



2016 ANNUAL REPORT

CanadaGAP Program

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Annual Report 2016

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, C and D.

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. Program materials are available free on the CanadaGAP website at: www.canadagap.ca

2016 marks the eighth complete season of CanadaGAP operations. The program has seen steady growth since its inception in 2008. The enrolment rate spiked in 2015, but leveled off again in 2016 with a 4% growth rate. The table below shows year-over-year growth in the number of producers participating in the program. Almost 4,000 enrolments have been processed by the CanadaGAP office since 2008. The growth rates below are net of departures from the program, which may be due to changes in a farming operation, retirement, voluntary termination of certification, etc.

Year-over-Year Increase in CanadaGAP Participation

Year (Sept – Aug)	Number of producers	Increase	Growth Rate
2008-2009	537	537	100%
2009-2010	781	244	31%
2010-2011	1879	1098	58%
2011-2012	2204	202	10%
2012-2013	2440	236	9%
2013-2014	2526	86	3%
2014-2015	2927	401	14%
2015-2016	3042	115	4%

Key Achievements

We're pleased to highlight the following key achievements for 2016:

- Option D for repacking and wholesaling operations was successfully benchmarked by GFSI (Global Food Safety Initiative). A significant increase in enrolments to Option D occurred following the announcement. Consistent with targets set by the CanadaGAP Board and management, 60 companies from the repacking and wholesaling sector are now CanadaGAP-certified.
- CanadaGAP undertook a thorough review of new GFSI benchmarking requirements and is working on implementing plans to meet increasing GFSI expectations (e.g., new Food Fraud provisions, additional assessments of Auditor Competency, introduction of Unannounced Audits in 2017, managing rising costs of benchmarking and surveillance by GFSI, etc.).
- We are making good progress with achieving full Government Recognition. The final stage of recognition, Implementation Assessment, consists of an examination by federal and provincial governments of the delivery of the program by CanadaGAP and its certification bodies. The process is currently underway and is expected to be complete by 2017.
- CanadaGAP partnered with the North American Potato Sustainability Initiative (PSI) to offer verification audits for potato growers participating in the IPM Survey. Nine CanadaGAP auditors were successfully cross-trained on the PSI requirements. The first Potato Sustainability audits will take place over the 2016 potato storage and shipping season.
- Congratulations to CanadaGAP program participants, who have achieved the highest average audit scores since the program started. The average audit score in 2016 was **94.04%**. Kudos to our hard-working farmers, packers, repackers, storage operators, wholesalers and brokers who are doing an outstanding job with food safety!

Report from the Board

Annual General Meeting

CanAgPlus, the corporation that owns and operates CanadaGAP® held its third Annual General Meeting (AGM) last December, 2015. 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. Four directors were elected in 2015 under new two-year rotating terms. Those four directors will continue serving the second year of their term, while the other four director positions are up for election at the upcoming 2016 AGM.

One of CanAgPlus's long-serving directors, Paul LeBlanc, former General Manager of the Apple Growers of New Brunswick, will be retiring from the Board at the December AGM. Directors, staff, and members of CanAgPlus owe a debt of gratitude and express our sincere appreciation to Paul for the significant contributions he has made to the establishment and oversight of the CanadaGAP program. Paul first began working on the food safety project for the horticulture industry in the late 1990s, and was the inaugural chair of the Canadian Horticultural Council's Food Safety Committee. He was instrumental in guiding program development for over a decade, chaired the Management Committee when CanadaGAP was launched in 2008, and joined the Board of Directors when CanAgPlus was incorporated in 2012. His vision, steady commitment and tireless efforts to bring the project to fruition and to meet member needs have been key to the success of CanadaGAP.

Board Chair and Vice-Chair

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 held in June with senior management and representatives from the Board. The management review encompasses a review of requests for modifications to the program; performance of CanadaGAP certification bodies; complaints and their handling; internal audit results; auditor training undertaken and its outcomes; provision of resources; and policies related to conflict of interest and confidentiality, among others.

