Beata. Lunenburg	Yes.	Yes. Certified organic by EcoCert.	Juicing, drying and preserving cranberries, blueberries and apples.	Depends on the product, but generally a full day's work.	Freezing, drying, dehydrating, pickling.	Evelyn and David Ernst, 902-634-4435

Value Added Processing Resources in New Brunswick and Nova Scotia, 5

Company Name Location	Ability to do co- packing or custom processing	Interest and/or ability to do organic	Product	Minimum Volume Required	Capacity for:	Contact Information
Yum Foods, Kentville	Yes	Yes. Certified by ACO.	Nut butters and tahini.	25 lbs of any nut or seed	Dry warehousing, freezing and portioning.	David Browning, 902-678-6343
Forever Green Organic Farms and Gardens, Antagonish	Yes	Yes. Certified by ACO.	Meat shop, packaged beef and pork.	Possibly	Freezing, vacuum packaging, portioning and pickling.	Terrence Boyle, 902-863-7845

Value Added Processing Resources in New Brunswick and Nova Scotia, 6

	Freezing	Drying	Vacuum Packaging	Extruding	Portioning	Dehydrating	Extraction	Pickling	Canning	Dry Warehousing	Temperature Controlled Warehousing	Other
NB												
Fancy Pokket Corp.	1									1	1	Baking
Bonté Foods	1	1	1	1	1			1		1	1	Meat grinding, slicing, smoking, baking, sauce mixing
Mrs. Dunster's	1			1	1					1	1	Baking, individually wrapped packaging
G.E. Barbour's Inc.			1		1					1	1	Blending, certified organic with QAI ,extra capacity (see note)
Scotsburn (Novelties)	1				1					1	1	
Connors Brothers		1					1		1	1		Drying for fish meal
Northumberland Dairies												Processors of raw milk products
Ocean Pier	1		1	1	1					1	1	Fully licensed & HACCP certified meat and seafood processor
Degenhardt's European Sausages	1	1	1		1			1			1	
NS												
Scotian Gold										1	1	
Nova Agri Inc.	1										1	
Knol Farms	1		1							1	1	
Yum Foods	1				1					1		Only interested in working with nut butters
Forever Green Organic Farms and Gardens	1		1		1			1				Only operating at about 30%. Looking to work with more organic V-A products

Highlighting Key Opportunities for Organic Value-Added in New Brunswick:

Three of the operations contacted in NB were particularly interested in value-added production of organics and present unique opportunities. Contact information for each company can be found in the above tables.

G.E. Barbour's Inc. in Sussex is already certified to process organic teas and spices by QAI, and is always looking to add to their production. Marketing director, Robert MacLeod, added that they have 20-24'000 square feet of clean, dry warehouse space that could quite possibly house a new line of production. There may even be retired pickling equipment on site and available for use.

Ocean Pier, in Scoudouc, are committed to promoting sustainable fisheries in Atlantic Canada, and have considered the possibility of adding certified organic to their production capabilities. They are fully licensed (HACCP) to process and handle meat, and produce a variety of private-label products – including frozen appetizers and lasagna. Although their minimum volume usually includes a packaging print-run of 25-30'000 boxes, they can be a bit more flexible if the product fits a commonly used box size. The only restriction is that they do require fairly large volumes. However, Ocean Pier's Jeff Legge stated that they are open to more than one form of business arrangement. Although they do specialize in private label packaging, they are open to the possibility of partnering with producers, or purchasing organic goods to process under their own name as they have well-established distribution channels and the ability to bring new products to market.

At the other end of the spectrum, the family-run **Degenhardt's European Sausages**, in Glenvale (near Petitcodiac), are able to work with much smaller volumes. Beyond their old-world sausage making, Reinhardt Degenhardt reported that they also have pickling and freezing capabilities, and although they are not certified yet, they would be happy to discuss value-added production with organic producers.

Highlighting Key Opportunities for Organic Value-Added in Nova Scotia

Terra Beata, in Lunenburg, NS, are certified organic processors and are thus important potential partners for certified organic producers. Their line of gourmet preserves are an excellent example of successful value adding, and they have well established distribution and direct marketing channels. See www.cranberryfarm.ca for more information.

Forever Green is looking for value-added opportunities in the organic sector. Located in Antigonish, the processor has many value-added features, including vacuum packaging, freezing and portioning. The processor knows organic standards for processing very well and may be a good resource in further exploring value-added opportunities.

