

2015 ANNUAL REPORT

CANADAGAP 
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CanadaGAP Program

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Food Safety for Fresh Fruits and Vegetables

Annual Report 2015

CanadaGAP® is a food safety program for companies that produce, pack, repack, store, wholesale and broker 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) for certification options B and C. Benchmarking of option D for repacking and wholesaling is currently in progress.

Two manuals, one specific to greenhouses, 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 Good Manufacturing Practices (GMPs), 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.

2015 marks the seventh complete season of CanadaGAP operations. The program has seen remarkable growth this year, as represented by a 14% increase in enrolments. This growth was achieved despite the voluntary cessation of audit and certification services by one certification body, QMI-SAI GLOBAL, in September 2015. The remaining three CanadaGAP certification bodies have benefited from their partnership with CanadaGAP, and have shown commitment, professionalism and flexibility in taking on the clients affected by SAI's departure.

We're pleased to highlight the following key achievements for 2015:

- Surpassed 3,000 enrolments since the CanadaGAP certification program was introduced in 2008
- Brokerage added to scope of CanadaGAP program
- Progressing with GFSI benchmarking of Option D for repacking and wholesaling
- Completed Government Technical Review of program management system
- In progress with implementation assessment towards achieving full Canadian Government recognition
- Underwent third party audit of the national office to assess the effectiveness of program delivery
- Began monthly publication of consolidated list of CanadaGAP-certified companies
- Registration of trademark for CanadaGAP® and design of the CanadaGAP logo
- In progress with plans to cooperate with the North American Potato Sustainability Initiative (PSI) to offer verification audits for growers participating in the Potato IPM Survey.

Report from the Board

Annual General Meeting

CanAgPlus, the corporation that owns and operates CanadaGAP® held its second Annual General Meeting (AGM) in December 2014. The Board of Directors is comprised of eight volunteer directors. In keeping with the by-laws developed by the corporation's founding organizations, four directors are approved by the Canadian Horticultural Council and two by the Canadian Produce Marketing Association, with another two directors-at-large. At the 2014 AGM, the Board instituted rotating terms, in which four directors are elected annually, each for a two-year term. This approach will contribute to ongoing continuity for the program. The Board Chair and Vice-Chair are elected annually. Currently serving as Chair is Jack Bates, and Hugh Bowman as Vice-Chair. The Board meets face-to-face twice annually and holds regular conference calls. The full list of directors and their biographies are posted at: <http://www.canadagap.ca/about-us/governance/>

Management Review

This year's management review was attended by representatives from the Board on June 18, 2015. The management review is held annually with senior management and encompasses a review of requests for modifications to the program; performance of certification bodies; complaints and their handling; internal audit results; auditor training undertaken and its outcomes; provision of resources; conflict of interest and confidentiality policies, among others. Other key topics of discussion this year included certification body performance, increased staffing needs, and future plans for introduction of unannounced audits to meet upcoming GFSI benchmarking requirements.

Program Participation

Directory of CanadaGAP-Certified Companies

In early 2015 CanadaGAP began publishing a list on the CanadaGAP website of companies who are certified, or whose certificates have been suspended or withdrawn. This list draws on information provided to CanadaGAP by the certification bodies. While the searchable PDF can help buyers identify CanadaGAP-certified companies, it is important to note that the certification bodies remain the definitive source to confirm a supplier's certification status. More information can be found at www.canadagap.ca under "Certified Companies".

