CASE STUDY
Brar Natural Flour Milling
Strategies for Growth of Bulk Food Processing in Manitoba

SEPTEMBER 2015
Acknowledgements

Thanks to Brar Natural Flour Milling and all the supply chain partners and industry stakeholders who participated in this research.

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Rural Development Institute, Brandon University

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This applied research project answers the question: Where are the opportunities for growth in bulk food processing?

This case study is one of eight conducted to describe successful bulk food processing companies in Manitoba and give insight into opportunities for growth and innovation in these industries.

Brar Natural Flour Milling Inc. is a family owned, Winnipeg based company that manufactures specialty flours for the South Asian market in North America. They produce and sell 9 flours from 4 different grains and pulses that replicate ingredients for traditional Indian recipes. Their customers are mostly retail stores and restaurants with some food manufacturing for private label flatbreads.

Brar’s innovations have centred on milling processes and products, as well as marketing and meeting their customer’s needs. They and the companies in their supply chain are also constantly innovating to meet their customers’ needs, stay competitive and keep up with changes in technology and food safety.

Brar is one of many processors and manufacturers that are responding to a societal push towards healthier eating and functional foods, as demonstrated by their efforts to develop multigrain atta and a “healthier” atta flour with a lower glycemic index. They and other manufacturers of pulse product may gain from increased awareness of the health and sustainability benefits of pulses from IYOP 2016.
PURPOSE OF STUDY

Growth in food processing to produce bulk ingredients represents a major opportunity for Manitoba to increase economic activity in the province. This research follows from a preliminary study into the opportunities for growth that come from innovation in the bulk food processing industry in Manitoba. For the purpose of these studies a bulk ingredient processor is defined as a company that sells to manufacturers, bulk wholesalers, distributors, businesses and food service. Private label sales are also included as a type of bulk sale in this research; in addition some processors also sell their own branded products. The unit of sale will be in most cases significantly larger than the retail size.

For the second year of the study, the notion of health benefits associated with ingredients was an additional factor examined with the majority of companies selected.

RESEARCH METHODS

The main research method was interviews with company and association leaders through the supply chain, together with researchers and other innovation partners.

This research uses “Instrumental Case Studies”: eight Manitoba bulk food ingredient processing companies and their associated supply chains are examined to provide insight into growth and innovation within the bulk food processing industry.

The studies gather data on: history, activities (describe chain processes), setting (product & industry), and other contexts and informants (chain). Beyond this description, the focus of the study is growth and innovation in each company and supply chain.

The “Oslo Manual” guidelines¹ for collecting and interpreting innovation data were used to formulate the interview tool for the semi-structured interviews conducted in this study.

An innovation is defined as the implementation of a significant change in product, process, marketing or organization that is new (or significantly improved) to the company.

The interviews covered several areas of focus:

- Overview: a description of the company, industry and supply chain, and how they work together
- An investigation of innovation in the companies, supply chain and industry:
  - Past innovations that lead to this industry
  - Innovation opportunities for the future
  - Factors that affect ability to innovate
  - Linkages to outside innovation resources

INTERVIEW PARTICIPANTS

<table>
<thead>
<tr>
<th>Participant</th>
<th>Role</th>
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<tbody>
<tr>
<td>Kirat Chahal, Assistant Manager, Brar Natural Flour Milling</td>
<td>Processor</td>
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<tr>
<td>Dale Byrkit, Regional Manager – Food Ingredients, The Andersons Inc.</td>
<td>Supplier</td>
</tr>
<tr>
<td>Kent Wall, President Portco Packaging</td>
<td>Supplier</td>
</tr>
<tr>
<td>Mitesh Trivedi, Owner Charisma of India Restaurant</td>
<td>Customer</td>
</tr>
<tr>
<td>Jagjit Gill, Owner Gill’s Supermarket</td>
<td>Customer / Distributor</td>
</tr>
<tr>
<td>Ashok Sarkar, Senior Advisor, Technology, Canadian International Grains Institute (CIGI)</td>
<td>Technical Expert</td>
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<tr>
<td>Tanya Der, Manager, Food Innovation &amp; Marketing, Pulse Canada</td>
<td>Commodity Organization</td>
</tr>
<tr>
<td>Dave Shambrock, Exec Dir, Manitoba Food Processors Association</td>
<td>Processor Industry Association</td>
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¹ Oslo Manual Source: OECD & Eurostat Agri-Food. 2005: Guidelines for collecting and interpreting innovation data
BRAR NATURAL FLOUR MILLING

The Company

Brar Natural Flour Milling started in 1980’s as an idea (and a passion) of Mr. Lahora Singh Brar, to produce high quality flour products that replicate the tastes of India. As such Brar is serving a niche market – but fairly large one; there is a large South Asian population in North America giving continued demand for ingredients for home and restaurant use.

