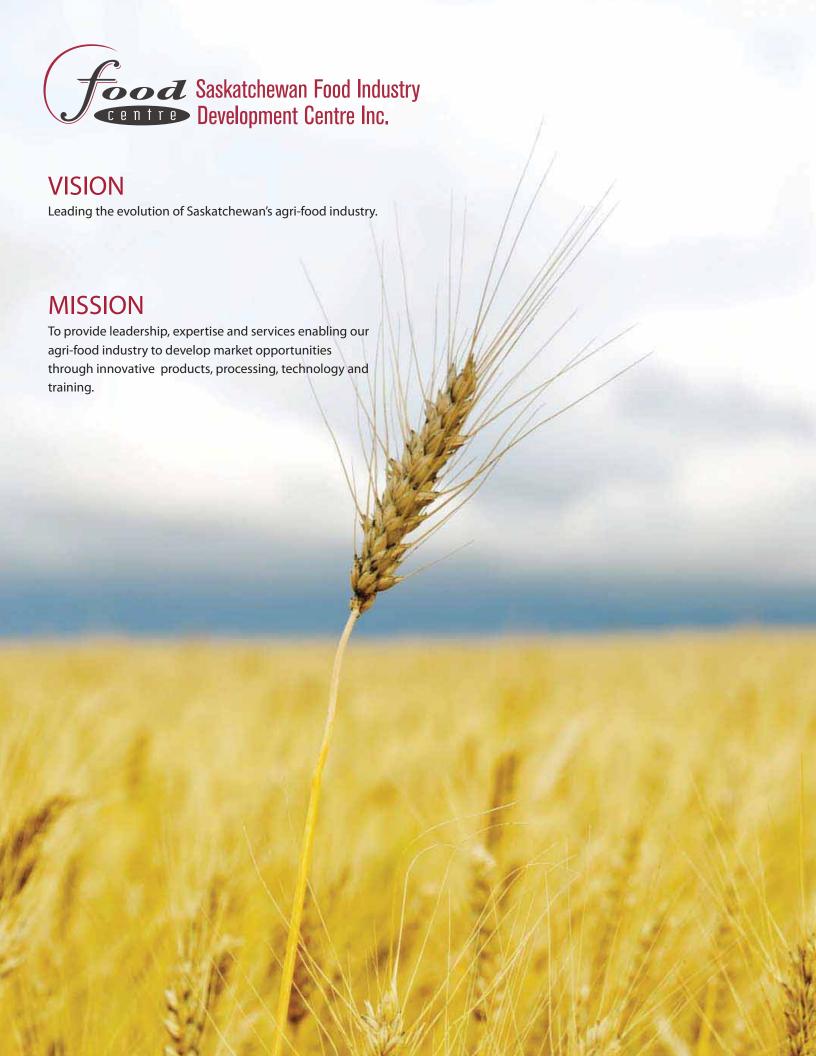


DRIVING INNOVATION IN PLANT-BASED PRODUCTS







JASON SKOTHEIM President of Horizon Pet Nutrition

Food Centre is well positioned to provide key resources to enable Saskatchewan agri-businesses to capture these opportunities and make a global-scale impact.

It is my distinct pleasure to bring greetings on behalf of the Board of Directors.

The Food Centre has gone through numerous changes since our move to the new Agri-Food Innovation Centre in 2017. 2018 was a year of new beginnings, which also brought new challenges and new opportunities.

Growth, diversity and continuous improvement has been the main focus of the Food Centre's mission, leading Saskatchewan's agri-food industry in these areas. The capable staff demonstrate daily that they are a valuable asset to the industry.

Over the past year we have witnessed increased demand for the Food Centre's services through their incubation and extrusion suites, an expanded product development suite and through new technology acquisition. As new opportunities emerge in the food industry, the Food Centre is well positioned to provide key resources to enable Saskatchewan agri-businesses to capture these opportunities and make a global-scale impact.

Ensuring the Food Centre's long term growth and contribution to the food industry is critical. The Board of Directors understands the enormity of the task and is fully committed to guiding the Food Centre in strengthening the agri-food industry and building the prosperity of Saskatchewan agriculture.

In 2018 the Board welcomed several new members. I look forward to their expertise and contribution.