Participation Trends

Close to 3,000 producers are now participating in CanadaGAP. A substantial increase in participation was seen over the past year, evidenced by a healthy growth rate of 14%. This figure stands out from previous years where increases were more modest, for example, a 3.5% increase in 2014 and 9% in 2013. Notably, the annual program fee *has not increased* since the program was launched in 2008. The following participation trends are significant for 2015:

- The fastest-growing area of participation continues to be at the farm level, as certified packinghouses request food safety compliance from growers.
- The program saw continued increases in enrolment by BC, Quebec and Ontario producers.
- The strongest sector growth comes from the BC small fruit (mainly blueberry) industry, where enrolments increased by more than 30%.
- Participation among Quebec tree and vine fruit producers climbed by nearly 25%, while Ontario greenhouse enrolment figures jumped another 20% in 2015.
- Growth in the participation rates by vegetable producers was steady across all provinces.
- Enrolment among potato producers in Quebec, Alberta and PEI is growing.
- The trend continues away from the four-year audit cycle options (A1 and A2), which fell again slightly in 2015 to 28%. This compares to 30% of program participants choosing option A1 or A2 in 2014, and 50% of all CanadaGAP enrolments in 2011.
- A high proportion of enrolments continue to occur among individuals choosing Option C (annual audit), which now comprises 46% of all certified companies. Last year's proportion was 40%. Many Option C program participants who are producer/packers were previously on the four-year audit cycle, but driven by customer demands, are now having annual audits because of their packing operations.
- Participation in group certification has decreased relative to individual certification options, and now stands at 23% of enrolments. (Was approximately 30% in 2014)
- This year again saw higher than average retirements as the established farming population ages. However, the growth in enrolments more than offset withdrawals from the program in 2015.
- For the purposes of analyzing participation trends, enrolment figures are broken down by five crop groupings:
 - Tree and Vine Fruit
 - Field Vegetables
 - Potatoes
 - Small Fruit
 - Greenhouse.
 - Total participation in CanadaGAP is 100%.

The proportion of that total occupied by each crop grouping is presented below and within the attached program statistics, where further details as well as a provincial breakdown are included. The Tree Fruit industry continues to lead enrolment figures.

Proportion of CanadaGAP Participants represented by crop grouping:

Based on # of producers	Tree and Vine Fruit	Field Vegetables	Potatoes	Small Fruit	Greenhouse	Total CanadaGAP Participation
Percentage of CanadaGAP participants	33%	23%	18%	18%	8%	100%

Data current as at August 31, 2015

Addition of Brokerage Food Safety Requirements

On April 1, 2015 CanadaGAP certification became available to fresh produce brokers under Option D. The first brokerage operation enrolled in the program this summer. Also under Option D, the program now has nearly 40 companies enrolled from the repacking and wholesaling sector. This level of participation is consistent with first-year targets set by the Board with the introduction of Option D in 2014.

