



November 15, 2011

Minutes of the Canadian Spice Association (CSA) Board Of Directors' Meeting held at McCormick Canada, Mississauga, Ontario.

In attendance:

Frank Dobson	Acana Mercantile Ltd.
Holly Buchanan	Buchanan Trading Inc.
Gaspare Colletti	Cell Foods Inc.
Stephane Carret	Continental Ingredients
Brian Petracek	Dandilee Spice Corp.
Nancy Post	Dunns Mustard
Frank Steduto	First Spice Mixing Company
Donna Nicholson	Griffith Laboratories Limited (Canada)
Lisa Gay	Hela Spice Canada Inc.
Ryan Bunn	Hela Spice Canada Inc.
Wendy Burggraf	Halford-Lewis Ltd
Ranjani Munasinghe	Kurundu Ltd.
Tiina Henkusens	McCormick Canada
Petr Boucek	Newly Weds Foods Co.
Robert LeGuillou	Sensient Dehydrated Flavors Canada
Stephen Zener	Spice (Canada) Inc.
Al Frittenburg	The Ingredient Company



★ CANADIAN SPICE ASSOCIATION

1. Welcome and Call to Order

Gaspare Colletti welcomed all CSA members present to the Board of Director's November 2011 meeting. He noted that a quorum was present and called the meeting to order, as duly constituted.

2. Agenda revised

These items were added to the Agenda: Tiina Henkusens – Irradiation, Ranjani Munasinghe – Cinnamon standard, Gaspare Colletti – Succession planning for Wayne Farrell and the 2012 Convention Committee.

3. Review of Minutes of the 70th May 12-14, 2011 Annual General Meeting

Gaspare asked members to take a few minutes to review the minutes of the 70th AGM. A motion to approve the May 2011 meeting minutes as circulated was made by Gaspare Colletti and seconded by Brian Petracek. Motion was approved unanimously.

4. Officers and Committee Reports

i. President's Report

Gaspare Colletti presented the President's Report to the group. He commented on the current status of the CSA and noted that the membership has been remarkably stable. Gaspare asked members to identify any other pressing issues - only Division 7 was noted.

ii. Technical and Government Affairs Committee Report

Tiina Henkusens presented the Technical and Government Affairs Report on behalf of the Committee. A review and update of the following issues were presented: Sodium Reduction Strategy, Health Canada/CFIA Priorities, Other regulatory activities (Chemical Management Plan, Acrylamide monitoring, Imported Food Sector Regulatory Proposal). Full details of the report can be found attached.

The following additional discussions/comments were made:

- Sodium Reduction - some salts are exempt from the sodium targets. Health Canada research grants are available to assist industry to meet the sodium targets, CSA is not impacted, there is more impact on the retail and foodservice sectors.
- Gluten free - Petr Boucek advised some spice seed crops such as coriander, caraway, cumin, mustard, anise, celery and fennel contain wheat from cross-contamination and are therefore not 100% gluten free. Brian Petracek advised it is difficult to ensure a lot of Saskatchewan coriander is gluten free. This is due to wheat contamination in the transportation system and grain augers. It takes only a few kernels of wheat to contaminate a spice seed crop.



- A proposal was made to pursue the exclusion of spices from allergen precautionary labelling. This is due to the nature of their growth and CSA should try to address when the proposed regulations on Precautionary labelling are published. Cross contamination falls under Precautionary labelling and is not addressed in the Enhanced labelling requirements which come into force in August 2012. Health Canada is not currently looking at soy or mustard cross contamination.
- There was a proposal to form a separate committee to address Allergen issues. Peter Boucek proposed Gail Wilson to lead. Members committed to participating – Frank, Donna, Tiina.

iii. **Treasurer's Report**

Petr Boucek presented a brief overview of the Association's financial statements. A full report was promised for Nov. 2011.