The Board of Directors is proud of the Food Centre's accomplishments and thank the staff for their commitment and dedication. Thank you also goes to Dan's strategic leadership for always looking ahead to identifying and capturing opportunities for Saskatchewan's food industry.



SIDENT'S MESSAC

DAN PREFONTAINE

Land Contract State Series The Agri-Food Innovation Centre was envisioned as landing spot for collaboration and innovation to bring industry together. **77**



The year 2018 will stand out for me as perhaps one of the most defining years for the Food Centre, setting in motion a course of action to strengthen Saskatchewan's agri-food industry. The Agri-Food Innovation Centre (AFIC) was envisioned as landing spot for collaboration and innovation to bring industry together. Since moving to the Agri-Food Innovation Centre, the Food Centre has seen substantial growth and is well recognized for our expertise and capabilities around the world.

Saskatchewan's food industry is as robust as ever. The demand for plant proteins is growing at an exponential rate. The Food Centre's research and development services are creating a wide variety of plant-based protein enriched products for Saskatchewan businesses to capture new market opportunities.

There has also been a growing need for research and development in the ingredient sector. The Food Centre is assisting companies to develop and prove up novel ingredients with desirable components and link it to optimal food and beverage applications to develop prototypes for test marketing.

In 2018, our staff fielded an estimated 3,800 inquiries through daily phone consultations, meetings and emails, and assisted 67 clients in the development and processing of their unique food products for local and interna-

tional markets. We saw products such as new flavours for pea snacks, prairie-bred, grass-fed beef jerky, plant protein nutrition bar, and baby finger foods, just to name a few, taking its place in the retail market.

In 2019, the Food Centre will begin its expansion to add an additional 12,200 square feet of processing capacity and storage. As part of this Phase 2, we will be increasing our R&D capacity, incubation and the ability to commercialize new innovations to meet the growth in our protein industry.

I am very excited about the future. More changes are along the way but more opportunities are in the horizon as well.

To our dedicated Board of Directors and hard working staff, THANK YOU! Together we have an important role to play to helping make sure our industry succeeds.

Saskatchewan Food Industry Development Centre Inc. (Food Centre) is a not for profit organization that provides unique services to support industry growth and increase value-added activity in Saskatchewan.

The Food Centre has evolved twice over. First with the construction of our federal facility on the University Campus in 2001, then in 2018 with the grand opening of the Agri-Food Innovation Centre (AFIC) on Schuyler Street. What has also evolved is our expertise and services to the agri-food industry in Saskatchewan.

As we continue to provide and add new services to bridge the startup phase to industrialization for both SME's and companies exploring new food concepts and technologies, the Food Centre is also positioned to support export functions to allow our agri-food processors to explore larger markets.

With 3 new Incubator Suites in AFIC and 2 more to be added in 2019/2020, these resources encourage the growth of the food and agriculture processing industry in Saskatchewan and support multiple industry players in a start-up and expansion strategy.

> LONG-TERM/SHORT-TERM INCUBATION SUITES **FULLY INTEGRATED EXTRUSION INNOVATION SUITE** FOOD AND INGREDIENT DEVELOPMENT SUITE **WET/DRY INNOVATION SUITES** CLASSROOM FOR TRAINING

> >

pulse innovation • ingredient application process development • product testing • path finding skills development • industry training • online training nutrition labelling • label review • packaging ingredient sourcing • network of suppliers and more!!

2018 HIGHLIGHTS

JANUARY Grand Opening of AFIC; AFIC receives CFIA certification

FEBRUARY Food Centre ships out over 4,000 Prairie Pulse Bars to Food Banks in Saskatoon and Regina

MARCH Client Success: Cherry & Berry Delight launch new products

APRIL Food Centre provides food labelling workshop in Kenora and Thunder Bay, ON

MAY Food Centre's FC Inspection Division hosts Industry Day for SK Meat Plants

JUNE Saskatchewanderer visits the Food Centre

JULY Food Centre welcomes Federal Agriculture Minister, Lawrence MacAulay

AUGUST Client Success: Brain Bar Nutrition Inc. launch plant protein energy bar in the market

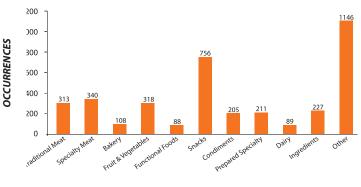
SEPTEMBER Western Economic Diversification Minister of Small Business and Export Promotions, Mary Ng visits the Food Centre; Client Success: Baby Gourmet launch toddler finger snacks in the market

OCTOBER AFIC Open House event

NOVEMBER Food Centre hosts RVA workshop

DECEMBER Several tours provided to industry including an Australian delegation.

