

SO YOU WANT TO START A PET FOOD BUSINESS

A Guide to Important Decisions and Requirements for Producing Pet Food



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INTRODUCTION

Often, the love of our pets (dogs and cats in particular) can lead to an idea for a business. The purpose of this Guide is to answer questions that we frequently receive from people wanting to make pet food. Our goal is to encourage a commitment to the production of safe and nutritious products.

Manufacturers of pet food undertake a significant responsibility to both pets and their human companions. Making pet food is a complex undertaking which at minimum, requires training and expertise in pet nutrition and food safety. Pet food nutritional standards have been developed over the course of many years by the scientific community. Food safety experts typically have university degree, or at least a college diploma in science, such as food science, or microbiology. Pet food must satisfy 100% of a dog or cat's need for nutrition, and this is extremely difficult to accomplish and to verify in a home environment.

It is not the intention of this Guide to provide you with startup advice. This guide will help outline considerations that you will need to think through, and competencies that you may have to research and develop, should you decide to start your own pet food business. The Pet Food Association of Canada assumes no liability for any omission from this guide. It is your responsibility to do your own due diligence as to any legal requirement for a business in Canada and specifically a pet food business.

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SECTION 1: GENERAL COMMENTS

WHAT IS THE PET FOOD ASSOCIATION OF CANADA?

The Pet Food Association of Canada is an industry Association representing the manufacturers of over ninety percent of all of the pet food sold in Canada. A list of our members can be found at: <u>www.pfac.com</u> "About PFAC"

Do I need to be a member of the Pet Food Association of Canada if I want to make pet food?

No, membership in PFAC is voluntary. Should you decide to become a member of PFAC, you will need to adhere to certain manufacturing guidelines.

Is pet food regulated in Canada?

Presently, there is no omnibus regulation for pet food in Canada. However, there are a number of Acts that impact the production and sale of pet food, the importation of pet food ingredients, and the exportation of pet food. You will learn more about the requirements of these Acts in this Guide.

- The Health of Animals Act and Regulations
- The Consumer Packaging and Labelling Act (CPLA) and Regulations
- The Competition Act
- The Canada Consumer Product Safety Act (CCPSA)

In addition to the regulations, there are policy documents that outline basic expectations of pet food manufacture, as well as requirements for some imported raw materials that might be used in pet food. For example, the Guide for the Labelling and Advertising of Pet Foods was developed by Industry Canada in consultation with the pet food industry and consumer associations, and it resides on the <u>Competition Bureau's website</u>. There are references in this guide to another publication; The American Association of Feed Control Officials (AAFCO) which is the USA model regulation for dog and cat food found at <u>www.AAFCO.org</u>



WHAT IS PET FOOD?

Generally, pet food is considered to be the sole source of nutrition for the dog or cat; however, anything that is to be consumed by the dog or cat should be prepared with the same considerations. In many countries, there is no distinction in law between pet food and pet treats; PFAC subscribes to this same principle. Whether you are planning to produce a food or a treat, ingredient selection, safe manufacturing practices, and nutritional adequacy should be your first priorities.

What is a Guaranteed Analysis?

A Guaranteed Nutrient Analysis is provided after a set of laboratory tests that confirm the presence of nutrients in a final product. This helps a consumer compare critical nutrients such as protein, fat and fibre. The Guaranteed Analysis will provide a list of nutrients expressed in quantitative units, either as a minimum or a maximum as appropriate to the nutrient. The analysis is conducted to ensure the presence of nutrients at a level determined by a formulation.

What is a List of Ingredients?

A List of Ingredients is a specific list of items you have included in the final food and should be listed in descending order by weight. Very small qualities such as vitamins and minerals can be grouped. Consumers look for the ingredient list because they are familiar with this in their own processed food.

I've baked some biscuits for my own pet. I'm thinking of selling them to the public.

Having had a successful small venture is a good start but moving to the next level requires an investment of time, money and due diligence to make sure you know what is required of you and what government and consumers expect in a pet food product.