The Winnipeg company grew gradually in size and number of products over the years, incorporating in the early 1990’s. In 2003 an additional distribution and processing facility was built in Abbotsford, B.C.. In 2012 Brar expanded further, moving into a new facility in NW Winnipeg, incorporating some new milling equipment and more storage; they currently employ about 25 people in Winnipeg.

Processing

Brar always buys food grade grains and pulses; but to ensure food safety and quality they put all grains through their cleaner. Different raw materials are processed into flours of various grades using several milling machines. Base optimal milling settings are known from years of experimentation, these are refined to account for variation in each year’s crop. The Winnipeg facility(s) is HACCP certified.

Products

Brar mills 9 flour products from 4 different pulses and grains. Brar’s highest volume product is atta. This is durum wheat flour that is milled to a coarser grind than baking flour and used for traditional Indian breads, such as naan, roti or chapattis.

Most Sher and Brar brand atta and flour products are sold in 20lb bags, some are also available in 4lb, 8lb and 40lb sizes.

Durum wheat ➔ Atta flour 4 grades: Desi style, White Whole Wheat, Brown Whole Wheat and Parshad/Halwa atta

Chickpea ➔ Super Fine Besan, Coarse Besan, Kala Chana Flour

Maize/ corn ➔ Sweet Corn Flour

Millet ➔ Bajra Flour

Lentils ➔ cleaned and packaged daal, not milled

Food service distribution service: Sher brand tea, plus Sher basmati rice, daals, beans and spices.

Markets / Customers

Most Brar products are sold to south Asian restaurants or specialty food stores in Canada or the US. Some atta is used in food manufacturing; being the main ingredient for “private label” naan. All Indian ethnic / regional groups could use Brar’s flour products in their traditional cooking, as well as Pakistani and West Indian. Business is seasonal with a peak in the “wedding season” and cultural holidays, and a low from November to January as some south Asians escape Canada’s cold for a few months.

Position in Industry

Brar is the most successful North American specialist company making milled products to serve the South Asian population in Canada and the US, their reputation is for consistent high quality product. Other sources of atta and other Indian style flours are from large North American flour millers and imports from India.

Competitive Advantages

• A range of ingredient products that work well for traditional Indian recipes

• Made in Canada, customers comfortable with food safety

• Reputation for high quality products at a competitive price
Supply Chain

Brar buys its raw grains and pulses from various sources, wherever they have found a reliable, quality source. Their supplies are purchased through distributors or seed companies who clean to food grade. Raw material needs to have similar properties to that grown in an Indian climate, so some crops need to be grown under warmer conditions than Canada, so they import chana daal from Australia and India, and corn from the southern US. They usually sell directly to retail stores or restaurants in Canada and the US, though some of their sales do go through distributors. As their volumes are generally low, most of the overland shipping in Brar’s chain is by truck.
Brar Natural Flour Milling’s main innovation activity has been to develop and perfect the processes to produce a range of high quality traditional Indian ingredients for the North American market. Their products include pulse and millet flours, higher fibre atta and they are developing a low glycemic index atta. All these products are able to take advantage of consumer trends of wanting nutritional products with proven health benefits. This is part of an industry wide push to develop products, increase awareness and sales of functional foods, such as the International Year of Pulses. Through the supply chain companies are innovating to stay competitive, market their products and services and keep up with changes in technology and food safety. Possibilities for growth in the sector include expanding markets through exports and expanding outside the ethnic market in North America, and development of new functional ingredients or prepared, easy cook foods.

<table>
<thead>
<tr>
<th>BNFM 1 Innovation: Indian Ingredients made in Canada</th>
<th>The founding innovation for Brar Natural Flour Milling was the idea of creating a company that would provide the Indian population of North America with ingredients that reminded them of the tastes of India but were manufactured in Canada. An essential part of the company philosophy was, and is, to produce high quality, pure, natural ingredients for traditional south Asian cooking. The company grew gradually over the years. Finding reliable source for raw grains and pulses and developing and perfecting a range of authentic products took significant effort and time. Both products and marketing have continued to focus on south Asian communities in North America.</th>
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</table>
| Type: Organizational ➔ Product & Marketing | New to: North America
Part of supply chain: Processor
When: 1980’s
Time Line: One step then multiple small steps
Developed: with consultants, equipment suppliers & customers |