2018 CONSULTATIONS & ACTIVITIES BY SECTOR



SECTORS

SERVICE TYPE

2018 CONSULTATIONS & ACTIVITIES BY SERVICE 1200 1089 1000

IT'S OFFICIAL!

AGRI-FOOD INNOVATION CENTRE GRAND OPENING AND OPEN HOUSE

The Open House for the Agri-Food Innovation
Centre was a much anticipated event. Brad
Wall, Saskatchewan Premier at the time, and
Ralph Goodale, Public Safety Minister, on
behalf of Agriculture and Agri-Food Minister Lawrence
MacAulay, officially opened the new centre.

To accommodate the increased interest in the new facility, the Food Centre also hosted an Open House in October. We welcomed Saskatchewan Agriculture Minister, David Marit and over 100 attendees to this special event. Tours, lunch and product sampling from our clients were enjoyed by all.

As news of the Agri-Food Innovation Centre spread, the Food Centre became the destination spot to visit for international delegations and industry organizations. Several notable tours included a visit from Federal Agriculture Minister, Lawrence MacAulay and Western Economic Diversification Minister of Small Business and Export Promotions, Mary Ng.

The Food Centre operated its first full year in the new location and the increase in activity is noticeable. The desire for industry, from entrepreneurs to multinationals and retailers, to work with the Food Centre has opened new doors and opportunities. The Agri-Food Innovation Centre has provided a new pivot point for the industry and a new foundation to build upon.









FOOD DEVELOPMENT

SUPPORTING FOOD INNOVATION & THE GROWTH IN PLANT-BASED PRODUCTS

The plant-based movement has been growing exponentially for the last several years and will continue it's momentum into 2019. Emerging trends in plant protein are driving much of this momentum in the development of ingredients and processed foods.

The depth of possibilities when it comes to plant-based food products are endless. However, as consumers focus on health and wellness in the foods that they consume, factors such as fibre, healthy fats, and gluten free continue to be important influences in food development. These will be important attributes in not only plant based products but also other innovative food products as well.

Last year, the Food Centre's Food Development department has been very busy keeping up with the demand for innovative foods utilizing plant proteins and all its attributes, including co-products such as hulls or starches. Meatless options were the most popular as the development team created some unique concepts that would give the Beyond burger a bit of competition. Clients from all over the world are discovering our expertise in this area.

The Food Centre provided services in food development, research, analytical, and ingredient applications to approximately 33 clients in 2018.

As we head into 2019 and 2020, other big influencers on new food concepts include cannabis-infused foods/snacks, clean label and plant-based products with a focus on pulses.







Images - Top: brain bar from Brain Bar Nutrition Inc. (plant-based protein bar); Bottom Left to Right: Zak Organics new flavour peas; Meatless alternative development

PRODUCTS DEVELOPED

Multi-Grain Cereal Dry Mix
Granola Type Bars
Protein Bars
Low Carbohydrate, High Fibre Baking Mix
Vegan Sausages and Burgers
Lentil Spreads
African Sauces
Garlic Products
Fruit Jams
Organic Pea Snacks



INCUBATING GROWTH

SUPPORTING EXPORT OPPORTUNITIES

The Food Centre's clientele using our processing facilities are diverse, ranging from start ups to medium sized companies.

Our daily rental pilot plant on the University Campus remains an important option for small to medium sized processors interested in manufacturing on a less frequent basis and not in position to invest in equipment and facility. The plant's many federally inspected licensing agreements, HACCP accreditation, FDA, HALAL and organic certification provide the flexibility for all industry sectors to prototype and test market innovative concepts to global markets.

In 2018, the Food Centre's pilot plant provided the capacity for several clients to engage in private labelling with Federated Co-operatives Limited.

Thirty-two clients used the Pilot Plant for production of over 30 different types of food products, from granola type bars, jerky, powdered drinks to honey.