FINAL REPORT
VALUE ADDED PROCESSING RESOURCES
FOR ORGANIC PRODUCERS
March 2010



*Prepared for the
PEI Certified Organic Producers Co-op
by MRSB Consulting Services Inc.*

Table of Contents

1.0 Introduction 1
2.0 Methodology..... 1
3.0 Survey Results 2
4.0 Summary 16

Appendix Cover Letter and Survey

1.0 Introduction

One of the goals of the PEI Certified Organic Producers Co-op (COPC) is to foster increased organic production, research and market development. One of the ways to help reach that goal is to develop *value-added* products that attract new market share. The first step in pursuing value-added solutions is determining what processing resources are available. MRSB Consulting Services Inc. was engaged by the PEI Certified Organic Producers Co-op (COPC) to research and develop an inventory of currently available on Island resources for value added production. The inventory will be used by the COPC to identify and promote new opportunities for developing products and partnerships between growers and processors.

***Value-added* refers to changing a raw material in some way to enhance its value or price for customers. For this project, it did not include the washing or bagging of fresh produce.**

2.0 Methodology

It was important to COPC that PEI processors be contacted directly to provide input to the inventory. After researching whether other jurisdictions had completed processor /value-added inventories and what was the format and content of these inventories, MRSB developed a preliminary listing of PEI processors from reviewing the Nova Scotia Food and Beverage Association Membership Listings, the PEI Government on Line Business Directory and Selectory, a Dun and Bradstreet Business Directory available through the Canada Business Centre. Key PEI agricultural stakeholders were contacted by telephone to seek additional processor names and to identify processors that would be a 'best fit' for organic produce. The final processor list included 87 companies/individuals as shown in Section 3.10 of this report.

A survey and cover letter (appended) was developed and distributed by mail to the 87 processors identified. Five of the mail outs were returned by Canada Post as having an incorrect address. Alternate addresses were found and the surveys were mailed again. Of these five, one was returned a second time by Canada Post and not resent. Nineteen completed surveys were returned in response to the mail out. Telephone follow-up was conducted with 14 processors who had not returned a completed survey. The list of 14 was identified by the Board of the COPC. Five additional completed surveys were obtained through this follow-up for a total response rate of 28%. Surveys distributed by mail typically have response rates in the 10-30% range. Surveys of organizations generally receive even lower return rates than surveys of individuals, with a 15% return rate often being the norm.



3.0 Survey Results

The following sub-sections summarize the responses to each survey question. Section numbering corresponds with question numbers (e.g. 3.1 and question # 1). Table 3 in Section 3.3 shows all survey responses by company. A check mark (√) indicates a YES answer in the table. Those processors that completed and returned a survey are shaded in the list shown in Section 3.10.

3.1 Value Added Production

Twenty-one of the respondents indicated that they do value-added production. Terroir Treasures is planning to do value added but is not yet in production. Two companies, Sherwood Produce and Indian River Farms, do not do value-added production. The value added production done by the companies is shown in Table 1:

Table 1 – Types of Value Added Production by Company

	Company	Product
1	Canada Bread Atlantic Ltd.	White and whole grain bread, bagels, tortillas
2	Montague Bakery	Breads, cookies, cakes, muffins
3	Island Taylored Meats	Sausages, bacon, ham, pepperoni, franks
4	Keybrand Foods	Prepared salads
5	Larkin Poultry	Ground turkey and turkey pieces
6	MacKendrick Poultry	Process chickens
7	Atlantic Soy Corp	Soybean conditioning
8	Montrose Meats	Packaging of meat products
9	Island Baking and Milling	Stone ground, whole grain flour
10	PEI Gourmet Mushrooms	Producer of organic shiitake mushrooms
11	ADL	Dairy products such as cheese, butter and fluid milk
12	Riverview Country Market	Jams, jellies, pickles, frozen vegetables, fruit
13	Amiel’s Island Fire	Hot sauces, salsas, beef jerky
14	Atlantic Oil Seed Processing Ltd.	Press oilseeds for fuel, feed, consumption
15	Nature’s Crops International	Cold pressing of specialty oil seeds. The oil can then be filtered, degummed, bleached, deodorized, and winterized by physical refining. Facility is currently under construction and will not be commissioned until October 2010
16	PEI Preserve Company	Fruit bottling
17	Soy Hardy	Tofu, Soynuts
18	Embers Products Ltd.	Production of V.A. products - Cackleberry Farms Ltd. Grand River PE
19	Garden Isle Farms Ltd.	Fresh cut vegetable line
20	Waddell’s Inc.	Chicken and selling chicken breasts to restaurants



