

CANADAGAP



2013 ANNUAL REPORT

A Year of Change and Transformation

CanadaGAP Program

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Annual Report, November 2013 – A Year of Change and Transformation

CanadaGAP™ is a food safety program for companies that produce, pack and store fruits and vegetables. It is designed to help implement effective food safety procedures within fresh produce operations. Audit and certification services for the program are delivered by third party, accredited Certification Bodies. The program has been benchmarked and officially recognized by the Global Food Safety Initiative (GFSI).

Two manuals, one specific to Greenhouse operations, the second for other fruit and vegetable operations, have been developed by the horticultural industry and reviewed for technical soundness by Canadian government officials. The manuals are designed for companies implementing Good Agricultural Practices (GAPs) and maintaining an effective food safety program. The manuals are based on a rigorous hazard analysis applying the seven principles of the internationally-recognized HACCP (Hazard Analysis and Critical Control Point) approach.

2012-13 is the fifth complete season of operation for the CanadaGAP Program. CanadaGAP has seen another action-packed year, but what sets it apart is the degree of change and transformation. Among the many activities successfully undertaken this year, the following include the major highlights and milestones achieved.

Incorporation

In September 2012, CanadaGAP became an independently operated program under a new not-for-profit corporation called *CanAgPlus*. All participants enrolled in the CanadaGAP Program became eligible for membership in CanAgPlus as of November 1, 2012. An interim Board of Directors was appointed by the two founding organizations, the Canadian Horticultural Council (CHC) and the Canadian Produce Marketing Association (CPMA). Communication activities last fall were numerous and included a revamp of the website and rebranding to reflect the new corporate governance structure, etc.

Board of Directors

Since CanAgPlus' incorporation last September (2012), an appointed group of volunteers has served as the Board of Directors for CanadaGAP. Heartfelt appreciation and gratitude are extended to this group of six dedicated professionals who have provided guidance, support and strategic direction to management over the course over CanAgPlus' first year of operation. I wish to personally thank Board Chair Tom Bytynen, Vice-Chair Jack Bates, and directors Hugh Bowman, Beth Pattillo, Grant Hackman and Claude Laniel for their leadership, commitment and vision.

An elected Board of Directors will be chosen by members during CanAgPlus's first Annual General Meeting.

First Annual General Meeting

Significant effort this year has gone into planning and preparing for the first Annual General Meeting of the new corporation. This has entailed:

- Review of the original set of By-laws to ensure they will work for CanAgPlus and are consistent in all respects with the *Canadian Not-for-Profit Corporations Act*.
- Establishment of the Nominations Committee by the Board of Directors
- Call for Nominations in June 2013, with a deadline of August 2013
- Refinement of Voting Policy and Procedures and Mailed-in Ballot process
- Sponsorship drive
- Communication with members about the AGM, registration, candidates for the Board, voting, etc.

Integration of CPMA Repacking and Wholesale Food Safety Program

Discussion began in 2009 between the CHC and CPMA about the potential to consolidate CanadaGAP and the CPMA's Repacking and Wholesale Food Safety Program (RWFSP). A formal study was undertaken in 2010 on the feasibility of merging CanadaGAP and RWFSP to create a single integrated standard and a standalone not-for-profit corporation. The study concluded this was a feasible initiative and in 2012 members of both organizations made a final decision to proceed with merging the two programs. This course of action was recommended to limit potential exposure to liability associated with administering a food safety program. Work has continued throughout 2013, with plans to roll out the integrated program by 2014. Stay tuned for an upcoming announcement regarding the availability of CanadaGAP certification Option D for repackers and wholesalers.

GFSI Recognition

CanadaGAP became the first Canadian food safety program to be officially recognized by the Global Food Safety Initiative (GFSI) in January 2010. Re-benchmarking was required to the new version (6) of the GFSI requirements in 2012. This was successfully achieved with formal re-recognition by GFSI in January 2013 for CanadaGAP certification options B and C.