| BNFM 2 Innovation: Ingredient Development | Atta flour, Brar’s main product, is very difficult to make, but they have succeeded through a combination of the right starting material, milling equipment and settings. Brar’s other flours took a similar level of product development effort, resulting in high quality consistent products with good colour and shelf life.
It took many years to give flours that had the taste, texture and cooking properties to work in traditional Indian recipes. Their sweet corn flour was judged to be particularly good, allowing cooks to make very thin chapattis. Though the basic processes are now established, Brar adjusts the milling process each year to account for variations in each year’s crop and to maintain and improve product quality. |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Type: Process / Product | New to: North America
Part of supply chain: Processor
When: 1980’s to future
Time Line: Multiple small steps
Developed: In-house with consultants, equipment suppliers and customers |
<table>
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<tr>
<th>BNFM 3 Innovation: New Healthier Flours</th>
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<tr>
<td><strong>Type:</strong> Process / Product</td>
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<td><strong>New to:</strong> Company / Industry</td>
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<tr>
<td><strong>Part of supply chain:</strong> Processor</td>
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<tr>
<td><strong>When:</strong> 1990 - 2016</td>
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<tr>
<td><strong>Time Line:</strong> Multiple steps</td>
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<tr>
<td><strong>Developed:</strong> In-house with consultants, equipment suppliers and researchers</td>
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<td>Brar has developed and introduced several new healthier product options for their customers. Millet &amp; chana daal were introduced in the early 1990s and whole wheat atta (fibre wala) in 1998. Currently, Brar is researching and developing multigrain atta flour and an atta that will give a lower glycemic response (through addition of other grains and pulses) and still work for traditional recipes. The latter will be of particular benefit to diabetics. In addition to changing the formulation they are also scientifically validating whether the new product does indeed have a lower glycemic index than pure wheat atta flours.</td>
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<th>BNFM 4 Innovation: Health benefits</th>
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<tr>
<td><strong>Type:</strong> Marketing</td>
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<tr>
<td><strong>New to:</strong> Industry</td>
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<tr>
<td><strong>Part of supply chain:</strong> All</td>
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<tr>
<td><strong>When:</strong> 1990 to future</td>
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<tr>
<td><strong>Time Line:</strong> Multiple step-wise</td>
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<td><strong>Developed:</strong> Whole industry with health researchers</td>
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<td>In recent years and into the future a major focus of food and ingredient marketing will be on nutritional and health benefits. Consumers, especially the younger generation are looking for healthy foods; more people are reading nutrition labels and looking for fibre and protein in their diet. Society is becoming aware that functional foods can positively affect health, e.g. Health Canada’s approval of “high in protein” labelling for a range of pulse products adds marketing options for these products. There is evidence that a diet rich in pulses can reduce the risk of heart disease and cancer, and research is being conducted into satiety and obesity, and blood sugar control. Throughout the food industry, scientifically based health claims are and will be, an increasingly important driver for increasing retail, and ingredient product development and sales.</td>
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<th>BNFM 5 Innovation: International Year of Pulses</th>
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<tr>
<td><strong>Type:</strong> Organizational ➔ Marketing</td>
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<tr>
<td><strong>New to:</strong> Pulse industry</td>
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<tr>
<td><strong>Part of supply chain:</strong> All</td>
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<tr>
<td><strong>When:</strong> 2010 to future</td>
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<tr>
<td><strong>Time-Line:</strong> Multiple steps</td>
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<tr>
<td><strong>Developed:</strong> Whole industry cooperation led by commodity groups (e.g. Pulse Canada) together with research organizations, e.g. CIGI.</td>
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<td>In the wider pulse industry, a major organizational innovation is the International Year of Pulses (IYOP 2016). This initiative has brought together pulse, growers, processors, manufacturers and commodity organizations from all over the world to increase awareness about the benefits of pulses... the “Food of the Future“ and promote consumption. IYOP will emphasize the nutritional (protein and fibre) and environmental (lower fertilizer and water usage) benefits of pulses as well as the many possible uses as an ingredient: in traditional recipes and as ingredients to boost nutritional properties of processed foods. This initiative follows on from a continuing Canadian “pulse innovation project“ that seeks to research the potential for manipulating milling of pulses to extend the possible uses for pulse ingredients.</td>
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### BNFM 6 Innovation: Modernize & upgrade

**Type:** Organizational ➔ Process  
**New to:** Company  
**Part of supply chain:** All  
**When:** Continuous to future  
**Time Line:** Incremental  
**Developed:** In-house, and with customers and experts  

Through-out the supply chain all companies gave examples of upgrading, modernizing or expanding their operations. In the case of Brar, they have expanded their production several times over the years; the most recent being their 2012 move to a new Winnipeg facility, with updated equipment and increased storage.

Other companies expanded and upgraded to serve new markets (new store), provide new services and products and increase efficiency (new kitchen). Many innovations along the chain, including packaging manufacturers and truckers, related to food safety as regulations continue to evolve over the years.