21	W.P. Griffin	Potatoes-fresh, full-wrap(BBQ ready), spice packs included, microware ready
----	--------------	---

3.2 Minimum Volume Required

Fourteen of the 21 respondents who do value added production including the one who is planning to do value added production require the minimum volumes shown in Table 2. Three respondents did not answer this question (Amiel’s Island Fire, Atlantic Oil Seed Processing Ltd., and MacKendrick Poultry) three stated they did not require a minimum volume (Soy Hardy Ltd., Garden Isle Farms Ltd., and Montrose Meats), one did not know (Canada Bread Atlantic Ltd.) and one said it was not applicable (Embers Products Ltd.) .

Table 2 – Minimum Volume Required by Company and Product Type

		Product	Volume
1	Island Baking and milling	Stone ground whole grain flour	5 tonne/yr
2	PEI Gourmet Mushrooms	Organic shitake mushrooms	100-200 lbs/wk
3	ADL	Dairy products	30,000 litres /day; 2,000 kg/day
4	Riverview County Market	Jam, jellies	4 dozen bottles
5	Nature’s Crops International	Cold press oil seeds	7,500 lbs
6	PEI Preserve Company	Fruit bottling	One days production
7	Waddell’s Inc.	Chicken	100 lbs
8	W.P. Griffin Inc.	Potatoes	By the case
9	Island Taylored Meats	Sausages, bacon, ham, pepperoni, franks	10 pounds
10	Keybrand Foods	Prepared salads	5,000 lbs/day
11	Larkin Poultry	Ground turkey and turkey pieces	75-100 turkeys/week
12	Montague Bakery	Breads, cookies, cakes, muffins	700 loaves/day
13	Atlantic Soy Corp	Soybean conditioning	20 acres
14	Terroir Treasures	Cheese (not yet in production)	450 litres of milk

3.3 Additional Capacity

Nineteen of the 21 companies that do value added production (as shown in Table 1) have the capacity to do more as shown in Table 3. The other two companies did not answer this question (MacKendrick Poultry and Montague Bakery).



Final Report: Value Added Processing Resources for Organic Producers

Table 3 – Summary Table of Survey Responses by Company

	Q #1	Q #2	Q #3	Q #4	Q #5	Q #6	Q #7	Q #8	Q #9	Q #10	Q #11
Company Name	Does Value Added	Min. Volume Required	Has Capacity for More Value-Added	Uses Another Company	Would Try New/ More Value-Added	Could Use Organic Crops	Aware of Funding	Has Specialized Resources	Please contact	Provided Contact Info	Why No Interest
Island Baking and Milling	√	√	√		√	√	√	√	√	√	
PEI Gourmet Mushrooms	√	√	√		√	√	√		√	√	
ADL	√	√	√		maybe		√	√			√
Riverview Country Market	√	√	√		√	not sure			√	√	
Amiel's Island Fire	√		√		√	√		√	√	√	
Atlantic Oil Seed Processing	√		√		√	√	somewhat	√	√	√	
Sherwood Produce					√				√	√	
Indian River Farms											√
Nature's Crops Intl.	√	√	√		√	√		√	√	√	
PEI Preserve Company	√	√	√	√	√	√	√		√	√	
Soy Hardy Ltd.	√		√		√	√		√	√	√	
Embers	√		√			√		√			√
Garden Isle Farms	√		√		√	√		√	√	√	
Waddell's Inc.	√	√	√		√	√		√	√	√	
W.P. Griffin Inc.	√	√	√	√	√		√	√	√	√	
Canada Bread Atlantic Ltd.	√		√	√	√			√	√	√	
Island Taylored	√	√	√		√	√		√	√	√	



Final Report: Value Added Processing Resources for Organic Producers

Meats Inc.											
Keybrand Foods	√	√	√		√	√	√	√	√	√	
Larkin Poultry	√	√	√		√	√	√	√	√	√	
MacKendrick Poultry	√						√				√
Montague Bakery	√	√			√	√		√	√	√	
Atlantic Soy	√	√	√		√		√	√	√	√	
Montrose Meats	√		√	√	√			√	√	√	
Terroir Treasures	*	√			√	√	√	√	√	√	
TOTALS	21	14	19	4	20	15	10	8	20	20	4



3.4 Value Added Products Made by a Third Party Supplier

Four of the 21 respondents who do value-added processing stated their value added products are made by another company. Of these four, one (PEI Preserve Company) did not provide any information on who the third party was or what they made, one (Montrose Meats) provided the information, one (Canada Bread Atlantic Ltd.) referred to their company as having co-packers and one (W.P. Griffin Inc.) referred to their competitors making similar value-added products.

