

CCGD Presentation to the BC Food Protection Association

October 18th, 2007



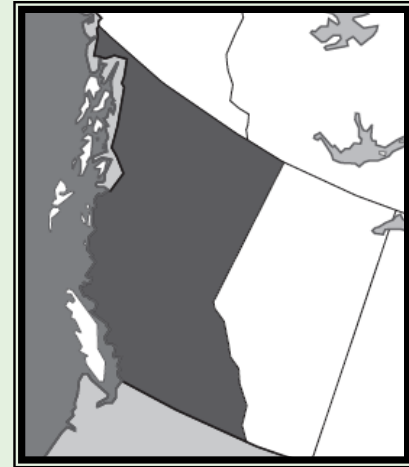
Who is the Canadian Council of Grocery Distributors?

- National industry association representing grocery retailers, grocery wholesalers and foodservice distribution.
- Focus on issues impacting food and grocery products:
 - National government relations
 - Regional government relations
 - Industry issues:
 - Food safety
 - Environment
 - Labeling and Nutrition
 - Supply chain, standards & technology
 - Tools to the business (research, benchmarking studies, best practices, etc.)
- Offices in Halifax, Montreal, Toronto and Calgary
- CCGD core philosophy is to deliver value to members and help members meet evolving customer demands.



Grocery Industry Impact in British Columbia

- Total sales of \$9.7 billion
- CCGD's 8 retail and wholesale members account for 76%¹ of food products distributed through grocery retail in British Columbia.
- 2 Foodservice members supply 60% of restaurants and institutions in British Columbia
- Employs over 65,000 British Columbians with a payroll of over \$1.6 billion dollars.
- Industry spends an additional \$.5 billion per year on building, renovations and goods and services to run the business.
- Average after tax profit in the industry is approximately 2%.



CCGD Members in British Columbia

Retail and Wholesale:

- Canada Safeway Limited
- Costco Canada
- Federated Co-op
- H.Y. Louie Co Limited
- Loblaw Companies West Limited
- Sobeys Limited
- Thrifty Foods
- The Grocery People Ltd.
- Wallace and Carey Inc.

Foodservice:

- Gordon Foodservice Canada Ltd. (Neptune Foodservice)
- Sysco Canada



Speed of Spinach

- Canadian market for produce is approximately \$8 billion
- An estimated 4.15 million tons of produce were imported into Canada in 2006
- Due to its perishable nature, produce has the highest turn rate in the industry
- Turn rate = annual sales/average inventory at retail

<u>Category:</u>	<u>Turn Rate Per Year</u>	<u>Inventory Implication</u>
Center of Store	12-14	26-30 days
Meat	30-50	7-12 days
Bakery	90-120	3-4 days
Dairy (excluding fluid milk)	18-24	15-20 days
Produce	70-90	4-5 days

What does this mean for produce?

- Total inventory is being replaced on average once every 4-5 days
- More perishable items (i.e. leafy greens) are moving faster, less perishable items (i.e. root vegetables are moving slower)



Testing at Retail

- Very little to none
- Velocity and volume:
 - Inventory is moving too quickly through the distribution and retail network to allow for testing.
 - Plate testing = 3-5 days for results
 - In 3-5 days many items have moved through retail, been sold and are in the hands of the consumer.
- Instead CCGD member focus is on prevention with activity stretching from field to fork.



Vendors

- Produce food safety begins with vendor selection and buying specifications:
 - Source from reputable vendors with established track records
 - Buying criteria stipulates not only grade and specs, but food safety programs and requirements.
 - Require food safety programs to be in place on farm and with packer/shipper
 - Supported by:
 - Internal audits
 - Third party audits
 - Vendor guarantees
 - Random testing (where applicable)
- To provide guidance to buyers CHC, CPMA and CCGD have partnered to develop a comparison of international food safety and audit projects.
 - Allows buyers to compare programs to ensure equivalency to CHC programs
 - Permits same requirements (through different programs) to be required of domestic and foreign vendors.



Distribution

- All CCGD members have programs in place at distribution as it applies to produce. Key steps include:
 - Inspection on receipt (grade, condition, temperature control, visible issues)
 - Storage (cleanliness, cross contamination, temperature control, rotation)
 - Selection & staging (FIFO, temperature control, cross contamination)
 - Shipment (temperature control, cleanliness)
- CCGD members co-operate fully with any testing done at warehouse by the CFIA – this is typically done for pesticide residue.



Retail

- All CCGD members have programs in place at retail as it applies to produce. Key steps include:
 - Inspection on receipt (grade, condition, temperature control, visible issues)
 - Storage (cleanliness, cross contamination, temperature control, rotation)
 - Preparation and display (temperature control, culling, washing and preparation of RTE)
 - Employee education and training (hand washing, food handler training etc.)



Consumer

- Consumer education fundamental to proper storage and preparation in the home.
- CCGD is a member of the Canadian Partnership for Consumer Food Safety Education (FightBac).
- Provide messaging to the consumer on bags and in flyers on:
 - Temperature control
 - Hand washing
 - Washing of produce prior to cutting/peeling/cooking, etc.



Summary

- Speed of spinach makes testing at retail unfeasible
- Prevention vs. intervention
- Whole chain effort to ensure produce food safety
- Consumer has a very important role to play

