

CASE STUDY
FLOATING LEAF FINE FOODS:
WILD RICE IN MINUTES

Rural Innovation In Manitoba:
Reducing Barriers to
Commercialization and Growing
Capacity.

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Canada

Growing Forward 2
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The data, analysis of data, project analysis and conclusions or other information in this report are those of the authors and the Rural Development Institute and not of the Government of Canada or Manitoba.



Rural Development Institute, Brandon University

Brandon University established the Rural Development Institute in 1989 as an academic research centre and a leading source of information on issues affecting rural communities in Western Canada and elsewhere.

RDI functions as a not-for-profit research and development organization designed to promote, facilitate, coordinate, initiate and conduct multi-disciplinary academic and applied research on rural issues. The Institute provides an interface between academic research efforts and the community by acting as a conduit of rural research information and by facilitating community involvement in rural development. RDI projects are characterized by cooperative and collaborative efforts of multi-stakeholders.

The Institute has diverse research affiliations, and multiple community and government linkages related to its rural development mandate. RDI disseminates information to a variety of constituents and stakeholders and makes research information and results widely available to the public either in printed form or by means of public lectures, seminars, workshops and conferences.

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Introduction

The Rural Innovation in Manitoba (RIM) project is funded by the governments of Canada and Manitoba through Growing Forward 2, a federal-provincial-territorial initiative. It attempts to create new knowledge that enhances the process of innovation by addressing barriers and opportunities in commercialization in Manitoba's Agri-Food sector, and improves capacity in organizations so they can facilitate innovation. As a part of the RIM project, we conducted five case studies that provide the information for a cross case study report on commercialization in the Manitoba food processing industry.

This case study is one of five conducted to explore the commercialization of a product/process innovation, and give insight through interviews with innovators and important stakeholders. For the purpose of this research a stakeholder is defined as someone who helped innovators achieve significant milestones in their commercialization process. The terms agri-food and food processing are used interchangeably; and innovators and stakeholders are referred to collectively as participants.

This case study briefly describes the research design and methods, for additional details see cross case study report. This case study specifically highlights an innovation from Floating Leaf Fine Foods. The report provides a brief overview of the company, describes their product/process innovation, and provides an explanation of their commercialization timeline. The report covers the five stakeholders identified by the innovators, who they are and how they helped. The report also covers gaps and barriers identified by the innovator and stakeholders that are specific to Floating Leaf. Finally, the report concludes with a summary.

Research Methods

This research project seeks increased understanding of the commercialization of innovations in Manitoba's food processing industry. The research method used for this study was qualitative case studies. We conducted five case studies examining the path to commercialization for five recent product/process innovations in the Manitoba food processing industry.

All the studies centre on a product/process innovation that has come to market in the last five years. They document the progress of an innovation from idea through to market, from the point of view of the innovator and five "stakeholders", people who had helped the company on the road to commercialization.

Data Collection

Semi-structured interviews were conducted with the head of the food processing company; who was intimately connected to the commercialization of the product/process innovation.

The interviews explored critical areas to help understand the commercialization of each innovation:

- Background of company or organization and the services or product offered
- Timeline and milestones in the progression of the innovation from idea to commercial product
- Stakeholders and their involvement in commercialization
- The nature, timing, stage and impact of stakeholder involvement
- Barriers and gaps, specific to the innovation and companies involved, and the food processing industry in general.
- Leadership and other skills or characteristics that are needed to successfully commercialize a food processing innovation.

Each innovator identified up to five stakeholders who helped with the commercialization of their innovation. The stakeholder interview explored similar questions to those listed above, as well as the services they offer to innovators.

Ethics approval was obtained from Brandon University Research Ethics Committee (BUREC) for this study. We ensured confidentiality and accuracy by inviting innovators to review the draft case study first, before it was circulated to other participants for validation.