3.5 Interest in New/Additional Value Added Processing

Twenty of the 24 survey respondents would consider doing new or additional value-added processing in the next three years as shown in Table 3. It is interesting to note that one of those does not currently do any value-added production (Sherwood Produce). Of the four processors who would not consider trying new or additional value-added production, ADL indicated their interest would depend on what value-added production is being proposed, Indian River Farms does not do value-added now and is not considering it for the future, Embers Products Ltd.¹ is planning to sell the business, and the owner of Mackendrick Poultry is planning to retire.

3.6 Capacity for Value-Added Production Using Organic Crops



Fifteen respondents can do value-added production using organic crops as shown in Table 3. Of the nine companies who cannot use organic crops, three provided an explanation. One company was not sure if they could process organic crops because they don't know what is involved (Riverview Country Market), one company (ADL) said no because they had tried organic and volumes, production constraints and costs were major hurdles and one company (Canada Bread Atlantic Ltd.) said their Atlantic Canada locations couldn't do

value-added but other locations in Canada could.

¹ The owners of Embers wish to retire but hope to sell their business as a going concern and would be very interested in hearing from organic producers. Their facility/property is the last commercial property available in Kinkora on Rte 225 and is HACCP compliant.



3.7 Funding Awareness

Ten respondents are aware that funding is available to assist companies with processing organic crops as shown in Table 3. An eleventh company, Atlantic Oil Seed Processing Ltd., indicated they were 'somewhat' aware of funding assistance.

3.8 Specialized Infrastructure, Equipment or Resources

Eighteen respondents indicated their company has specialized infrastructure, equipment or resources. Table 4 on the following page shows which respondents have capacity and the nature or type of capacity. According to survey responses there is a gap in capacity for extracting and pickling but a lot of capacity in temperature controlled warehousing. There is little capacity in drying and dehydrating but more capacity in freezing, vacuum packaging, portioning and dry warehousing. There is moderate capacity in extruding and canning.



Final Report: Value Added Processing Resources for Organic Producers

Table 4 – Specialized Resources by Processor

Company Name	Freezing	Drying	Vacuum packaging	Extruding	Portioning	Dehydrating	Extracting	Pickling	Canning	Dry Warehousing	Temperature controlled warehousing	Other
Island Baking and Milling												milling
ADL			√						√		√	
Amiel's Island Fire						√						
Atlantic Oil Seed Processing				√								
Nature's Crops Intl.												expelling and refining (RBDW)
Soy Hardy Ltd.			√	√	√					√	√	
Embers			√									
Garden Isle Farms			√		√					√	√	slicing/ dicing/ profiling
Waddell's Inc.	√		√						√	√		
W.P. Griffin Inc.											√	
Canada Bread Atlantic Ltd.	√									√		
Island Taylored Meats Inc.	√											
Keybrand Foods				√	√				√		√	
Larkin Poultry	√		√		√						√	
Montague Bakery										√	√	
Atlantic Soy		√										
Montrose Meats	√									√	√	
Terroir Treasures		√	√		√						√	
TOTAL	5	2	7	3	5	1	0	0	3	6	9	3



3.9 Interest in Being Contacted About New Opportunities



Twenty respondents would like to be contacted about new-value added processing opportunities as shown in Table 3. An additional company, ADL, might consider value-added opportunities but would require an explanation of the opportunity via email at cmann@adl.ca so they can evaluate it before accepting further contact.

3.10 Contact Information

Twenty respondents who would like to be contacted about new value added processing opportunities also provided their contact information. The shaded entries in the Processor List developed for this engagement reflect the contact information provided by respondents to Question 10 of the survey. This processor list will be provided to the PEI Certified Organic Producers in electronic format and could serve as a database that is available to members of the Co-op and updated on an annual basis.