Participation Trends

Approximately 2,400 producers are now CanadaGAP-certified, representing an increase of 17% since November 1, 2012. More than 2,000 applications for program enrollment have been processed by CanadaGAP staff since the program was launched in 2008.

The following participation trends are of particular note for 2013:

- The first enrollees from Newfoundland and Labrador joined the program this season
- In the past year, CanadaGAP also saw the first enrollment from the Yukon Territory
- There has been a surge in farm level participation, as certified packinghouses request food safety compliance from growers in response to new requirements from retail/food service
- Noticeable rise in enrollments among certain sectors (BC blueberry, ON greenhouse, etc.)

- Increasing rates of participation by producers in the U.S.
- Proportional increase in individuals choosing Option C (annual audit), now comprising 40% of all certified companies
- The trend is away from the four-year audit cycle options (A1 and A2), which now stand at 30% of all CanadaGAP enrollments
- 30% of participating producers are enrolled in a group certification option. This rate has remained stable for the past few years.
- 2013 marks the 5-year anniversary for initial program participants who enrolled when CanadaGAP was first launched. These growers have now successfully completed their first 4-year audit cycle.
- The Tree Fruit industry continues to lead enrollment figures (see attached *CanadaGAP Program Uptake Statistics* for further detail on the breakdown by crop grouping and province)

Based on # of producers	Tree and Vine Fruit	Field Vegetables	Potatoes	Small Fruit	Greenhouse
Participation Rate	37%	23%	19%	14%	7%

Data current as at August 31, 2013

Audit Trends

Trends: Audit scores remain consistently high. This has been a steady trend over the years, across provinces and commodities. This trend shows a general consistency in audit results and in the implementation and interpretation of requirements.

- *Number of CanadaGAP Audits*

	2013	2012	2011
No. of audits reported	1031	771	557

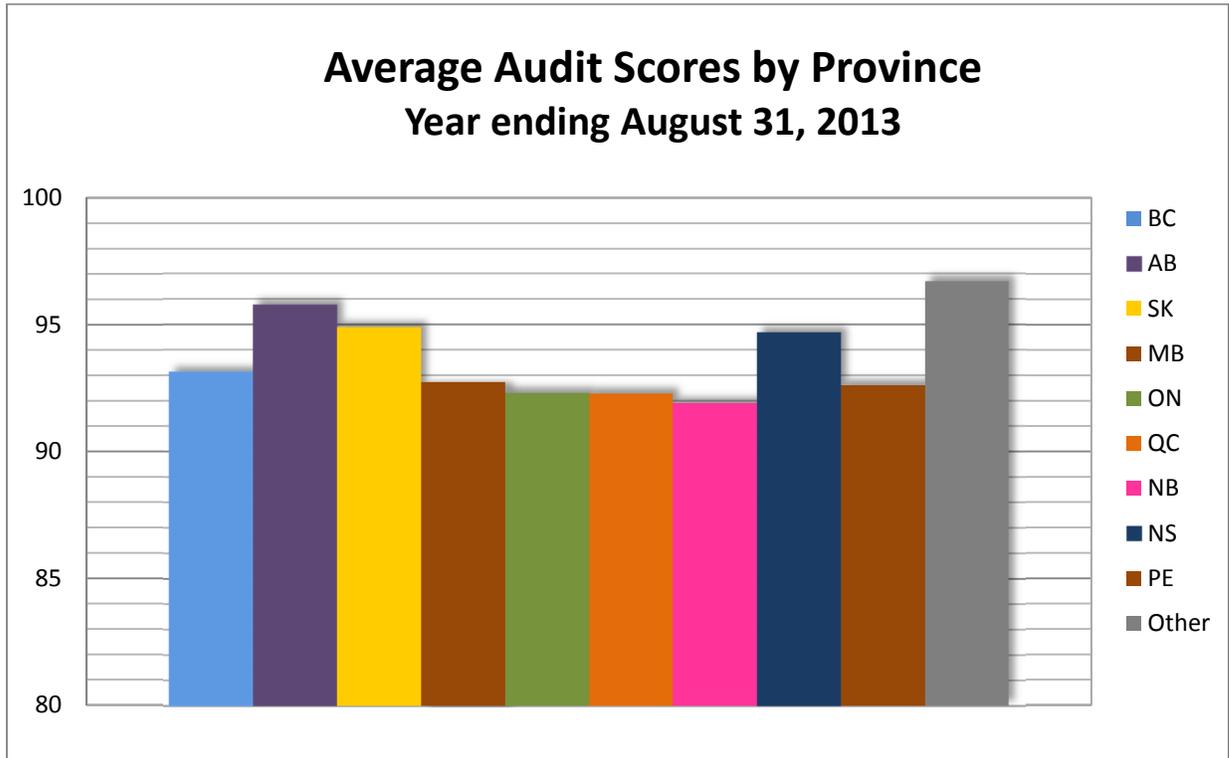
Reporting period from September 1 to August 31