Floating Leaf Fine Foods

The Company

<http://www.eatwildrice.ca/>

Floating Leaf Fine Foods is a family owned business that has contributed to the wild rice industry since the 1930s. The Ratuski family established the company in 1935 with buying green wild rice, and later began processing in the mid 1950s. Floating Leaf currently has a roasting plant in Winnipeg, Manitoba, and a processing and packing plant in Winnipeg. Floating Leaf is involved in every aspect of the wild rice industry; from harvesting, to processing, to blending and packing. They also function as a co-packer of other companies' products in addition to their own. Floating Leaf is a long-term family business as the fourth generation of the family is now involved in the management team. There are currently 20 full time and part time employees working at Floating Leaf.

Products

★ Wild Rice in Minutes

- Pure wild rice and wild rice blends
- Wild rice pasta
- Pancake, muffin and waffle mix
- Other products

Raw Materials

Floating Leaf acquires its wild rice supplies from harvesters across Saskatchewan, Manitoba, and Ontario. On occasion Floating Leaf has imported wild rice from the US. Wild rice is harvested using air-boats and then transported to Floating Leaf's mobile stations by truck or boat.

Market / Customers

Floating Leaf Fine Food's primary customers include retailers, food manufacturers, wholesalers, brokers, distributors, and co-packing clients. Floating Leaf's international business is generally conducted through distributors who sell to Europe, Australia, Japan, Dubai, and South Africa.

Position in Industry

Floating Leaf is one of the largest processors and manufacturers of wild rice and wild rice blends in Canada and the only Canadian company with national branded pure wild rice.

Competitive Advantages

- Involved in all facets of the process - harvesting to packaging
- Focused on continuous innovation
- Family business with long history & knowledge of the industry.

Awards

Second place for Food and Beverage Manitoba's Best New Product 2015

Best Ethnic Item for the Liver Foundation's, LIVERight award 2011

Commercializing a New Food Product

PRODUCT / PROCESS INNOVATION

Wild Rice in Minutes

The Innovation:

Both the product, Wild Rice in Minutes, and the production process developed by Floating Leaf Fine Foods are innovative. This innovation is primarily a process innovation that allows wild rice, which typically takes a long time to cook, to be cooked in 8 minutes. Quick cook wild rice is a significant leap forward with regards to convenience, as traditional wild rice can take more than 60 minutes to cook.

The Product:

Floating Leaf has had various product process innovations over recent years; however, for the purpose of this case study we will focus on Wild Rice in Minutes. This new product cooks much quicker than traditional roasted wild rice and expands up to 4 times its original size. Previously quick cook wild rice would come in a can, was heavy and high in salt content. Floating Leaf's new product has a superior nutrition profile to canned wild rice.

The Process:

Floating Leaf's Wild Rice in Minutes is prepared using a proprietary process that gives a shelf stable product with about 7% moisture. The process is designed so nothing is added to the rice in order to maintain texture, nutritional value and aroma after processing. This process was developed in partnership with Manitoba's Food Development Centre in Portage la Prairie.