Stakeholder Advisory Committee

CanadaGAP has a Stakeholder Advisory Committee that is appointed by the Board and whose role is to review requests for technical changes to program materials. The Committee meets face-to-face each summer and holds conference calls as needed. At the June 2016 meeting the Committee had another full agenda. CanadaGAP receives approximately 20 requests each year for changes to the food safety manuals, audit checklist or other technical documents. Each request is considered and researched by staff, and recommended changes are presented to the Committee for discussion and input. There is an open call for nominations to the Committee every second year, with members appointed by the Board for a two-year term. The next opportunity to nominate a candidate will be summer 2017.

Communication, Member Outreach and Media Liaison

New opportunities for communication and media coverage of the CanadaGAP program were pursued in 2016. The Global Food Safety Resource (GFSR) featured articles and a blogpost contributed by CanadaGAP. The annual food safety issue of *The Grower* will include excerpts from the CanadaGAP annual report as well as an article on the history and genesis of the program. For a full list of articles, visit the CanadaGAP website at: <http://www.canadagap.ca/media/articles/>

Program Participant Survey

Outreach to program participants was stepped up via an online or paper-based survey. The survey was distributed to members in September 2016, with 74% of respondents completing the web-based version. Completed surveys are still coming in, but preliminary results (based on 170 responses) show that:

- 91% felt that their auditor was knowledgeable and professional.
- 62% found that their auditor had good common sense.
- 68% stated that their auditor spoke clearly.
- 30% believed that their auditor was looking for things they were doing well.
- Only 3% disagreed with the auditor's findings.
- 14% felt that the auditor was trying to find things wrong.
- 8% said it seemed that the auditor was out to get them.
- 6% described their auditor as unreasonable.

Respondents could choose as many answers as were applicable to their experience. In other questions:

- 36% of program participants were not aware of the process to appeal their audit results.
- 16% were unclear on the difference between CanadaGAP (as the scheme) and their certification body.

In response to the question, "What is the best thing about participating in CanadaGAP?"

- 41% said the best thing was "Demonstrating responsibility for food safety"
- 35% cited "Access to market (processor, retailer or other customers)" as the main benefit.
- For 11%, the most significant benefit was the "Comfort of knowing that risks are being managed"
- 9% indicated the best thing about the program was "Improved farm/organizational management".

Others cited their own reasons:

- *"Simple and easy to use and easily understood, plus forms are already made out for use."*
- *"We have always embraced food safety. It's good to have professional 'eyes'."*
- *"Many advantages to participating in CanadaGAP but [I] had to pick just one although the rest all apply to our farm also. I like the fact that the program is Canadian owned, meticulously reviewed and updated so that it maintains a highly recognizable standard."*

When asked about the main drawback to participating in CanadaGAP, respondents indicated:

- Burden of paperwork (63%)
- Cost of the program (22%)
- Ensuring customer needs are met (report uploads, additional requirements, etc.) (4%)
- A bad auditor (3%)
- Difficulty of the audit (1%)
- Other reasons, such as the difficulty of having all suppliers certified, audits occurring at a busy time, etc. (6%)

Many thoughtful comments were received from CanadaGAP program users. Below is a sampling:

- *"Thanks... [it's good to] know that risks are being managed."*
- *"The concept is reasonable and makes sense, the auditors are not as knowledgeable as I had hoped."*
- *"Good program, producing safe food for all."*
- *"I think the program is very useful and glad that we are a part of it. I personally feel ALL growers, and packers should have an audit. As well I also feel that the paperwork although necessary for all reasons but feel it is overwhelming sometimes."*
- *"Mixed thoughts: [in] some ways it is good to be reminded and focused on importance of food safety; sometimes [it] feels burdensome to fill in reams of paperwork for what are to me common sense items."*
- *"The burden of paperwork is a necessary requirement, and has proven to be an effective tool in demonstrating compliance on a regular basis."*
- *"I really try on my farm to implement the regulations of Canada Gap and will continue to do so. I have had no problems with my first 2 auditors and respect the comments received."*
- *"Overall, satisfied with the program."*
- *"For me, CanadaGAP program was the best thing after going through so many years of being audited by auditors and auditing companies based in US. Three years ago, I decided to try the CanadaGAP program and even then it was a new concept then for a repacking and warehouse facility and ever since then, I am very happy with continuing with the CanadaGAP program. From my experience, end of this year and beginning next year, our other companies will be participating in CanadaGAP audits."*
- *"Excellent program that really enhances the awareness of food safety and make us all truly accountable."*
- *"Very pleased this far with our audits. Auditors are very professional and friendly. Very knowledgeable in their fields."*
- *"I believe CanadaGAP is a good program that is evolving and continuing to expand to meet the needs of the market place; i.e., its different components meet different requirements instead of having to have several programs running. The next step could potentially be to find a way to mesh with the CFIA with the goal of lessening the burden on an operation to undergo several inspections per year. Many farm operations are limited in the amount of time that can be spent since it's not cost effective to have a dedicated food safety/audit person on staff."*
- *"I think this is a great program. It has changed the way of thinking and helped creating procedures."*