### BNFM 7 Innovation: Marketing and Packaging

**Type:** Marketing  
**New to:** Company  
**Part of supply chain:** Producers & distributors  
**When:** Continuous to future  
**Time Line:** Incremental  
**Developed:** In-house, and with researchers  

Since the inception of the company Brar has targeted their marketing towards ethnic communities within India. As such their packaging is multi-lingual (English, French, Hindi, Punjabi & Gujarati). They are well known in the community through advertising on specialty TV channels, supporting cultural events and reaching youth through “Sher” the Lion (sher means lion in many Asian languages).

To meet the needs of their customers, Brar have worked with their packaging supplier to design superior quality, leak-resistant, “shelf visible” bags for their products. Packaging is important in terms of food safety and shelf life, to retain the integrity and freshness of the product, before and after purchase.

### BNFM 8 Innovation: Expansion of markets

**Type:** Marketing / Product  
**New to:** Company  
**Part of supply chain:** Processor and Manufacturer  
**When:** 2012 into future  
**Time Line:** Step-wise  
**Developed:** Industry, with government and others  

A number of opportunities were identified that could expand the markets for Brar’s products, including exporting to other ex-patriot Indian communities, such as those in the UK.

Brar has expanded their business to also serve as a food service distributor for their restaurant customers, adding tea, daal, beans, rice and spices to their product line.

There is an opportunity to sell to customers outside the ethnic community. The wider community is experiencing Indian food through restaurants and ethic sections in grocery stores. Sales of ingredients may increase; though greater gains could be made with the development of “convenience” or partially prepared foods. There are already examples of successful “Indian” snacks and cookies being made in Canada for domestic and overseas markets.
Factors that Affect Ability to Innovate

The incentive to innovate for Brar is to continue to produce a top quality product that meets the needs of a changing market, and demographics. Both suppliers and customers were innovating to retain customers, improve food safety, increase efficiency and continue to grow.

The companies initially generate ideas in-house through discussions with their staff and listening to the needs of their customers. Moving forward with innovations was done in cooperation and partnership with customers, equipment suppliers, professionals and researchers.

Obstacles to innovation were the usual “money, time and expertise”. For the companies on the customer side of the chain time was the most important consideration; once the investment was justified by potential returns, money could be found. For Brar it is a challenge to find technical expertise in their specialty products, as they are not part of the Canadian mainstream.

Innovation Linkages

Innovation linkages were generally open and informal in this supply chain, with a free flow of information. With proprietary innovations or research, non-disclosure agreements are made.

External information sources were customers and close members of the supply chain. Brar and The Andersons Inc. also use industry and university research resources. Portco Packaging continuously evaluates market segments, trends and new technology; they stay informed through trade-show and Association memberships for packaging equipment and materials, commodities, food and retail.

Through the supply chain the relationships were seen as between cooperative and coordinated, with strong stable relationships along the chain in a vertical fashion. Brar is linked to producers through their suppliers and to consumers through their retail and food service customers. Within the pulse industry as a whole Pulse Canada represents growers and processors; the International Year of Pulses is seen as an opportunity for all parts of the industry (including competitors) to get to know each other as they work together towards a common goal.
Brar Natural Flour Milling has grown steadily as a company over the years and is projected to keep growing. Their North American customer base in the south Asian community should remain stable in the future, through the younger generation and continued immigration. There are opportunities for growth in sales into the non-Asian community and through exports to the UK potentially to gulf countries as well.

Consumers are willing to pay more for products they believe in; that they can trust. Even through the recession, niche companies with strong branding have achieved growth. Brar is well positioned to continue to grow with their emphasis on pure natural, high quality products.

Awareness of the health benefits of foods is growing amongst the general population and particularly those with chronic conditions such as diabetes and heart disease. Commodities, food processors and manufacturers that can scientifically demonstrate that their products help with such conditions will earn the right to put “health benefits” labeling on retail packaging; which will increase sales, and improve people’s health.
Brar Natural Flour Milling is a niche food processor, milling specialty flours for the south Asian market in North America. They have successfully replicated the tastes and functionality of these ingredients so they can be used in traditional Indian recipes.

Their innovations have centred on perfecting a range of flour products from different starting grains and pulses; and continue with efforts to develop multigrain atta and “healthier” atta flour with a lower glycemic index. They and their supply chain are also constantly innovating to meet their customers’ needs, stay competitive and keep up with changes in technology and food safety.

There are opportunities for Brar to grow, through expanding their market through exports and developing new products. They and other manufacturers of pulse product may gain from increased awareness of the health and sustainability benefits of pulses from IYOP 2016.