It's only a small bakery in my kitchen. Do I have to follow the rules?

While the scale of your business may be small, you should still be aware of safe practices, safe ingredients and potential liabilities, as well as the laws of Canada.



I'm only planning on selling my food at the local farmers' market. Do I need to follow these rules?

Consumers expect that the products they are purchasing are safe and nutritious, regardless of where you sell the product.

I'm planning on producing a raw diet. Do I need to be concerned about the AAFCO nutrition profiles?

Whether you are producing a cooked or raw diet, you do need to be concerned about scientific formulation. Improper balance of ingredients can lead to health concerns for the pet. At minimum, you should consult an Animal Nutritionist to ensure that your combination of ingredients is nutritionally complete and that the balance of ingredients is appropriate.

If you are producing a raw diet, you also need to concern yourself with the issues of Salmonella or Listeria, which are most often found in raw diets. This, of course, implies that you test your product for the presence of Salmonella and listeria and verify that it is not present. Salmonella in pet food presents risks not only to pets, but also their human companions.

If a "human" can become ill from handling the product (and there is a high likelihood of Salmonella or Listeria transmission with raw diets), you may need to put in place a recall under the <u>Canada Consumer Product Safety Act (CCPSA)</u>. There are record keeping and notification requirements in this Act that you should be aware of.

In addition, you might consider including for your customer safe handling instructions to help mitigate your liability should someone become ill.

> "<u>The Canadian Veterinary Medical Association</u> (CVMA) holds that the documented scientific evidence of potential animal and public health risks in feeding raw meats outweigh any perceived benefits of this feeding practice."



RECALLS

On rare occasions, something may go wrong in the manufacturing process and it becomes necessary for a company to make a voluntary recall of their product from the marketplace. Generally, there is no central repository for pet food recall notices.* The onus is on the company to make the recall as widely known as possible, including through media and social media; good record keeping and retailer relationships, to name a few. The goal is to retrieve the affected product as quickly as possible before it can harm any pets or people. Retrieving product from the marketplace is an extremely expensive and time consuming process. Responsible companies have the ability to trace where their products are sold, and they practice "mock" recalls, to make sure that they could effectively remove potentially dangerous products from shelves if a problem has occurred. If a problem is identified, but a company cannot identify which products would be impacted, then it is possible that ALL product would have to be removed from the marketplace.

*In the case of the product that has potential to harm a human (a good example is the presence of Salmonella in the product), Health Canada requires notification pursuant to the Canada Consumer Product Safety Act (CCPSA). It is the responsibility of the manufacturer to be aware of the provisions of the CCPSA and to be compliant. Failure to comply exposes the company to the penalties defined in The Act.

SECTION 2: FORMULATIONS

What is a formulation? A formulation is basically the recipe used to make your product. A recipe contains, as a rule, many different ingredients, all of which contribute to the nutrition of the product as a whole. Each ingredient present serves a specific purpose and should be selected carefully from a reputable supplier. Responsible companies regularly audit their suppliers for their adherence to strict specifications. Because pet food is intended to be the sole source of nutrition for a pet, the formulation of the recipe is very important, very complicated and should only be developed in consultation with a person who has formal training in the



nutrition of dogs and cats. A common mistake is projecting principles of human nutrition on pet nutrition. A dog and cat's nutritional needs are vastly different from a human's. Products should be tested in a laboratory to make sure that the formula is delivering the desired level of nutrition.

SECTION 3: INGREDIENTS

While there is no Canadian regulation (other than the Health of Animals Act) that speaks to ingredients and product formulations, no reputable company would produce pet food without expertise in dog and cat nutritional requirements, having a properly formulated diet and a quality assurance program for ingredients.