- At the end of June 2010, a guest speaker from the last Annual Meeting was unpaid. Petr expects this adjustment to be made at the end of November 2011. There is a current cash balance of \$20-25,000.
- CSA is saving approximately \$1300/month by not utilizing the services of IE Canada. Members are not seeing a difference in communication with the removal of this service.
- Last year – 34 memberships, current year – 25 memberships paid to date (cheques received), 8 - not heard from, and 1 member may have resigned.

Petr Boucek moved to accept the Treasurer's report and financial statement as submitted, seconded by Stephane Carret. Motion passed unanimously.

Division 7 Update

- Committee Members: Gaspare, Doris, Wendy, Donna, Holly, Tiina.
- The committee reported on the May 2011 face to face meeting with Health Canada and CFIA which was a first for CSA. This recognition of the CSA by the various government authorities underlines the importance of CSA membership. As a follow up to that meeting, we received communication from **Minister Ritz (Minister of Agriculture)** confirming that the government is aware that the compositional standards of spices may have evolved, and Health Canada plans to review all 300 standards and will work with stakeholders to make amendments to the Food & Drug Regulations. This is the first acknowledgement from a government body that the standards are out of date.



- CSA has been asked by Health Canada to provide information on how to amend the regulations. There is no timeline for modernization of the regulations, however, the Government is taking a health and safety approach to prioritizing changes.
- Next steps for CSA – respond on the options to either widen the tolerances or to completely eliminate the Division 7 regulations.
- The Division 7 Committee will review each spice standard and reference the ASTA and EU guidelines. This is an opportunity to remove or expand the quality parameters. Distinguish adulteration issues vs. food safety issues. Want standards that are not regulated and give flexibility. Quality should not be legislated, as long as the spice is safe and meets the definition of a spice.

Petr Boucek moved to accept the Technical report, seconded by Nancy Post. Motion was carried unanimously.

iv. Irradiation

A discussion on irradiation centered on the difference in dosage permitted between Canada and the USA, and whether we should propose a change on the Canadian dosage to allow for easier cross-border trade.

- Higher levels are permitted in the US, 30kGy vs. 10kGy for Canada.
- If submitting for regulatory reform, it should be based on a food safety/health perspective – irradiation is an effective kill step, ie. the end product is safer compared to other treatment methods. Currently, US operators have to change their process parameters for Canadian products.
- Given our small resources, Holly Buchanan proposed that CSA's focus be on Division 7.

v. CSA Website

- Frank Steduto has provided information to Susan Jones on the possibility of using Linked-in. There is a need to have the website updated more regularly. Frank will contact Susan to obtain an update. Petr Boucek will also be meeting with Susan today and will discuss.
- Frank will update the membership list to include e-mail addresses.
- Steve Zener proposed the CSA website be used to provide communication updates.
- Technical updates and meeting reports should also be uploaded, Frank to follow-up.

vi. Convention Committee and Succession Planning



- Wayne Farrell was scheduled to succeed Gaspare Colletti as CSA President after his 1-year term. However, given Wayne's departure from the industry, the nomination committee will have to address the issue of succession planning. Frank Steduto will chair the Nomination Committee.
- It was proposed to have the 2012 mini-Convention in conjunction with the April Montreal Table Top. The ASTA Annual Meeting is scheduled for April 24-26, so this may be a conflict. Subsequent to the BOD meeting, a Toronto location in May 2012 has been proposed.

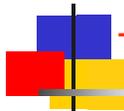
vii. Meeting Adjournment

- A letter of appreciation should be sent to McCormick Canada for hosting today's meeting.

There being no further business, Gaspare asked for a motion to adjourn at 12:30 pm. It was seconded by Petr Boucek. Motion carried unanimously.