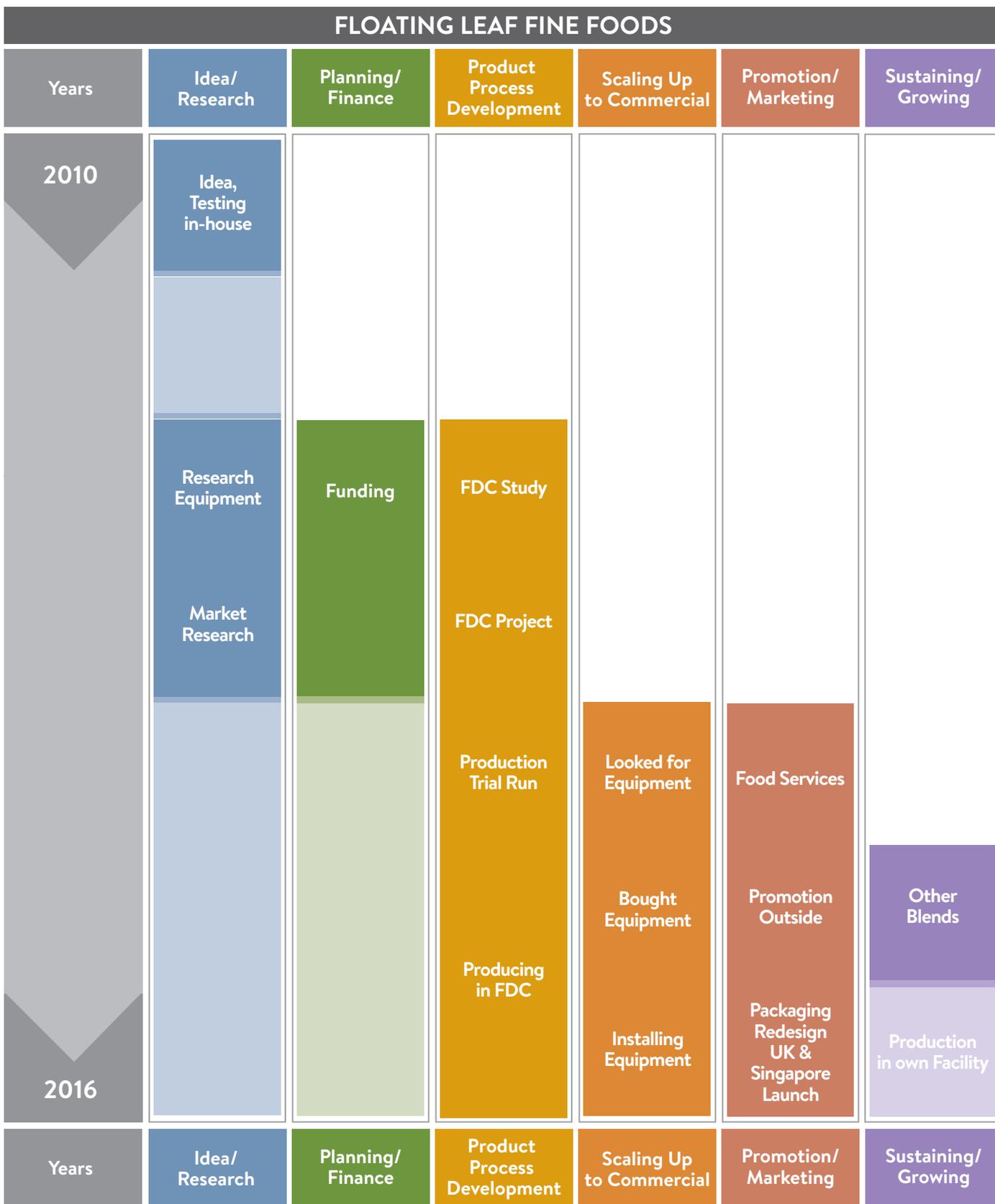
INNOVATION & COMMERCIALIZATION TIMELINE

Figure 1 gives a simplified representation of the milestones in developing and commercializing Wild Rice in Minutes, as identified by Floating Leaf and their stakeholders. The milestones are organized on a timeline from the idea for a quick cook wild rice to the present day. They are also categorized according to the stage of the commercialization continuum they were most related to. More details on the progress through commercialization are given in the "Milestones" section below as well as in the sections on how each stakeholder was involved in the commercialization process.

Milestones:

- The idea for quick cook rice was born in 2010 when Floating Leaf actively started looking at producing a wild rice convenience food. For the first few years they tested ideas at home.
- In 2012 they involved the Food Development Centre (FDC) in the research, and in 2013 conducted a research project to develop the process to make quick cook rice, from proof of concept to scaling up to commercial scale production at the FDC.
- Once the process and product were established Floating Leaf applied to GF2 for funding to establish a processing line within their own facility. In 2016 the equipment is being installed following a couple of years of finding and purchasing used machines.
- At the same time as increasing their processing capacity and efficiency, Floating Leaf redesigned their packaging; and built sales and markets for their new product, in food service and in overseas markets in the UK and Singapore.
- Once Floating Leaf begins processing this product in their own facility it will have a positive impact on company.