The Agri-Food Innovation Centre's Incubator Suites have created even more options for our industry looking at expanding their markets and exploring export opportunities. Clients are able to utilize the suites on a long-term agreement, customize it with their own equipment and use the Food Centre's certifications and resources in shipping and receiving to run their processing business.

Through joint ventures and partnerships, the Food Centre explored and adopted new and existing technologies to increase product diversification, process efficiency and industry competitiveness. Many of these new technologies will be in

place in 2019.





PRODUCTS PROCESSED

Various Snack & Protein Bars
Beef and Vegan Jerky
Sausages, Salami, Bacon, Pork Ribs
Cocktail Dry Mix
Extruded Snacks
Chickpea, Pea, and Lentil Snacks
Fruit Jam, Spread and Pie Filling
Gourmet Mustard, Honey
Seasoned & Smoked Fish
Seasoned Pretzels
Filipino Meats
and MORE!



EXTRUSION INNOVATION

SUPPORTING THE GROWTH IN PULSE UTILIZATION

Plant-based protein is ushering in the future of food. Thanks to growing consumer demand for cleaner, environmentally friendly, and animalfree sources of protein, we have seen an increase in the number of plant-based meat substitutes on the market. The Food Centre is at the forefront of this food trend.

As the only commercial incubation centre for twin-screw extrusion in Canada, the Food Centre has been working with local and international clients in developing plant-based food products using this unique technology. Our expertise in developing meat alternatives and disseminating knowledge on how to make these types of products using technologies such as high moisture extrusion and via texturization of plant proteins is recognized globally. The plant-based meat business has expanded dramatically to include not only beef but also chicken, pork and seafood-type entrees. The options are so plentiful that it is now a question of what kind of plant-based protein you prefer.

In 2018, the Food Centre worked with over 20 clients in R&D, manufacturing and consulting for extrusion related projects. Besides meat alternatives, other prototypes in development included snack puffs, crunchy snacks, breakfast cereal and imitation rice. In addition, we are working with clients in developing products such as pet food and industrial applications.







FOOD SAFETY

INCREASING MARKETS FOR FOOD PROCESSORS

Saskatchewan's goal to increase the overall size and scope of the agri-food processing industry will rely heavily on exports to reach national and global markets. The success of this long term objective, to increase exports, is in part dependent upon industry's ability to ensure Saskatchewan products meet global quality, safety and traceability standards. The regulatory environment can place barriers on trade within export markets that may be overcome by industry and government driven recognized programs such as GMP's, BRC, HACCP and ISO. The Food Centre's Food Safety Department provides services to ensure processors' food safety programs meet

In 2018, we offered numerous food safety training as well as several technical workshops to assist the food industry in Saskatchewan to remain competitive in the global marketplace. Industry learned about the use of RVA technology for their business and food development techniques to enhance their product. Manufacturing personnel were trained in Hazard Analysis and Critical Control Points through our 2 Day HACCP Workshops.

their intended market and their standards.

The Food Centre is currently managing the
Domestic Meat Program in Saskatchewan and is
well positioned to assist the industry through its
current expertise, in field staff and web based
training platform it has developed. In May,
through the FC Inspection Program, we partnered with the

Ministry of Agriculture to host a free Industry Day for Saskatchewan Meat Plants. Topics included funding programs, meat cutting and marketing, chronic wasting disease and more.

We have also assisted the vegetable industry in adopting and implementing the CanadaGAP program for vegetable production which was key in their ability to develop a cooperative program for the retail sector.

Safe Food For Canadians Regulations will be in effect 2019 and will have a direct impact throughout the food supply chain, and affect the way many manufacturers and importers conduct business inter-provincially in Canada. One significance is that under the proposed regulations, previously non-federally registered food sectors will be required to hold a CFIA licence,

with written and implemented food safety preventative control plan as well as other food safety requirements.

Over the years, the Centre has provided assistance in almost all areas where food safety and quality requirements are needed. The Centre has worked with a variety of sectors (meat, pulses, dairy, and cereals) within the food chain (growers, suppliers, manufacturers, distributors etc.) to deliver training to small, medium and large enterprises.