Audit Trends

- *Number of CanadaGAP Audits*

	2015	2014	2013	2012	2011
No. of audits reported	1270	1037	1031	771	557

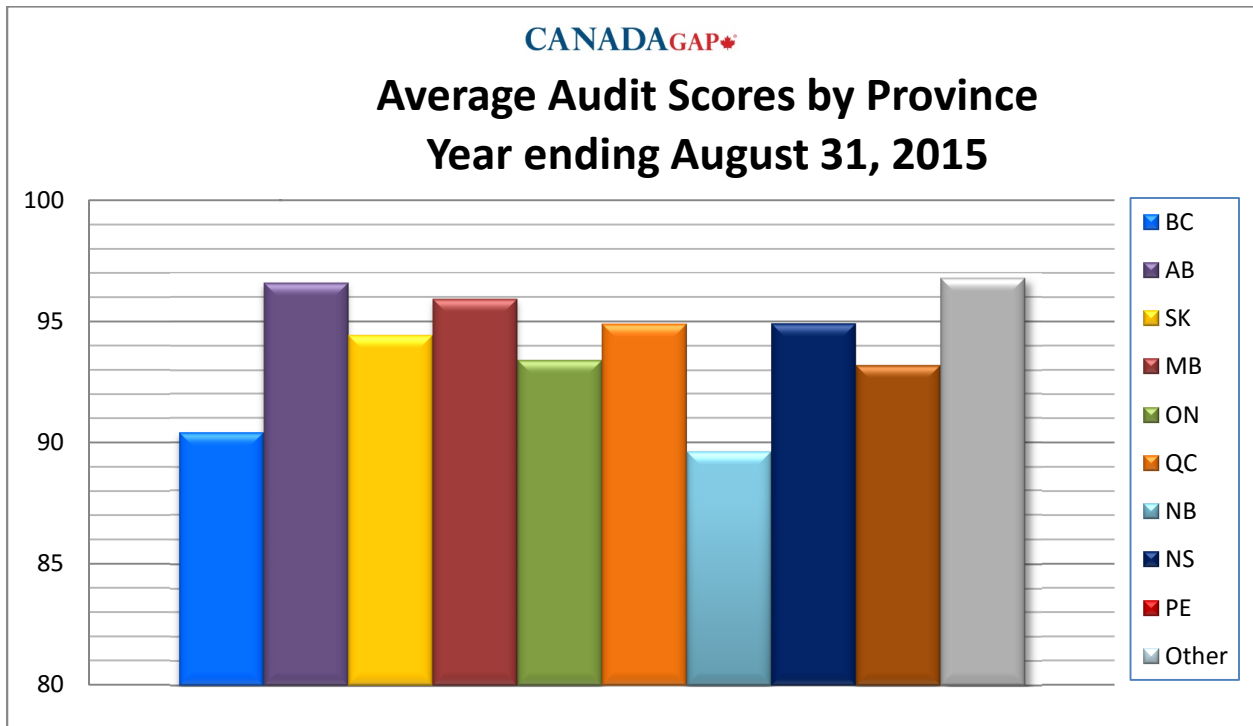
Reporting period from September 1 to August 31

- *Average Audit Score by Crop Grouping*

<i>Crop Grouping</i>	2015	2014	2013	2012	2011
Potato	94.03	94.19	92.54	93.19	92.88
Greenhouse	96.63	92.40	94.80	95.16	95.07
Tree & Vine Fruit	91.92	89.19	92.71	88.99	89.77
Leafy Vegetable & Cruciferae	94.40	91.76	92.43	90.35	89.42
Small Fruit	90.17	90.91	92.71	91.11	90.91
Combined Vegetable	94.01	92.85	93.40	91.52	90.96
Overall Average	92.84	91.88	92.81	91.65	91.83

Reporting period from September 1 to August 31

- Trends: Average scores are trending upwards this year for the Greenhouse and Vegetable sectors. Overall, 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.



Random Audit Programme

CanadaGAP offers certification on a four-year cycle to companies participating in Option A1 and A2. To become certified, companies undergo a scheduled audit in the first year of the four-year cycle. To be recertified in the subsequent three years, they may be randomly chosen for an audit in any or all of the three years. If they are not randomly selected, they must complete a self-declaration and self-assessment and submit it to the certification body to demonstrate their continuing adherence to program requirements.

After six years of running the CanadaGAP random audit programme for Option A1 and A2 participants, the statistics show some interesting trends (see table below).

Random audit scores, with a minor exception in 2013, are consistently *higher* than the scores achieved on scheduled audits. This encouraging trend suggests that companies are doing a good job maintaining their programs consistently and are ready to demonstrate compliance to their auditor even in years when they may not be expecting an on-site visit.

CanadaGAP Random Audit Results

<i>Year</i>	Average Audit Score for Option A1 and A2	Average Audit Score for Random Audits
2010	93.85	95.94
2011	91.28	93.67
2012	87.56	92.57
2013	91.85	91.18
2014	90.14	91.04
2015	91.03	92.75

These trends bode well for results we can expect when unannounced audits are introduced to the CanadaGAP program for all certification options. That development is anticipated for 2017, due to new GFSI requirements that are scheduled for announcement in 2016.