	Company Name	Commodities	Contact Name	Mailing Address #1
1	Abattoir			Addressed and sent by Rinnie Bradley of the PEI Cattle
2	Abattoir			Addressed and sent by Rinnie Bradley of the PEI Cattle
3	Abattoir			Addressed and sent by Rinnie Bradley of the PEI Cattle
4	Abattoir			Addressed and sent by Rinnie Bradley of the PEI Cattle
5	Abattoir			Addressed and sent by Rinnie Bradley of the PEI Cattle
6	Abattoir			Addressed and sent by Rinnie Bradley of the PEI Cattle
7	Abattoir			Addressed and sent by Rinnie Bradley of the PEI Cattle
8	Abattoir (Meats)		Ensor Perry	48 Greenwood Dr, Summerside, PE, C1N 4S6
9	Agra West Foods Ltd		John Wood	PO Box 760, Souris, PE C0A 2B0



Final Report: Value Added Processing Resources for Organic Producers

	Company Name	Commodities	Contact Name	Mailing Address #1
10	Amalgamated Dairies Limited	Fluid milk, butter, cheese	James Bradley (General Manager)	79 Water Street, Summerside, PE C1N 1A6
11	Amiel's Island Fire	Beef products, produce	Amiel Leblanc, 583-2984, www.spiceisnice.ca	3302 Route 4, Cardigan, PE, COA 1G0
12	Atlantic Beef Products		Lee Turner	95 Train Station Rd., Albany, PE, COB 1A0
13	Atlantic Oil Seed Processing Ltd. (Mol Farm)	Oil seeds	Gerard Mol, 887-3422	489 Newton Road, Kinkora, PE COB 1N0
14	Atlantic Prepared Foods Ltd		Robert Moore	Bloomfield, Alberton, PE COB 1B0
15	Atlantic Soy Corp.		Robert MacDonald962-3538	171 Route 201 Grey's Road, Belle River, PE, COA 1B0
16	Avonlea Clothbound Cheddar/Cows		Lindsay Linkletter	101 Watts Avenue, Charlottetown, PE, C1E 2B7
17	B&J Organic Processors Ltd.		Drew Jeffery	361 Waterside Road, RR1, Charlottetown, PE C1A 7J6
18	Bell's Poultry Farm		Laurie Bell	185 Oliver Road, Alberton, PE COB 1B0
19	Blume's Poultry		Mr. Blume	(1) Iona, Montague, PE COA 1R0, (2) Blum's Farm Market, 3264 Murray Harbour Road, Bellevue, PE COA 1R0
20	By The River Bakery		Marina Doiron	RR 1, Hunter River, PE, COA 1N0
21	Cackleberry Farm		Allan or Maureen Marsden	RR #1 Richmond, PE, COB 1Y0
22	Canada Bread Atlantic Limited	Grain	David Proctor	686 Water Street E, Summerside, PE C1N 4J1
23	Cavendish Farms		Ron Clow	100 Midland Drive, Dieppe, NB, E1A 6X4
24	Chocolate Elements		Candice Mills	PO Box 5505, Hunter River, PE, COA 1N0
25	Cilla's Homemade Chocolates		Priscilla Pollock	PO Box 1521, Summerside, PE, C1N 4K4



Final Report: Value Added Processing Resources for Organic Producers

	Company Name	Commodities	Contact Name	Mailing Address #1
26	Country Taste Inc.		Robert Viaene	RR 4, Newton Cross, Belfast, PE, COA 1A0
27	Duinkerken Foods Inc.		Brenda van Duinkerken (President)	57 Watts Avenue, Charlottetown, PE, C1E 2B7
28	Direct Nutrisciences Inc			465 University Ave. Suite 21011, Charlottetown, PE C1A 4N9
29	Embers Products Ltd		Brian Smith	85 Anderson Rd. (Hwy. 225), Kinkora, PE, COB 4Y8
30	Eric C. Robinson Inc. (Garden Isle Farms)	Carrots, potatoes, turnip, onion	Wayne Thompson, 437-2100, www.gardenislefarms.com	PO Box 1, Albany, PE, COB 1A0
31	Food Trust		Ivan Noonan	PO Box 22089, Charlottetown, PE, C1A 9J2
32	Gahan Brewery		Eddie Francis (General Manager)	126 Sydney Street, Charlottetown, PE, C1A 1G4
33	Harvest Wholesalers		Shane Turner	7 MacAleer Dr, Charlottetown, PE
34	Honeydew Apiary		Daniel & Beatrice Ficza	6718 Route 19, Canoe Cove, RR2 Cornwall, PE. COA 1H0
35	Indian River Farms		Matthew Rust	PO Box 2667, Charlottetown, PE, C1A 8C3
36	Island Abbey Foods Ltd.		Justin Rowe	5522 Union Rd., Montague, PE, COA 1R0
37	Island Baking and Milling	Milling wheat/rye	Steve Knechtel, 659-2443	RR #3, Belle River, PE, COA 1B0
38	Island Chocolates		Ron Gilbert (President)	PO Box 52, Victoria, PE, COA 2G0
39	Island Farm House Gouda Inc.		Martina Terbeek	1423 Winsloe Road, Winsloe, PE, C1E 1Z3
40	Island Holdings Ltd		Jeffery MacDougall	PO Box 520, O'Leary, PE, COB 1V0
41	Island Taylored Meats Inc		Martin Taylor, 838-3988	RR 3, Victoria Cross, Montague, PE COA 1R0