Meeting minutes prepared by:

Donna Nicholson

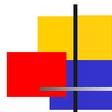


TECHNICAL & GOVERNMENT AFFAIRS

Board of Directors Meeting
November 15, 2011



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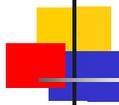


Objective

- Increase visibility with government through participation in working groups and written comments on consultations
- Increase collaboration with ASTA, IOSTA and ESA
- Leverage technical knowledge and experience of CSA members
- Share regulatory updates with members



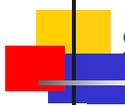
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Agenda

- Sodium Reduction Strategy
- Health Canada/CFIA Priorities
- Other regulatory activities
 - Chemical Management Plan
 - Acrylamide monitoring
 - Imported Food Sector Regulatory Proposal

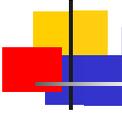
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Sodium Reduction Strategy

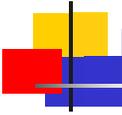
- Structured voluntary approach with timelines, targets and commitments to meet 2016 interim goal of 2300 mg/day
- Longer term goal is 1500 mg/day
- Targets for retail food categories and food service in November 2011
- Aggressive timelines
 - Meet category SWA for 2012 and 2014
 - Meet category SWA and Maximum for product by 2016
- Monitoring to include label reviews
- Discussions to change %DV in NFT to 2300 mg, but no change to sodium reduction claims (min 25% required)
- <http://www.hc-sc.gc.ca/fn-an/nutrition/sodium/index-eng.php>

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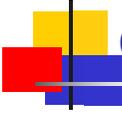
Health Canada/CFIA Priorities 2011-12

- Develop and Implement food safety and nutrition preventive measures
 - Food allergy incident prevention initiatives: implementation of allergen labelling regulations, Gluten Free labelling requirements,
 - Updates to tolerances for selected natural toxicants in food (OTA, DON, etc..)
 - Guidance on managing Salmonella Enteritidis
 - Food safety handling practices etc..
 - Enhanced risk management measures for selected priority chemicals in food (CMP priorities)
 - Implement measures to mitigate nutritional risks (focus on sodium and transfat reduction)
- Improve Organisational Performance and Environment
 - Enhance Business Processes:
 - transparency with stakeholders



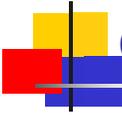
Health Canada/CFIA Priorities 2011-12

- Modernize Food Pre-Market Review and Approvals
 - Implement best practices and Address backlog (emphasis on regulatory backlog)
 - Improve transparency and predictability (e.g. regular reporting on performance)
 - Clarify Food-NHP interface : (updated policies on food fortification, claims etc.. transition eligible products)
 - Implement modernization of selected food regulatory frameworks (e.g. food additives (possible opportunity for legislative modernization to update authorities)
- Enhance capacity to anticipate and respond to food safety incidents
 - Enhance Health Risk Assessment Capacity
 - Enhance Capacity for foresight and preparedness (Upgrade capacity for foresight and early signal detection of emerging food safety risks)
 - Enhance Capacity for analytical method development (and guidance on acceptable methods) supporting food standards



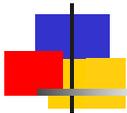
Other Regulatory Updates

- Chemical Management Plan
 - CMP-2 Medium priority substances (3000)
 - In-Commerce List – Phase 2
 - Nominations until Feb 14, 2012
 - Food additives to be nominated
 - Nano materials subject to prioritization
 - <http://www.chemicalsubstanceschimiques.gc.ca/plan/plan-eng.php>



Other Regulatory Updates

- Acrylamide monitoring November 2011
 - <http://www.hc-sc.gc.ca/fn-an/securit/chem-chim/food-aliment/acrylamide/index-eng.php>
- Imported Food Sector Regulatory Proposal for Non-Registered Food Sector
 - <http://www.inspection.gc.ca/english/fssa/imp/lic/lice.shtml>

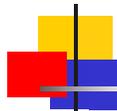


Division 7 Update

Board of Directors' Meeting
November 15, 2011

Presented by: Tiina Henkusens, Chair

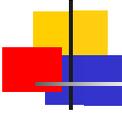
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Agenda