- *Average Audit Score by Crop Grouping*

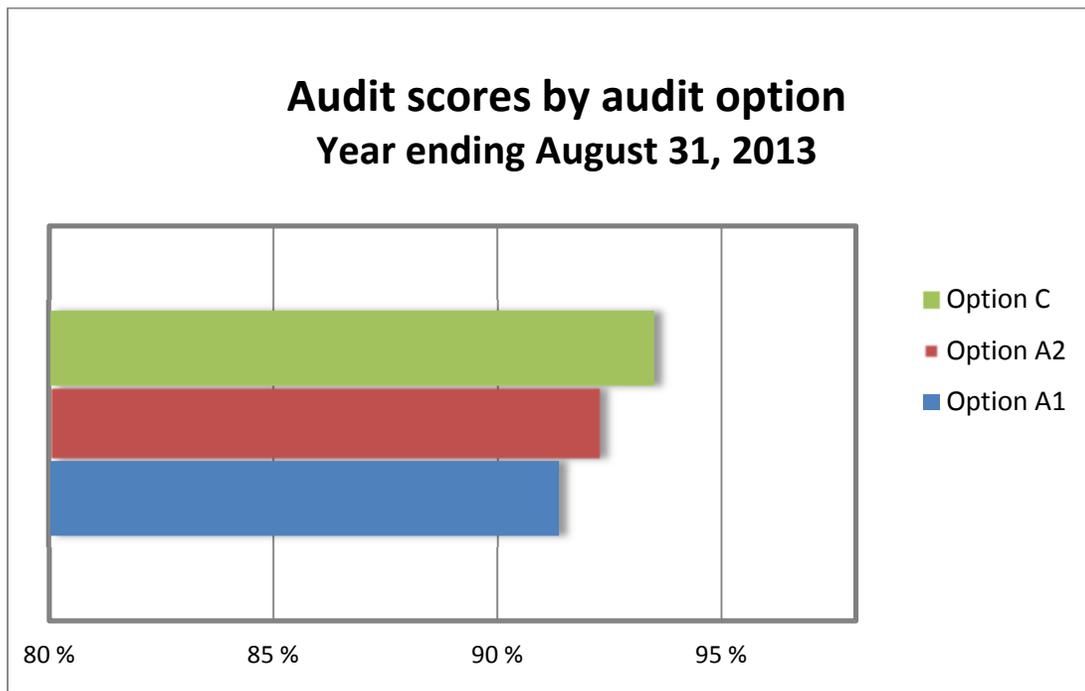
	2013	2012	2011
Potato	92.54	93.19	92.88
Greenhouse	94.80	95.16	95.07
Tree & Vine Fruit	92.71	88.99	89.77
Leafy Vegetable & Cruciferae	92.43	90.35	89.42
Small Fruit	92.71	91.11	90.91
Combined Vegetable	93.40	91.52	90.96
Overall Average	92.81	91.65	91.83

Reporting period from September 1 to August 31

- *Average Audit Score by Province*



- *Average Audit Score by Audit Option*



Auditors

- The auditor pool consists of 39 active and qualified CanadaGAP auditors (currently working for a Certification Body). This represents 27% of those who have taken the CanadaGAP auditor training course and 37% of those who passed the course.