Final Report: Value Added Processing Resources for Organic Producers

	Company Name	Commodities	Contact Name	Mailing Address #1
42	Jasper Wyman & Son Canada		Reg Trainer	PO Box 205, Morell, PE, COA 1S0
43	Johnston's Home Style Products Ltd.		Harris Johnston	(1) PO Box 1737, Charlottetown, PE, C1A 7N4, (2) 28 Schurman ST, W.R.I.P, Charlottetown, PE C1A 7N4
44	Keybrand Foods Inc		Randy Johnston, GM, 629-1300 Rjohnston@keybrand.co m	28 Schurman Street, Charlottetown, PE, C1E 2A9
45	Kilmuir Poultry		Buddy Loane	PO Box 77, Montague, PE COA 1R0
46	Kingswood Centre		James McClean	PO Box 563, Campbell Avenue, Montague, PE COA 1R0
47	Kitchen Party Foods Co Inc		Ron Dehmel	(1) PO Box 21032, Summerside, PE, C1N 6A1 , (2) PO Box 1524, Summerside, PE C1N 4K4
48	KJL Select Meats		Kenny Mutch, John Annema, Lammert Wolters	21 Exhibition Drive, Charlottetown, PE C1A 9S8
49	Larkin Poultry	Poultry	Harvey Larkin, 629-9817	RR 3, Hunter River, PE COA 1N0
50	Lorne MacDonald		Lorne MacDonald	Whim Road, Montague, PE, COA 1R0
51	MacKendrick Poultry	Chickens	Alan MacKendrick, 837- 2504	Birchhill, Tyne Valley, PE, COB 2C0
52	MacPhee's Meat		Lindsay MacPhee	RR 3, Cornwall, PE, COA 1H0
53	MacQuarrie Meats		Myron MacQuarrie	16882 Route 2, Milton, PE, C1E 1Z2
54	Mbr Holdings Inc		Margie Gallant	(1) 119 Kent St, Charlottetown, PE, C1A 1N3, (2) MacAulay's Bakery & Deli, Midtown Plaza, 375 University Avenue, Charlottetown, PE C1A 4N4
55	McCain Foods Limited		Jamie MacKenzie	PO Box 100, Borden-Carleton, PE, COB 1X0



Final Report: Value Added Processing Resources for Organic Producers

	Company Name	Commodities	Contact Name	Mailing Address #1
56	Meadowbrook Farms		David Mol	374 University Avenue, Charlottetown, PE, C1A 4N3
57	Montague Bakery Ltd		Kent Myers, 838-4170	PO Box 188, Montague, PE, COA 1R0
58	Montrose Meats	Beef, pork	Lowell Barbour, 853- 3241 or 853-3438	RR2 Elmsdale PEI
59	Moosehead Breweries		Hubert MacDonald	94 1/2 Queen St., Charlottetown, PE, C1A 4B1
60	Myriad View Artisan Distillery		Paul & Angela Berrow, Ken and Danielle Mill	1336 Route 2, Rollo Bay West, PE, COA 2B0
61	Nature's Crop International	Specialty oil seeds	Darcy MacDonald, 394- 3801 or 836-3332, www.naturescrops.com	PO Box 248 - 12682 Route #6 Kensington, PE, COB 1M0
62	Neen's Island Preserves		Brian & Barbara Weeks	364 Irishtown Road, Kensington, PE, COB 1M0
63	Oishi Sauce Co Inc		Paul Smith	5710 Launching Rd, Cardigan, PE, COA 1G0
64	Old Dutch Foods Ltd		Glen MacKinnon	PO Box 1448 Stn Main, Summerside, PE, C1N 4K4
65	Omega Holdings			26172 Rte 2, Travellers Rest RR2, Summerside, PE C1N 4J8
66	PEI Gourmet Mushrooms Ltd.	Loblaws, restaurants, Gordon Food	Tracey Paquet, 687-3030	134 Fortune Wharf Road, RR #4 Fortune, PE, COA 2B0
67	PEI Lamb Co-op		Richard Davies	RR 3, Belle River, Flat River, PE, COA 1B0
68	PEI Maple Syrup Co		Doug Mclure	Breadalbane, Hunter River, PE, COA 1E0
69	PEI Potato Board		Greg Donald	90 Hillstrom Avenue, West Royalty Business Park, Charlottetown, PE, C1E 2C6
70	PEI Food Technology Centre		Ed Charter	PO Box 2000 Central Stn, Charlottetown, PE C1A 7N8
71	PEI Specialty Chip Co		Dorece M MacMillan	(1) Stn Central, Charlottetown, PE, C1A 7K1, (2) RR 3, Marshfield, PE C1A 7J7