Results are preliminary, not final, and are based on the current response rate of <10%. Surveys are being accepted until the end of 2016. We thank all members who have taken the time to provide their comments and suggestions, and encourage those who haven't yet responded to share their feedback.

Program Participation

Participation Trends

Nearly 3,050 producers are now participating in CanadaGAP. The following participation trends are significant for 2016:

- The fastest growing participation rates across the provinces are in Quebec and PEI. Quebec saw a 10.1% increase in 2016, and PEI showed 9.7% growth in the number of producers enrolling. Alberta is next with 6.3% growth in 2016.
- Increases in BC have leveled off from the surge of new enrolments in 2015, although overall BC still has the highest enrolment levels, with 42% of all CanadaGAP-certified producers.
- Participation in the four-year audit cycle continues to decline, in favour of the annual audit option. Only a quarter of all program participants are now enrolled in Options A1 and A2. This compares to 30% of program participants in 2014, and 50% in 2011.
- Enrolments in Option C (annual audit) are now close to 50% of all program participants.
- Group certifications remain stable at 24% of all enrolments, almost on par with 23% in 2015.
- 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 2016.
- 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 potato and combined vegetable sectors each now represent 18% of producers participating in the program. Small fruit represents a slightly larger proportion at 20% of all enrolments.
- Participation levels remained the same as in 2015 for the greenhouse and leafy vegetable sectors, respectively at 8% and 6% of all program participants.
- The proportion of certified companies from the tree fruit industry declined slightly, from 33% of all producers in 2015 to 30% in 2016.

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	30%	24%	18%	20%	8%	100%

Data current as at August 31, 2016

CanadaGAP-Certified Brokers

In April 2015, CanadaGAP certification became available to fresh produce brokers under Option D. Six produce brokers are now CanadaGAP-certified.

Audit Trends

- *Number of CanadaGAP Audits (for Options A1, A2, C, D, and Group Management System audits)*

	2016	2015	2014	2013	2012	2011
No. of audits reported	1390	1270	1037	1031	771	557

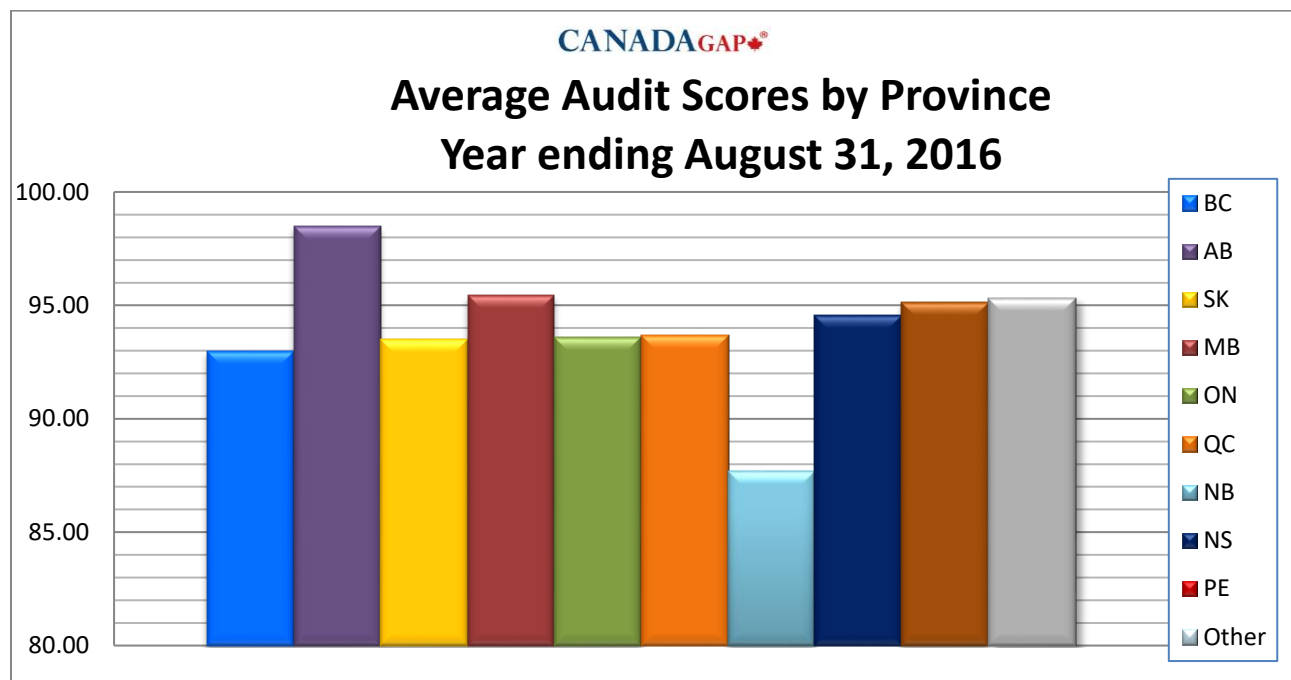
Reporting period from September 1 to August 31