Auditors by region:

	West	Ontario	Quebec	Atlantic	U.S.
# auditors	12	12	10	4	1
Percentage	31%	31%	26%	10%	3%

Summary of CanadaGAP Auditor Training sessions:

	2013	2012	2011	Total since 2008
Number of people who completed CanadaGAP auditor training course	28	23	18	144
Number of people who passed the course	16	19	13	105
Percentage of people who passed the course	57%	83%	72%	73%
Number of auditor training sessions	5	3	4	25

New Certification Body

SGS Canada was licensed by CanAgPlus in April 2013 as the newest certification body offering CanadaGAP audits. SGS is a leading inspection, verification, testing and certification company with more than 75,000 employees worldwide. SGS operates a network of more than 1,500 offices and laboratories around the world. SGS joined QMI-SAI Global, NSF-GFTC and Bureau de normalisation du Québec (BNQ) in the list of available certification bodies for CanadaGAP. See www.canadagap.ca for further information about all four CanadaGAP-approved certification bodies.

Other Certification Body News

- Guelph Food Technology Centre (GFTC) was acquired by NSF International, a leading global certifier. The transition continues into 2014 as systems and processes for managing audit and certification services are merged.
- QMI-SAI GLOBAL completed its corporate rebranding and is now officially known as “SAI GLOBAL”.

Electronic Versions of Manuals

CanadaGAP has collaborated with developers on a number of initiatives to automate the CanadaGAP Food Safety Manuals. These efforts are aimed at increasing the functionality and availability of the manuals, and at facilitating implementation of CanadaGAP.

A longstanding partnership with Farm Credit Canada continues, as do several other cooperative alliances undertaken over the past year:

- CanadaGAP Forms in Field Manager Pro software available from Farm Credit Canada
- Inputtable versions of the manuals in Microsoft Word available through the Conseil québécois de l'horticulture website, www.cqh.ca
- BC Vegetable Marketing Commission offers the CanadaGAP Forms in Excel format from its website, www.bcveg.com, in bilingual versions (English-Spanish/Chinese/Punjabi)
- JRS Virtual Studio is developing "Just Grow", a web-based version of the CanadaGAP Manuals
- CanadaGAP has been approached by software developers regarding a mobile app version of the Forms

The Manuals (PDF and Microsoft Word versions) and Forms (PDF and Excel format) can be downloaded directly from the CanadaGAP website at www.canadagap.ca

Relocation of CanadaGAP Office

In September 2013 CanadaGAP found a new office space in Ottawa's west end, allowing staff to consolidate all program administration functions into a single, centrally-located space. The move meant a busy summer working to coordinate the installation of a new phone system and communication lines (with new phone and fax numbers), the rewiring and relocation of the server, negotiation of a new lease and equipment rentals, changes to insurance, and communication efforts to advise members and other stakeholders of the change.

Staffing

CanadaGAP brought on board full-time in February 2013 a fluently bilingual Administrative Assistant. Shana Brin joined colleagues Emily Murphy (Program Coordinator), Elizabeth Laska (Program Administrator), Amber Bailey (Technical Manager), Patti Proulx (Controller – part-time) and Heather Gale (Executive Director) to round out the CanadaGAP team.

Sincere thanks are due to our hardworking staff members, program participants, certification bodies and auditors, affiliates, supporters, service providers and other partners. It takes a team of many dedicated people working together towards a common goal to achieve the success enjoyed by CanadaGAP during the program's five first years of operation.