Report on Certification Bodies

CanadaGAP has three licensed certification bodies. These auditing firms are approved to offer CanadaGAP audits:

- Bureau de normalisation du Québec (BNQ)
- NSF Canada Ag (including sub-contractor Gestion Qualiterra in Quebec)
- SGS Canada

A fourth certification body, QMI-SAI GLOBAL, voluntarily withdrew its services to CanadaGAP clients in September 2015, after seven years of offering audits and certification for the program. CanadaGAP successfully transitioned many former SAI clients mid-season to new certification bodies. We wish to thank our three partner certification bodies for their responsiveness, efficiency and cooperation in taking on many new clients on short notice. The transfer of clients to a different certification body will continue over the coming months as CanadaGAP certificates issued by SAI expire.

Integrity Programme

CanadaGAP's integrity surveillance programme for certification bodies consists of:

- Mandatory annual performance review meeting with each certification body
- Service standards set out in licensing agreements that are monitored and reported on annually
- Certification body office audits (QMI-SAI: 2012, BNQ: 2013, NSF-GFTC: 2014, SGS-2015)

- Audit report spot checks (at least one per auditor each year)
- CanadaGAP participation on auditor calibration calls to monitor auditor performance, gaps in their knowledge, etc.
- Witness audits – our goal is to see every auditor at least once over the 5-year audit cycle (2011-Ontario; 2012-BC and Alberta; 2013-Atlantic; 2014-Manitoba and Ontario; 2015-Quebec; 2016-U.S.)
- Auditor Refresher Testing was introduced in 2014 and will be repeated every two years to ensure ongoing auditor comprehension of CanadaGAP program requirements.
- Complaints monitoring and ongoing follow-up.

CanadaGAP Auditors

- The auditor pool consists of 44 active and qualified CanadaGAP auditors (currently working for a Certification Body). This represents 19% of those who have taken the CanadaGAP auditor training course and 29% of those who passed the course.

Auditors by region:

	West	Ontario	Quebec	Atlantic	U.S.	Total
# auditors	14	10	13	5	2	44
Percentage	32%	23%	30%	11%	5%	100%

Summary of CanadaGAP Auditor Training sessions:

	2015	2014	2013	2012	2011	Total since 2008
Number of people who completed CanadaGAP auditor training course	66	27	28	23	18	237
Number of people who passed the course	38	13	16	19	13	156
Percentage of people who passed the course	58%	48%	57%	83%	72%	66%
Number of auditor training sessions	7	3	5	3	4	36

Marketing, Education and Outreach

CanadaGAP had another busy year for education and outreach activities. Following is a list of presentations and invitations accepted by CanadaGAP:

Date (2015)	Event / Topic	Location
January 26-27	Manitoba Potato Days	Brandon, MB
February 11	CanadaGAP Update at Semaine horticole 2015 (Conseil quebecois de l'horticulture)	Boucherville, QC
February 18-19	Introduction to CanadaGAP – second pilot offering of the course by NSF-GFTC	Guelph, ON
February 26	Safe Food Canada and Leadership Award	Brampton, ON
March 2-6	Global Food Safety Conference – GFSI scheme owner presentation at Stakeholders Meeting	Kuala Lumpur, Malaysia
March 10-12	Canadian Horticultural Council Annual General Meeting	Quebec City
March 19	CanadaGAP Presentation to Chinese Delegation	Ottawa, ON
April 9-10	Ontario Muck Vegetable Growers Conference	Bradford, ON
April 28	Presentation at CFIA Information Session on Food Safety Recognition Program and CanadaGAP	Ottawa, ON
May 5	Ontario Greenhouse Vegetable Growers/Produce Marketing Association/CPMA/Sysco Grower Workshop	Leamington, ON
May 6-7	Presentation to Canadian Government Industry Meeting (CPMA)	Ottawa, ON
May 12	Canadian Supply Chain Food Safety Coalition Annual General Meeting	Ottawa, ON
May 20	Agri-Food Subcommittee on Food Safety	Ottawa, ON
July 20-22	ANSI Meetings	Washington, DC
August 5-6	Third party audit of national office management system	Ottawa, ON
August 24-28	Witness Audits in Quebec	Montreal area
September 14-16	GFSI Technical Working Group meeting	Dusseldorf, Germany
September 25	Presentation to Food Safety Committee, Retail Council of Canada	Mississauga, ON
October 6	GFSI Focus Day in Canada	Mississauga, ON
October 27	IFPS Food Safety Committee	Conference call
November 9-11	CanadaGAP hosting visit of JapanGAP delegation	Montreal, QC
December 10	CanAgPlus Annual General Meeting 2014	Ottawa, ON