- Division 7 Working Group
- Rationale for amendments to Division 7
- Update on events to date
- Next Steps and Discussion

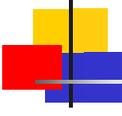
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Division 7 Working Group

- Holly Buchanan – Buchanan Trading Inc.
- Wendy Burggraf – Halford-Lewis Ltd.
- Gaspare Colletti – Cell Foods Inc.
- Tiina Henkusens – McCormick Canada
- Donna Nicholson – Griffith Laboratories
- Doris Valade – Malabar Super Spice

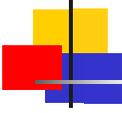
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Regulatory Modernization Rationale

- Global spice trade defined by botanical source and cleanliness
- Canada is the only jurisdiction where quality attributes are prescribed in regulation
- Regulations are outdated and restrict ability to leverage global supply and alternative treatment methods such as steam
- Other options to existing regulations such as standards or wider tolerances should be investigated in increase flexibility for industry

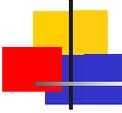
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Events to Date

- **March 23, 2011:** Letter sent to Director General, Food Directorate
 - Position statement
 - Request for in person meeting with Health Canada and CFIA
- **July 14, 2011:** Presentation and discussion in Ottawa with Health Canada and CFIA

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Events to Date continued

- Attendees
 - **Samuel Godefroy**, Director General, Food Directorate, Health Canada
 - **Daniel Miller**, Exec Director Food Labelling and Claims Directorate, CFIA
 - **David Spicer**, Director Regulatory, Legislative and Economic Affairs, CFIA
 - **Kelly Hislop**, Chief, Chemical Health Hazard Assessment Division, Health Canada
 - **Kathy Twardek**, Acting Director Consumer Protection, CFIA
 - **Melissa Struthers**, National Manager, Imported & Manufactured Food Division, CFIA

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Events to Date continued

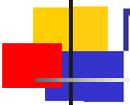
- Acknowledged and understood CSA position
- Amendments to regulations would not require an act of parliament
 - Both agencies would need to agree
 - Quality driven changes, not health related
 - Division 7 are mostly single ingredient, commodity items and not traditional "compositional foods"
- Future priorities will include modernization of Food and Drugs Regulations
- Recommended CSA send letter to Minister of Agriculture and Agri-Food, Gerry Ritz
- Division 7 to be discussed at the CFIA/Health Canada bilateral meeting

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Events to Date continued

- **Aug 15, 2011:** Letter sent to Minister Ritz
- **Sept 1, 2011/Oct 4, 2011:** Email/Discussion with Kathy Twardek
 - New CFIA Food Labelling and Claims Directorate
 - Health and safety top priority
 - CSA must identify, in detail, the proposed changes
 - Provide rationale how amendments would benefit consumers and industry
 - Support rationale with research and data
 - Information to be used to determine priority relative to other standards of identity
 - Modernization of standards has not been determined by HC/CFIA to be a priority for 2012

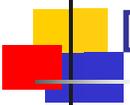
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Next Steps

- Build on the position statement
 - Global regulations (ie GRAS list)
 - Various standards including ASTA, ESA, IOSTA
 - Research to support impact of treatment methods on quality parameters
 - Economic impact analysis
 - Proposed amendments

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Discussion

- Do we continue with modernization of Division 7
 - Political environment supports modernization of *FDR*, but may not happen in 2012
- Determine regulatory changes
 - Remove standards
 - Set a range for compositional standards
 - Create tolerances outside of regulation

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Discussion

■ Outcome Assumptions

- Realistic and achievable amendments within an acceptable timeframe
- Results in a level playing field within the spice industry and provides transparency between industry and CFIA
- Provides price and source flexibility
- Aligns with global standards (ASTA, IOSTA, ESA) and U.S. regulations
- Allows for the use of alternative treatment methods like steam
- Consumer protection

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QUESTIONS??

Thank you



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