When considering ingredients, a good place to start is the USA model regulation for dog and cat food found at <u>www.AAFCO.org</u>. You should purchase the Association of American Feed Control Officials (AAFCO) official publication. This publication explains nutritional requirements for life stage products (such as adult and puppy foods) as well as the testing that proves the nutritional content of the product. Dog and cat nutrition is complex and if you are serious about producing a product that is safe and meets the nutritional requirements of the pet, you should retain the services of an Animal Nutritionist to formulate the product.

Many ingredients used to make pet food are not available in Canada and may need to be imported from the USA or from other countries. To do this, you may require an import permit. You can find out more about the import permit process through the Permissions Office of the <u>Canadian Food Inspection Agency</u>.

It is our recommendation that anyone wishing to make pet food consult the AAFCO Official Publication. It is not law in Canada, but it provides a very good insight into safe ingredients. Furthermore, the Guideline for the Labelling and Advertising of Pet Food (Industry Canada) references ingredient statements and guaranteed analysis from AAFCO.



HOW DOES THE HEALTH OF ANIMALS ACT RELATE TO PET FOOD?

The Health of Animals Act stipulates that specified risk materials (SRMs) of bovine animals may not be fed to pets. This means that the SRMs must be removed from any bovine ingredients used in pet food production.

SRM are defined as:

The skull, brain, trigeminal ganglia (nerves attached to the brain), eyes, tonsils, spinal cord and dorsal root ganglia (nerves attached to the spinal cord) of cattle aged 30 months or older; and the distal ileum (portion of the small intestine) of cattle of all ages.

WHAT INGREDIENTS ARE SAFE TO USE?

Dog and cat nutritional requirements are extremely complex. You should always prepare your products in consultation with an Animal Nutritionist to ensure that the ingredient choices are appropriate, balanced, safe and nutritious. Every ingredient in a formulation should serve a nutritional purpose.

CAN I USE ANY INGREDIENT I WANT?

The first priority for anyone making pet food should be to educate themselves about what is healthy and nutritious for the species (dog or cat), as well as ingredients that are harmful. It is also important to evaluate suppliers of ingredients to make sure that they adhere to appropriate Good Manufacturing Practices (GMP's). Failure to follow these steps may expose the customer's pet to potential harm. An Animal Nutritionist will be able to assist in determining what ingredients are safe and healthy and in what proportion they should be used.



SECTION 4: FOOD SAFETY

The hallmark of all pet food production, whether the production is small or large is adherence to safe food production methods. There are a number examples of food safety protocols. One such example has been developed by the Global Alliance of Pet Food Associations (GAPFA) and will be available in the near future. GMPs describe the methods, equipment, facilities, and controls for producing processed food or pet food. Hazard Analysis and Critical Control Points (HACCP) goes beyond inspecting finished food or pet food products. It helps to find, correct, and prevent hazards throughout the production process. These include physical, chemical, and biological hazards.

SECTION 5: LABELLING

There are two considerations when thinking about product labelling. The first is what is required by law or recommended by government policy. The second consideration is to understand what a consumer expects to see on a pet food label.

REGULATION REGARDING LABELLING

From a regulatory perspective, <u>The Guideline for Labelling and Advertising of Pet</u> <u>Food</u> was developed by Industry Canada in consultation with the pet food industry and consumer associations, and it resides on the Competition Bureau's website. While not law itself, the Guide is rooted in <u>The Consumer Packaging and Labelling</u> <u>Act and The Competition Act</u>. The Guide represents accepted industry practices and is referred to by Industry Canada (Competition Bureau) when a labeling complaint is received. The Guide is very thorough in laying out what is expected on a pet food label. Some examples of requirements of the policy include an ingredient declaration, a guaranteed analysis, a feeding guideline, nutritional adequacy and nutrient profiles as well as guidance on naming products, and very general guidance on claims development.



LABELLING AND CONSUMER EXPECTATIONS

Consumers are in the practice of reading labels for their own foods and have an expectation, regardless of law or policy, as to what should appear on the label. Generally, consumers expect claims to be truthful and not misleading or over exaggerated. They may wish to see additional information about sourcing of ingredients (eg. origin, method of production) that is not required by law, or perhaps a "best before" or "sell by" date. Potential product spoilage due to sale beyond the expiration date is a large concern for consumers.