Other Accomplishments in 2015

Progress achieved towards Canadian Government Recognition

CanadaGAP has been participating in the Canadian Government Food Safety Recognition Program for more than a decade. It began in 2004 with Government Technical Review of the CanadaGAP manuals and HACCP models. That phase, known as Technical Review Part 1, was completed in 2009, and technical review status is kept up to date annually when changes are made to the standard. The Repacking and Wholesaling component of the standard underwent Technical Review Part 1 in 2012.

In 2014, the CanAgPlus Board made the decision to proceed with the next steps towards achieving full Government Recognition. In 2015, CanadaGAP successfully completed technical review of the management system, the phase known as Technical Review Part 2.

The final step in the process is the Implementation Assessment, which involves a third party assessment of the administrative effectiveness of program delivery. CanadaGAP completed a third party audit of its national office in August 2015, and is currently underway with third party assessment of the delivery of on-site audits. It is anticipated that the process will be complete in 2016, which may coincide with the coming-into-force of new food safety regulations in Canada. The outcome of these efforts would be the achievement of Full Government Recognition of the CanadaGAP Program. Currently, the only other food safety programs to reach the recognition stage are the Chicken Farmers of Canada *On-Farm Food Safety Assurance Program*, and the Dairy Farmers of Canada *Canadian Quality Milk Program*.

Registration of trademark for CanadaGAP® and design of the CanadaGAP logo

After a lengthy application process, CanAgPlus was pleased to receive approval on the trademark registration of the operating name CanadaGAP® as well as for the design of the CanadaGAP logo. This will protect the value of the CanadaGAP brand and mark.



What's Ahead for 2016?

- GFSI Benchmarking of Option D – anticipate completion in early 2016
- Canadian Government Recognition – anticipate completion in 2016
- Launch new program participant survey
- Expected introduction of GFSI Auditor Competency Scheme

- Refresher testing of auditors and auditor trainers
- Changes to 2016 Manuals – some of the key revisions to come into effect April 1, 2016 include:
 - New exemptions for cucumbers and peppers sent for pickling.
 - Section 2 – new bullet: “The person responsible does not use production sites where sewage sludge has been applied.”
 - Section 6 – MRL requirements will apply to the person responsible for exporting.
 - Section 19.1 requirement will apply to producers sending their product to standalone storage facilities (i.e., storage facilities will be expected to have an audit/certification under an industry-recognized food safety program).

Acknowledgments

Special thanks are extended 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 the program.