- In addition each year, 70 to 100 farms that belong to groups are audited.
- *Average Audit Score by Crop Grouping*

<i>Crop Grouping</i>	2016	2015	2014	2013	2012	2011
Potato	94.36	94.03	94.19	92.54	93.19	92.88
Greenhouse	95.98	96.63	92.40	94.80	95.16	95.07
Tree & Vine Fruit	93.20	91.92	89.19	92.71	88.99	89.77
Leafy Vegetable & Cruciferae	94.41	94.40	91.76	92.43	90.35	89.42
Small Fruit	92.30	90.17	90.91	92.71	91.11	90.91
Combined Vegetable	94.11	94.01	92.85	93.40	91.52	90.96
Overall Average	94.04	92.84	92.70	92.81	91.65	91.83

Reporting period from September 1 to August 31

- Overall, the average audit score is more than a full percentage point higher than it was in 2015. At 94.04% it is the highest annual average score since the CanadaGAP program was launched in 2008. **Congratulations to program participants for their steady and measurable progress in implementing effective food safety procedures and meeting CanadaGAP requirements.**
- Trends: Commodity-specific average scores remained stable in 2016, with slight increases for the Potato and Combined Vegetable crops, and moderately higher averages for Tree and Vine Fruit and Small Fruit operations, as producers who enrolled in the program over the last year or two increase their familiarity with CanadaGAP 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.

The table below compares certification audit scores to random audit scores:

CanadaGAP Random Audit Results for Option A1 and A2

<i>Year</i>	Average Audit Score during Regular 4-year Audit	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
2016	91.14	90.90

In 2016, CanadaGAP streamlined the distribution of documents to producers participating in Option A1 or A2. Self-declaration and self-assessment checklists are now mailed to growers at two distinct times of year. Potato growers receive a copy of the forms in August so that they have them ready to complete when harvest begins. All other Option A1 or A2 producers receive their package in March so that they can time the submission of their self-assessment to their spring, summer or fall production cycle.

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

Integrity Programme to Oversee Certification Bodies

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 (BNQ: 2013, NSF-GFTC: 2014, SGS: 2015, Gestion Qualiterra: 2016)
- Audit report spot checks (at least one per auditor each year)
- CanadaGAP participation on calls where auditors receive updates and are calibrated to program requirements and scoring. This gives us an opportunity to monitor auditor performance, gaps in auditor 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-Ontario and Quebec)
- Auditor Refresher Testing introduced in 2014 is repeated every two years to ensure ongoing auditor comprehension of CanadaGAP program requirements. 96% of CanadaGAP auditors passed the 2014 exam. Those who did not pass are no longer performing CanadaGAP audits.
- The next round of auditor refresher testing is occurring at the end of 2016. All active CanadaGAP auditors must also attend a mandatory CanadaGAP training webinar before attempting the exam.
- Complaints monitoring and ongoing follow-up.