2 Day HACCP Workshops
CanadaGAP Training
Onsite Training
Online Training
Public Health Inspection Training
Meat Processing Industry Day
RVA Workshop
Food Development Workshop
Needs Assessments
Pre-Audit Assistance

ONLINE TRAINING

The Food Centre's online training for HACCP (hazard analysis and critical control points) and GMPs (good manufacturing practices) continue to generate interest around the world. The web-based training option provides better flexibility for food manufacturers to upgrade employees' food safety skills at their own time.

The online HACCP & Food Safety Certificate Program reaches students globally. HACCP online has several students registering from the United States, India, and China.

A redesign of the HACCP online training will start in 2019 to provide a more updated and modern format.

www.GMPsOnline.ca www.HACCPonline.ca

Thank you to Growing Forward 2, a federal-provincial-territorial initiative, Western Economic Diversification of Canada, National Research Council, and Saskatchewan Ministry of Agriculture for their financial support with special projects, programming and the construction of the Agri-Food Innovation Centre.





Thank you to the following organizations for their financial support towards the Agri-Food Innovation Centre

PLATINUM SUPPORTERS

Saskatchewan Pulse Growers
SaskCanola
James Cameron & Suzy Amis Cameron
Federated Co-operatives Limited

BRONZE AND INDUSTRY SUPPORTERS

SaskBarley Development Commission
Saskatchewan Egg Producers
CanMar Grain Products Ltd.
Chicken Farmers of Saskatchewan
InfraReady Products Ltd.
Ag-West Bio Inc.
Cherry Insurance
LPL Management Ltd.
Ledcor Group
MGM Specialty Livestock
Boreal Berry Bar Inc.
Triad Power
Excel Refrigeration Ltd.
Ace Plumbing & Heating Inc.

STRATEGIC PARTNERSHIPS

The Food Centre is fortunate and grateful for the many partnerships we have created over the years. Our diverse network in all sectors of the food and ingredient industry allows the Food Centre to harness the strengths and abilities of other organizations to provide strategic direction for Saskatchewan's agri-food industry. Special thanks to our founding partners.

SASKATCHEWAN MINISTRY OF AGRICULTURE

The Ministry of Agriculture offers valuable support to the Saskatchewan food industry. Their experienced staff is available to assist the agriculture industry through its service offerings such as business expertise and leadership, research, funding, and industry information. The different departments in the Ministry of Agriculture are committed to enhancing the development of a vibrant agricultural industry.



UNIVERSITY OF SASKATCHEWAN

The Food Centre works closely with the research scientists at the University of Saskatchewan's College of Agriculture and Bioresources. The College links processors to the latest technology and research information. The Food Centre collaborates with the numerous departments in special projects that helps to expand and diversify the food industry.



SASKATCHEWAN FOOD AND INGREDIENT PROCESSORS ASSOCIATION

The Saskatchewan Food and Ingredient Processors Association (SFIPA) is an industry association that represents and serves as a spokes group for the collective interests of our food and ingredient sector provincially, nationally and internationally. They provide special programming, market awareness, pathfinding, and collaboration to grow and increase the competitiveness of the food and ingredient sector.



FOOD CENTRE STAFF

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Glenna Long -- Accountant

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Mark Dyck -- Assistant, Product Development

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James Bedient -- Maintenance Assistant

Vince Neiser -- Program Manager, FC Food Inspection

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Alister Muir -- Saskatchewan Food and Ingredient Processors Association

Blair Knippel -- T Base 4 Investments Corp.

Brian Sim -- Agri-Business Consultant

Bryan Kosteroski -- Agriculture Council of SK

Godwin Pon -- Saskatchewan Ministry of Agriculture

Jennifer Evancio -- Avena Foods

John Coté -- Black Fox Farm & Distillery

Mehmet Tulbek -- AGT Food & Ingredients

Pat Pitka -- Genome Prairie

Phyllis Shand -- University of Saskatchewan

Rick Green -- POS Bio-Sciences

Rodelle Genoway -- Untapped Potential Business Consulting Ltd.

Members

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Paul Johnson -- Assistant Deputy Minister of Policy, Saskatchewan Ministry of Agriculture

Greg Fowler -- Vice-President of Finance & Resources, University of Saskatchewan

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Audited 2018 financial statements are available upon request by contacting the Food Centre. Please direct your inquiries to (306) 933-7555 or email: info@foodcentre.sk.ca.



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