Report prepared by,

Heather Gale, Executive Director
CanadaGAP Program, CanAgPlus



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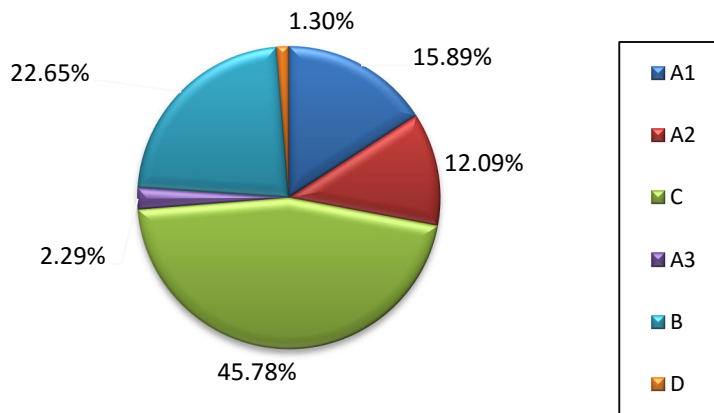
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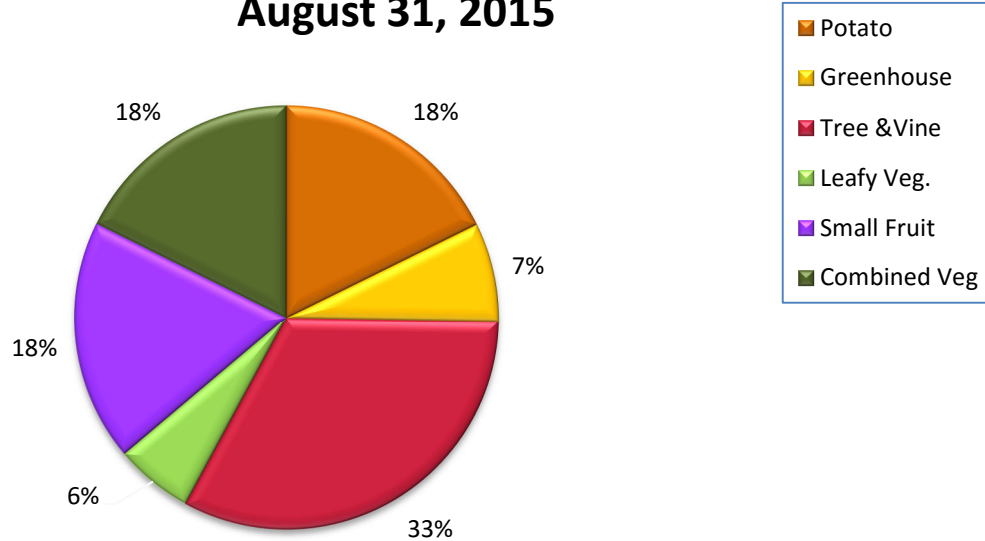
Program Uptake

Statistics

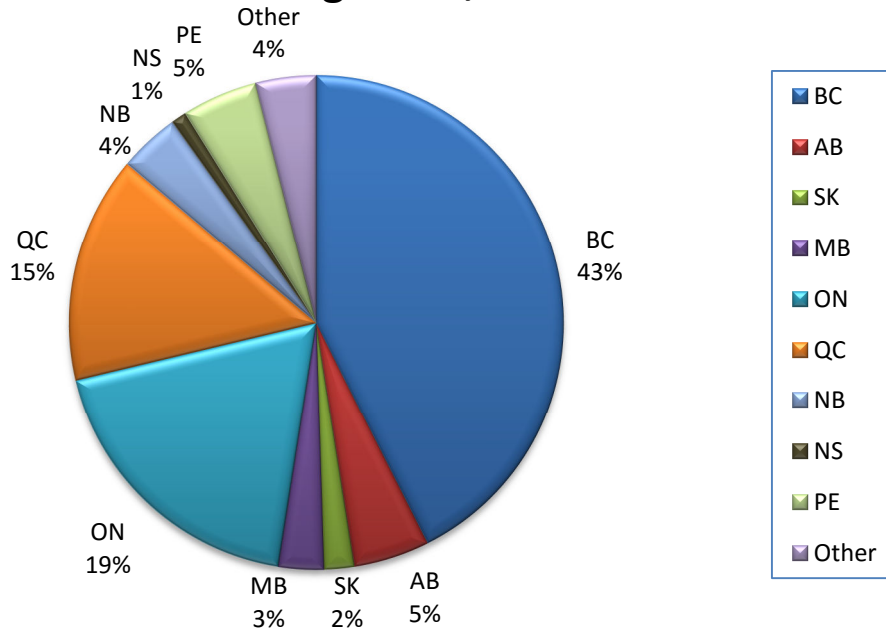
Participation by option August 31, 2015



Proportion of CanadaGAP participants represented by crop grouping August 31, 2015



Operations Enrolled by Province August 31, 2015



Commodity by Province - August 31, 2015