Is there a body that pre-approves labels?

No, the onus is on the manufacturer to be aware of labelling requirements in Canada and to meet them.

Human Food labels are very specific as to font size, and content. Are these the same for pet food labels?

There are no prescriptive requirements for pet food labels. The Guideline for Labelling and Advertising suggests key components that should be present on a pet food label. *Quebec language laws exceed what is required by the CPLA. If you plan to sell your product in Quebec, you will need to research those requirements. The "<u>Charter of the French language</u>" is a good place to start.

What is the difference between Made in Canada and Product of Canada?

There are legal definitions surrounding the use of the terms Made in Canada and Product of Canada. <u>Industry Canada publishes guidance on this subject</u>.

Do I need a "best before" or a "sell by" date?

"Best before" or "sell by" dates are not required by law. However, if you are committed to make safe pet food, you will want to know the shelf life of your product, be able to monitor this with your retailer and have a system to remove products that are approaching the end of their shelf life. You should keep proper records of your ingredients and your products, including lot and/or date codes in the event a recall is necessary.



Can I put "veterinarian approved" on my label?

By law, labels are required to be truthful and verifiable. You must be able to support, to the satisfaction of the Competition Bureau, any statement. If you can prove such a statement, you can use it.

Can I say "human grade"?

As previously mentioned above, you must be able to prove that what you say on a label is true. There is no regulated definition for "human grade" pertaining to pet food; however, human grade infers that the ingredients could be consumed by people. For example, human grade meat facilities are registered as meat establishments by the Canadian Food Inspection Agency, and they must follow all applicable laws (for example, the Meat Inspection Act and the Meat Hygiene Manual). Another consideration is if you mix human grade ingredients with feed grade ingredients, all the ingredients are deemed to be feed grade. If you make a "human grade" statement on a label, you should be sure that it is verifiable and not misleading. That is a burden of proof you must be prepared to provide in the event of a complaint.

What do I need to do if I want to use the term "organic?"

The term "organic", while not defined in law for pet food is becoming more accepted (and regulated) in human food and the subject of regulatory guidance. Here is one example: <u>The Canadian Food Inspection Agency provides guidance on</u> <u>this topic.</u>

Referring to the Competition Act and its requirement for truthful and verifiable statements, the onus will be on you to be able to satisfy Industry Canada that you are able to meet the burden of proof for an organic claim.

Verifying compliance means that you must have a thorough knowledge of your supply chain, including where your ingredients originally come from and where they are processed and stored before they get to your facility.



SECTION 6: LABORATORY TESTING AND ANALYSIS

One of the most common questions we receive is "Where can I get my product/pet food tested?" This question could pertain to:

- a consumer who thinks there is a problem with the product
- when a manufacturer wants to verify the presence of nutrients for the guaranteed analysis.
- When a manufacturer wants to verify that their product is microbially safe.

In the case of potential product problems, it is not possible to simply test the product for every toxin. Tests are developed to look for the presence of specific toxins and can be expensive, especially if you don't know what you are looking for. To our knowledge, there is no government laboratory that tests products for the general public. The consumer is always encouraged to contact the manufacturer first manufacturers want to know if there is a problem or even a perceived problem.

GUARANTEED ANALYSIS FOR TREATS

In general, you do not need a guaranteed analysis for a treat product, unless you are calling attention on the label to a specific ingredient or benefit of an ingredient or nutrient. Consumers do expect to see an ingredient list in all cases.

LABORATORY ANALYSIS FOR CONFIRMING A GUARANTEED ANALYSIS

There are companies that provide laboratory analysis testing for purposes of confirming a guaranteed analysis. The attached link provides more details as to how to contact those companies. Some companies are located in the USA and an import permit for testing purposes may be required.

A list of Canadian Labs is appended.