Report prepared by,

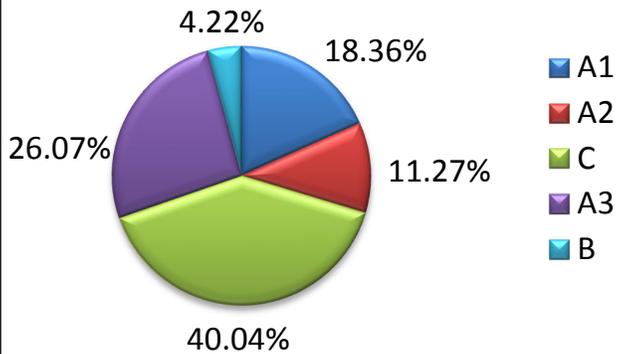
Heather Gale, Executive Director
CanadaGAP Program, CanAgPlus

CanadaGAP

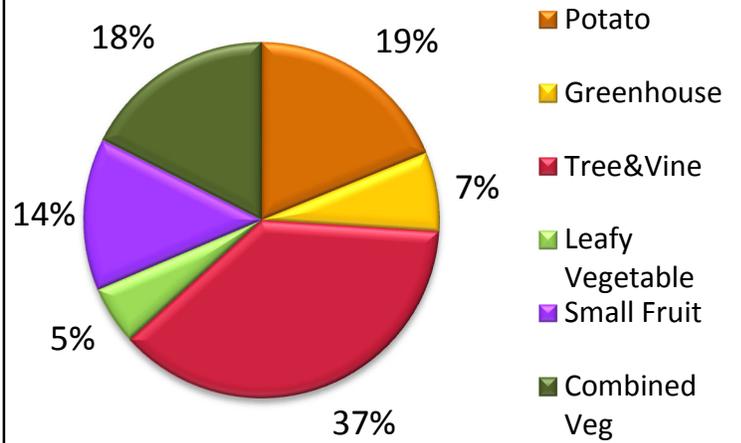
Program Uptake

Statistics

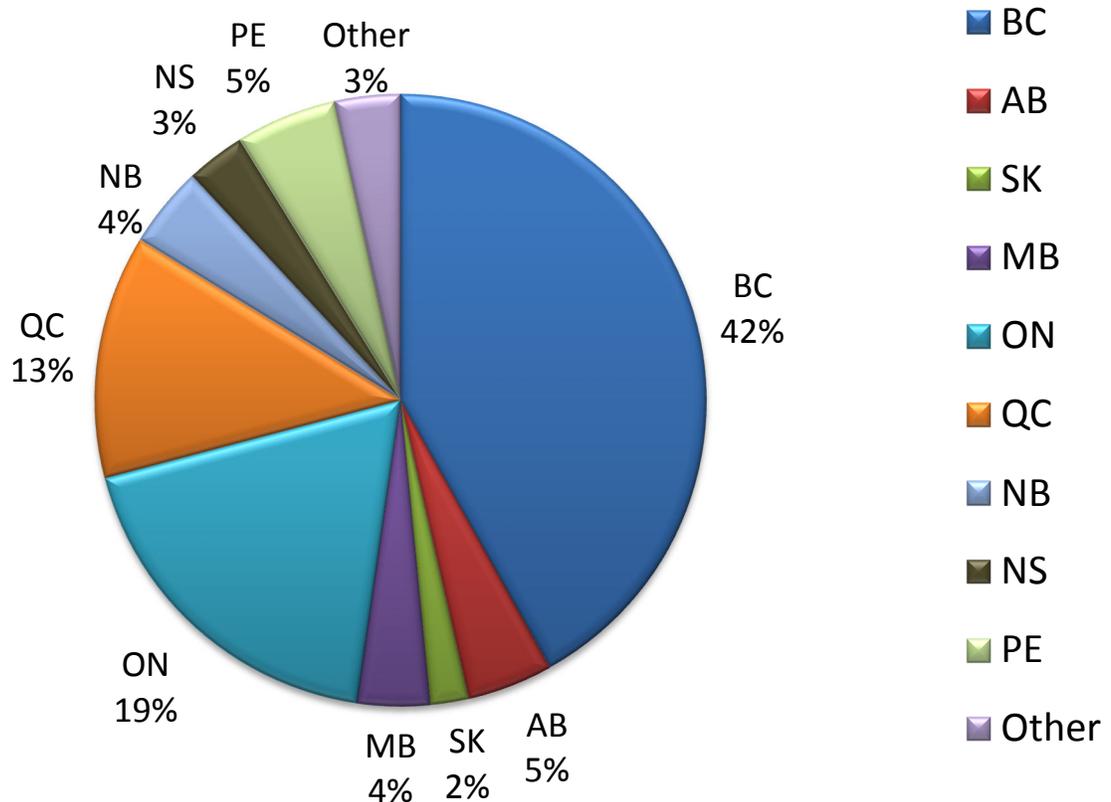
Participation by option