Figure 1.1 Floating Leaf Simplified Innovation & Commercialization Timeline



*Darker shading indicates more intense activity

Stakeholders

For the purpose of this study we have defined stakeholders as any person or organization that has helped Floating Leaf Fine Foods on its path to commercialization of their quick cook wild rice. Examples of stakeholders include but are not limited to: family members, scientists and researchers, prototype developers, government agencies, economic and business professionals, funders/bankers, and agricultural associations. The four key stakeholders identified by Floating Leaf are described below, together with the services they offer and how they assisted Floating Leaf.

Floating Leaf Fine Foods (Matthew Ratuski)

<http://www.eatwildrice.ca/>

Description:

Matthew Ratuski is the Director of Sales at Floating Leaf where he focuses on utilizing wild rice products and multi-grain blends for retail, food services, and exports. Prior to acquiring his position at Floating Leaf in 2016, Matthew worked for Sysco in Calgary for ten years. As Director of Sales at Floating Leaf, his culinary arts background has proved an asset as he developed a new packaging design, as well as managing retail food services and export services.

Their Involvement:

Matthew Ratuski successfully introduced Floating Leaf wild rice into the food service retail market as an ingredient. Matthew has helped Floating Leaf achieve the steady level of growth that it has accomplished. While the product is costly to produce, Matthew has emphasized the importance of an upscale appearance for the product in order to attract the company's desired food service and retail customers.

Manitoba Agriculture – Growing Forward 2 (Jeff Fidyk)

<http://www.gov.mb.ca/agriculture/growing-forward-2/>

Description:

Growing Forward 2 (GF2) is a policy framework for Canada's agriculture and agri-food sector for 2013 – 2018. The federal, provincial, and territorial governments (FPT) and the foundation for government and agricultural services have invested \$3 billion dollars into GF2. The policy framework's programs prioritize innovation, competitiveness, and market development to ensure that Canadian producers and processors have access to the resources they require in order to innovate and capitalize on emerging market opportunities. GF2 also makes a number of Business Risk Management programs available to producers and processors.

Services Offered:

Growing Forward 2 in Manitoba offers two different types of programs for producers and processors. The Strategic Initiative programs assist producers and processors to prevail over the challenges and fulfill the opportunities of the changing market and consumer demand, innovation practice and process, joining the global market, and sustaining valuable resources. The second type of program, the Business Risk Management programs, help farmers manage income declines caused by production losses, low prices, and increased input costs. Each program offers protection for different types of losses in a variety of ways.

Their Involvement:

Growing Forward 2 was involved in the planning and finance stage for Floating Leaf. They provided funding to Floating Leaf towards the purchase of equipment so Wild Rice in Minutes could be produced in their own facility. GF2 was involved for a specific purpose and is not an ongoing stakeholder.

Food Development Centre (Paulyn Appah)

<https://www.gov.mb.ca/agriculture/food-and-ag-processing/food-commercialization/food-development-centre/>

Description:

The Food Development Centre (FDC), located in Portage la Prairie, is a Special Operating Agency of Manitoba Agriculture. The facility assists the Agri-food industry and entrepreneurs with the transformation to commercialization through research and development of agricultural commodities, as well as value add food products. The centre offers entrepreneurs access to expertise, pilot plant facilities, and research. The Food Development Centre's clients range from first time entrepreneurs to global corporations.

Services Offered:

The Food Development Centre's pilot plant is Canadian Food Inspection Agency licensed for processed food production, allowing food companies to use the facility as a food business incubator to develop, produce, and market their products. The FDC's facilities provide the essential flexibility to conduct a wide variety of research and development projects in a number of different disciplines that use a vast diversity of processing techniques. Commercialization services include: product and process development, technology transfer, pilot plant production, food analysis / nutritional labelling, sensory evaluation / shelf life testing, and food regulatory services. The centre has experienced personnel with diverse skills in food processing technologies and specialties in bakery, extrusion, extraction/separation, liquid, beverages, meat, ethnic and ingredient food processing.

Their Involvement:

The Food Development Centre was involved from the beginning of the commercialization process and played a crucial role in the product process development of Wild Rice in Minutes. FDC's pilot plant facility is being used to produce the Wild Rice in Minutes until Floating Leaf's equipment is installed. The FDC continues to provide technical support and advice to Floating Leaf.