CanadaGAP Auditors

- The auditor pool consists of 46 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	12	12	14	5	3	46
Percentage	26%	26%	30%	11%	7%	100%

• Training of New CanadaGAP Auditors

Summary of CanadaGAP Auditor Training sessions:

	2016	2015	2014	2013	2012	2011	Total since 2008
Number of people who completed CanadaGAP auditor training course	16	61	27	28	23	18	237
Number of people who passed the course	9	35	13	16	19	13	156
Percentage of people who passed the course	75% ¹	57%	48%	57%	83%	72%	66%
Number of auditor training sessions	4	6	3	5	3	4	36

¹ Of the 16 people who took the course in 2016, 4 were auditing the course, so 75% of participants who attempted the exam passed.

- **Requalification of CanadaGAP Auditor Trainers:** CanadaGAP auditor trainers must renew their credentials every three years by passing an exam. Five approved CanadaGAP auditor trainers re-qualified in 2016. Two former trainers are no longer associated with the program. CanadaGAP is seeking to qualify additional auditor trainers.

Marketing, Education and Outreach

CanadaGAP is involved in numerous education and outreach activities. Following is a list of events and presentations in which CanadaGAP participated:

Date (2015)	Event / Topic	Location
January-February	GFSI Competency Exam Review	Webinars
January 18-19	Introduction to CanadaGAP course (NSF-GFTC)	Guelph, ON
February 10	Journée Horticulture de Lanaudière 2016	Saint-Liguori, Québec
February 17	Food Safety session, Ontario Fruit and Vegetable Convention	Niagara Falls, ON
February 24-25	Food and Water Safety, Genomics R&D Initiative Workshop	Ottawa, ON
March 1-4	Global Food Safety Conference – GFSI scheme owner presentation	Berlin, Germany
March 9	Canadian Horticultural Council Annual General Meeting, Industry Standards & Food Safety Committee	Ottawa, ON
March 29-30	Introduction to CanadaGAP (private course)	St John's, NL
April 20	Agri-Food Subcommittee on Food Safety	Ottawa, ON
May 25	Canadian Government Industry Meeting (CPMA)	Ottawa, ON
May 26	BC Blueberry Field Day	Agassiz, BC
May 27	Canadian Supply Chain Food Safety Coalition Annual General Meeting	Ottawa, ON
June 2-3	CFIA Dialogue Session with National Industry Associations on Program Delivery	Ottawa, ON
July 11-13	Costco Produce Summit	Seattle, WA
July 18-22	Witness Audits in Quebec	Quebec
July 21	CanadaGAP Presentation to I.E. Canada	Toronto, ON
July 29	Standards Council of Canada annual meeting	Ottawa, ON
August 4	American National Standards Institute annual meeting	Conference call
August 23	CPMA Food Safety Committee semi-annual meeting	Webinar
September 19-21	GFSI Technical Working Group meeting	Minneapolis, MN

October 25	International Federation for Produce Standards Food Safety Committee	Conference call
November 24	Canadian Government Industry Meeting (CPMA)	Ottawa, ON
November 29- December 1	Government Recognition Program – Implementation Assessment review	Ottawa, ON
December 2	GFSI Primary Production Task Force meeting	Washington, DC
December 8	CanAgPlus Annual General Meeting	Ottawa, ON

What's Ahead for 2017?

- Completion of full Government Recognition
- Unannounced Audits
- Additional GFSI Auditor Competency assessments
- Changes to 2017 Manuals – key revisions to come into effect April 1, 2017
- Changes to 2017 Audit Checklist – new passing score will be 85%, effective April 1, 2017.

Acknowledgments

Special thanks are extended to our dedicated staff members, volunteers on the Board and Stakeholder Advisory Committee, program participants, certification bodies and auditors, affiliates, supporters, service providers and other partners for their commitment to the program.