Final Report: Value Added Processing Resources for Organic Producers

	Company Name	Commodities	Contact Name	Mailing Address #1
72	Pepsi Bottling Group , Co		David Hilchie	23 Fourth St, Charlottetown, PE, C1E 2B4
73	Prince Edward Distillery		Julie Shore & Arla Johnson	9984 Route 16, Hermanville, PE, COA 2B0
74	Prince Edward Island Preserve Co. Ltd.	Strawberries, rhubarb, blueberries, black currants	Bruce MacNaughton, 964-4300, ext 230, www.preservecompany.com	1635 Loyalist Road, North Wiltshire, PE COA 1Y0
78 5	Prince Edward Island Spice Merchants		Karen Murray	PO Box 693 Stn Central, Charlottetown, PE, C1A 7L3
75 76	Purity Dairy Limited		Thomas Cullen	317 Kent Street, Charlottetown, PE, C1A 1P5
77	Queen Street Meat Market		Myron Turner	368 University Ave. Charlottetown, PE, C1A 4N1
78	Riverview Market	Fruits and vegetables	Rose Viaene, 892-9632 or 659-2181, www.riverviewcountrymarket.com	12 Exhibition Drive, Charlottetown, PE, C1A 5Z5 (the market)
79	Rossignol Estate Winery Ltd		John Rossignol	RR 4 Murray river, PE, COA 1W0
80	Sherwood Produce	Potatoes	Robert Saunders, 367-7000	3 MacAleer Dr., Charlottetown, PE, C1E2A1
81	Snairs Golden Grain Limited		Greg Snair	PO Box 875 Stn Central, Charlottetown, PE, C1A 7L9
82	Soy Hardy Ltd	Soybeans	Matt Hardy, 853-4014, www.soyhardy.com	558 Dock Rd, Alberton, PE, COB 1B0
83	Terroir Treasures	Milk	Mathieu Gallant, 854-2124	473_Panneau Road Wellington RR3 PEI
84	The Wiltshire Dairying Co.			North Wiltshire General Delivery, North Wiltshire, PE, COA 1Y0
85	Two Sisters Bakery & Café		Maxinne Casey	PO Box 41, Miscouche, PE, COB 1T0
86	Waddell's Inc	Poultry	Garry Smith, 658-2781	PO Box 18, 20526 TCH, Crapaud, PE, COA 1J0
87	WP Griffin inc.	Potatoes	John Griffin	PO Box 40, Elmsdale, PE, COB 1K0



3.11 Reasons For Lack of Interest

Four respondents are not interested in hearing about new value added opportunities. The owners of Embers plan to sell in the near future so they are not interested in growth or expansion activities. Indian River Farms is not interested because they are focused solely on growing crops for Cavendish Farms. The owner of MacKendrick Poultry is planning to retire in the near future. As noted in previous sections, ADL maybe interested but it will depend on the type of opportunity and they would want the initial contact to them to be by email.



4.0 Summary

Key findings from the survey process are summarized below:

- ✓ *88% of the processors do value added production.*
- ✓ *58% require a minimum volume for production.*
- ✓ *79% have the capacity to do more value added production than they currently do.*
- ✓ *Less than 20% have their value added products made by another company.*
- ✓ *83% are interested in trying new or additional or value-added production in the next three years.*
- ✓ *63% can do value-added production using organic crops.*
- ✓ *58% are not aware there is funding available to assist companies with processing organic crops.*
- ✓ *75% have at least one specialized resource for value added production.*
- ✓ *83% would like to be contacted about new-value added processing opportunities.*
- ✓ *All those who would like to be contacted provided contact information.*
- ✓ *Of those who do not wish to be contacted about new value-added opportunities, half of them are retiring or selling their business.*

These findings suggest that there are a number of areas where the PEI Certified Organic Producers Co-op could initiate and coordinate activities to stimulate/encourage value-added production. A large majority of the companies are doing value-added and are interested and have the capacity to do more. COPC could take a role in linking producer capacity with this processor capacity in new or novel ways.