August 31, 2013



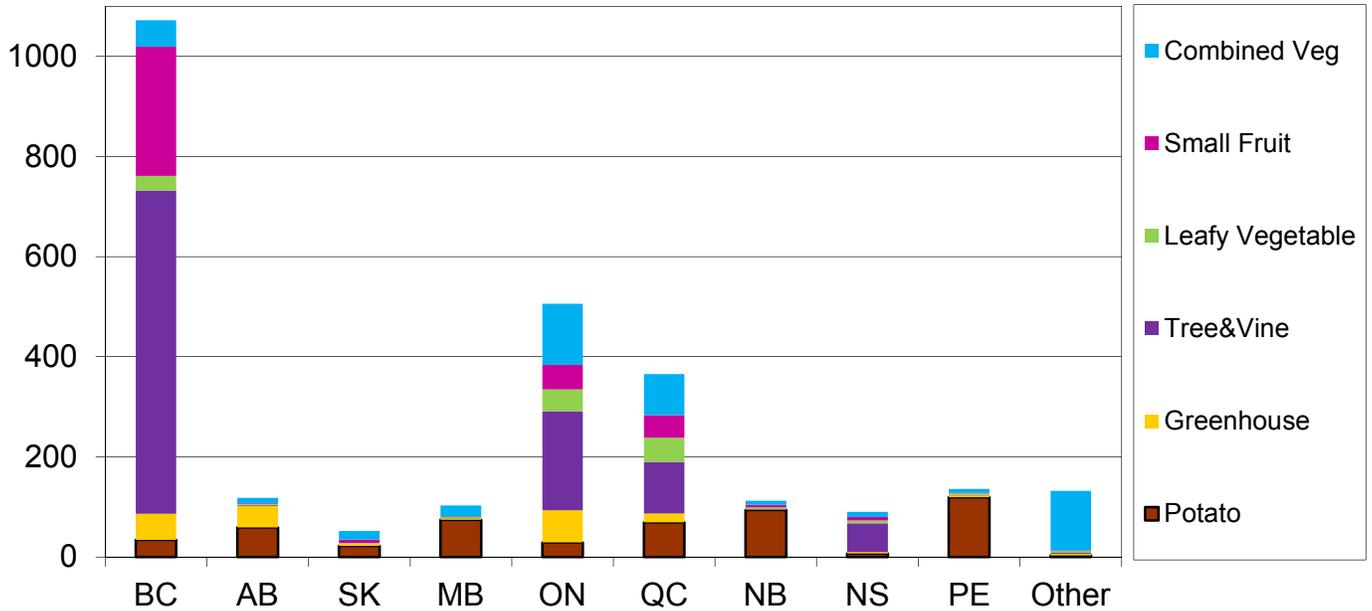
Program uptake by commodity
August 31, 2013



Operations Enrolled by Province
August 31, 2013



Provincial Commodity Representation August 31, 2013



Commodity by Province - August 31, 2013