Report prepared by

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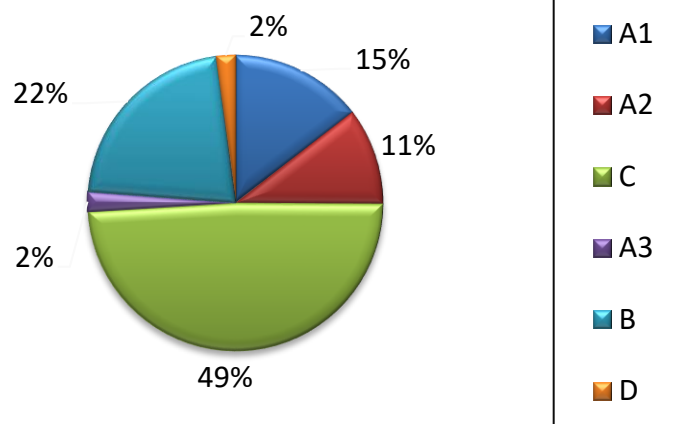


CanadaGAP

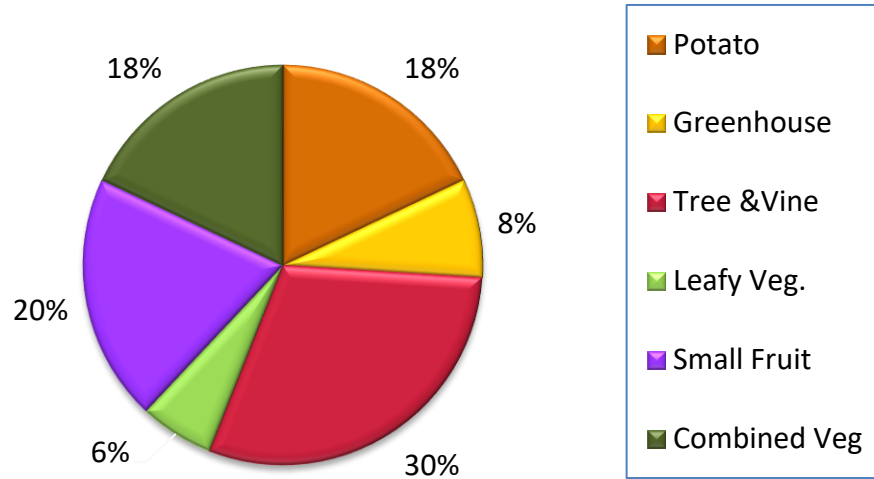
Program Uptake

Statistics

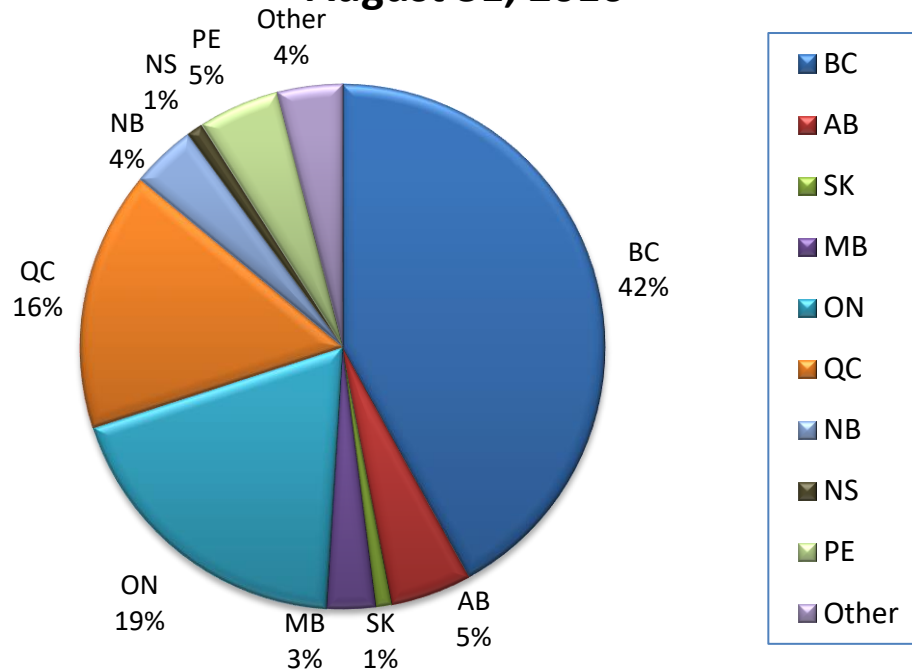
Participation by option August 31, 2016



Proportion of CanadaGAP participants represented by crop grouping August 31, 2016



Operations Enrolled by Province August 31, 2016



Commodity by Province - August 31, 2016