Almost 60% of processors are unaware of funding assistance for processing organic crops. The COPC could develop a session to present and discuss the types of funding assistance available, identify potential participants from the database and survey responses and extend a direct invitation to these participants to attend.

Resource gaps identified could represent a potential new business opportunity for a producer or processor that the COPC could facilitate.



APPENDIX

COVER LETTER AND SURVEY



Shaun MacIsaac, C.A.
 Everett Roche, C.A.
 Terry Soloman, C.A.
 Michelle Burge, C.A.
 Brenda MacNeill, C.G.A.

139 Queen Street
 PO Box 2679
 Charlottetown, PE
 C1A 8C3

Telephone: (902) 368-2643
 Facsimile: (902) 566-5633
 www.mrsbgroup.com

January 15, 2010

Dear Food or Beverage Processor:

MRSB Consulting Services Inc. of Charlottetown has been engaged by the PEI Certified Organic Producers Cooperative to determine what processing resources are currently available within PEI for the development of *value-added* products. The main objective of the engagement is to identify new opportunities and partnerships for growers and processors. It will be followed up with concrete actions and initiatives that help to advance the opportunities and partnerships identified.

Value-added refers to changing a raw material in some way to enhance its value or price for customers. For this project, it does not include the washing or bagging of fresh produce.

We would like to know more about the value-added capacity of your company. Please assist us by completing the enclosed short questionnaire and returning it by **February 5, 2010**. The questionnaire can be returned using either of the following options:

1. in the enclosed stamped, self-addressed envelope
2. by fax to (902) 892-1768, attention Cathy McPhail, or
3. scanned and emailed to cathy.mcphail@mrsbgroup.com

Completed questionnaires received by February 5, 2010 will be entered in a draw for a PEI Products Gift Basket.

If you have any questions please call Cathy McPhail at 368-2643. Your cooperation in completing and returning the enclosed questionnaire will benefit the agricultural sector and your company. Thank you!

Sincerely,

Cathy McPhail
 MRSB Consulting Services Inc.

**RESOURCES FOR VALUE ADDED PRODUCTION
PROCESSOR QUESTIONNAIRE**

1. What value-added production does your company currently do?

2. What is the minimum volume that you require for value-added production?

3. Do you have the capacity to process more value-added products than you do now? (*Check one*)

- YES NO

4. Are any of your value-added products made by another company? YES NO

a. If YES, which ones and who makes them?

5. Would you consider trying new or additional value-added processing in the next three years? (*Check one*)

- YES NO

6. Can your facility do value-added production using *organic* crops? (*Check one*)

- YES NO

7. Are you aware that there is funding available to assist companies with processing organic crops? (*Check one*)

- YES NO

**RESOURCES FOR VALUE ADDED PRODUCTION
PROCESSOR QUESTIONNAIRE**

8. Does your company have specialized infrastructure, equipment or resources for any of the following?*(Check all that apply)*

- | | |
|--|---|
| <input type="checkbox"/> Freezing | <input type="checkbox"/> Extracting |
| <input type="checkbox"/> Drying | <input type="checkbox"/> Pickling |
| <input type="checkbox"/> Vacuum packaging | <input type="checkbox"/> Canning |
| <input type="checkbox"/> Extruding | <input type="checkbox"/> Dry warehousing |
| <input type="checkbox"/> Portioning | <input type="checkbox"/> Temperature controlled warehousing |
| <input type="checkbox"/> Dehydrating | |
| <input type="checkbox"/> Other (please specify) | |
-

9. Would you like your organization to be contacted about new value-added processing opportunities? *(Check one)*

- YES **If YES, go to question 10**
 NO **If NO, go to question 11**

10. If you checked YES for question 9, please provide the following information:

Company Name:	
Contact Name:	
Address:	
Tel. Number:	
Website:	
Agricultural commodities served:	

11. If you checked NO for question 9, please tell us why you are not interested in hearing about potential new opportunities in value-added processing?

THANK YOU FOR COMPLETING THIS QUESTIONNAIRE!