J.C.D Enterprise (Jack Dansereau)

Description:

JCD Enterprise is a company that specializes in equipment consulting. Jack Dansereau, the founder of the company, has extensive experience in handling food processing equipment. Jack has been involved in the manufacturing of metal equipment and production processes since 1965. Throughout his career, Jack has concentrated on manufacturing farm equipment, water well casings, spiral culverts, etc. He has also expanded his area of expertise into pre-engineered metal buildings and production of vinyl window profiles.

Their Involvement:

JCD Enterprise assisted Floating Leaf with the purchase of their processing equipment; giving advice on the most efficient equipment, for the most affordable price, to create the caliber of product they seek. He also helped with contacting contractors to install the purchased equipment. In Floating Leaf's case, JCD has also given input on the packaging and marketing of their products and continued to research the market potential for the product.

Barriers and Gaps

A key purpose of this research is to identify gaps and barriers experienced by innovators on their road to commercialization. Below is a list of specific gaps and barriers faced by Floating Leaf as they commercialized their Wild Rice in Minutes. The barriers and gaps identified have been ordered by the stages of commercialization.

Planning/ Finance

- Floating Leaf applied for funding to help purchase the necessary equipment for their innovation and the funding process was very cumbersome. Floating Leaf experienced delays in receiving approval and funding provided was substantially lower than requested due to the GF2 program being oversubscribed; Floating Leaf also experienced delays in receiving reimbursement of the funds from GF2 for the equipment purchased. This slowed their commercialization process.

Product Process Development

- Floating Leaf had a condensed timeline to develop the process to make their Wild Rice in Minutes; this created some challenges because they were not using their own facility and instead used the Food Development Centre, which had to condense their traditional timelines to accommodate.

Scaling up to Commercial

- The FDC was a valuable partner in developing Floating Leaf's new process. However, after the process was established it was necessary to continue to use FDC for production, because Floating Leaf didn't have funding to buy their own equipment. The FDC is not set-up for efficient commercial production, so this processing was expensive and reduced potential profits.
- Another barrier facing Floating Leaf was finding the appropriate equipment at an affordable cost. Once they purchased the equipment they also faced a barrier when trying to install it. Utility installation costs were very expensive and further slowed their ability to reach commercial production.

Promotion/ Marketing

- Floating Leaf also faces a challenge because wild rice is a niche product in many markets. There is still a significant amount of education and marketing required to increase consumer knowledge about the benefits and advantages of wild rice in general and Wild Rice in Minutes specifically.

Sustain/ Growing

- Finally, Floating Leaf faces a challenge because of Canada's small population, therefore, they must continually look to expand their markets and increase sales around the world.

Summary

Floating Leaf Fine Foods is a family run business that helped develop a Wild Rice industry in Canada. The company started in 1935 and has been selling various products domestically and internationally since 1950s. Floating Leaf's product process innovation is their Wild Rice in Minutes. This product is a significant shift in convenience for wild rice, which traditionally takes 60+ minutes to cook. Furthermore, Wild Rice in Minutes is not heavy in water or salt, like other quick cook wild rice before it.

Floating Leaf identified four stakeholders who helped them through their commercialization process. The Food Development Centre was crucial in the development of the actual process as well as in manufacturing the wild rice until Floating Leaf was able to purchase and install their own equipment. Growing Forward 2 was involved in the financial stage and provided a portion of funding for Floating Leaf to purchase equipment. J.D.C Enterprise was involved throughout the commercialization processes, but was particularly important in sourcing equipment. Finally, Floating Leaf also identified a stakeholder internal to company whose main contribution was promotion and marketing of the new product.

Finally, this case study highlighted gaps and barriers specific to Floating Leaf's commercialization of their innovation. Floating Leaf and their stakeholders identified the most gaps and barriers around the delay in accessing funding reimbursement, and the time it took to source and install equipment. This slowed Floating Leaf's commercialization process through delays in establishing their own, more efficient, processing facility.

As Floating Leaf moves forward they are looking to increase production capacity at their own facility and expand their markets into new counties around the world.



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