DO I NEED TO HIRE A LABORATORY TO ANALYZE MY PRODUCT?

If you are planning to make a statement on your product claiming that the product meets a nutritional standard, then you will need to conduct a laboratory test to confirm its adherence. The type of testing will be prescribed by the nutritional standard (i.e., AAFCO, NRC) you are following.

How much does laboratory testing cost?

The cost for laboratory analysis depends on the scope of the test.

Is there a calorie calculator I can use to calculate the calories in my product?

No, however, the same analytical data you develop for your guaranteed analysis statement can be used to calculate calories.

SECTION 7: THE MANUFACTURING FACILITY

By now, we expect that you are beginning to understand that preparing pet food for sale is a complex business. While there is no requirement in Canada for pet food preparation in a commercial kitchen, local bylaws and even your household insurance policy may prohibit your use of your residence for this purpose. You should consult local bylaws on this subject.

Likewise, unless you are planning to export your product to another country at the present time, an inspection or license is not required. We do, however, caution against overlooking Good Manufacturing Practices (GMPs) simply because no government agency requires it. GMPs should be an integral part of any quality assurance program. GMPs are the written procedures that explain the safety procedures and policies to be followed in the production of your product. A GMP is a system for ensuring that products are consistently produced and controlled according to quality standards. It is designed to minimize the risks involved in any production that cannot be eliminated through testing the final product.



CO-PACKING AND PRIVATE LABEL MANUFACTURING AS AN OPTION

If you think there is a business opportunity for you in pet food manufacturing or marketing, but you are overwhelmed by the complexities of the industry, something to consider is co-packing or private label manufacturing. There are companies in Canada who will produce your formulation for you. The advantage of this arrangement is that the manufacturer will be familiar with nutrition profiles, GMPs, testing, recall, packaging and other aspects of the pet food industry. For more information on companies that can assist with the manufacture of pet food, see: <u>www.pfac.com</u>. Click on "About PFAC" and "Our Members" for hyperlinks to company websites.

SECTION 8: CONCLUSION

The members of the Pet Food Association of Canada are committed to producing pet food that is safe, healthy and nutritious. We are invested in the health and wellbeing of Canada's pets. The information contained in this Guide is intended to promote these concepts to anyone who is interested in entering the pet food business.





LINKS

AFIA Pet Food Certification Program http://www.safefeedsafefood.org/main/home.cfm?Category=Pet Food&Section=Main

Association of American Feed Control Officials (AFCO) <u>www.aafco.org</u>

Canadian Food Inspection Agency. <u>http://www.inspection.gc.ca/about-the-cfia/permits-licences-and-pprovals/licensing-permitting-and-registration/eng/1395348583779/1395348638922</u>

Canadian Veterinary Medical Association (CVMA) https://www.canadianveterinarians.net/documents/raw-food-diets-for-pets

Canada Consumer Product Safety Act http://laws-lois.justice.gc.ca/eng/acts/c-1.68/

Charter of French Language http://legisquebec.gouv.qc.ca/en/ShowDoc/cs/C-11

Competition Act http://laws-lois.justice.gc.ca/eng/acts/c-34/

Consumer Packaging and Labelling Act http://laws-lois.justice.gc.ca/eng/acts/c-38/

Global Food Safety Initiative (GFSI) http://www.nsf.org/services/by-industry/food-safety-quality/global-food-safety-certification

Hazard Analysis and Critical Control Points CANADA (HACCP). <u>http://www.haccpcanada.net</u>

Health of Animals Act <u>https://www.google.ca/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-</u> 8#q=guidelines%20for%20the%20advertising%20and%20labelling%20of%20pet%20food

Labelling and Advertising of Pet Foods - Industry Canada Guide: <u>https://www.google.ca/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-</u> <u>8#q=guidelines%20for%20the%20advertising%20and%20labelling%20of%20pet%20food</u>

Organic Products http://www.inspection.gc.ca/food/organic-products/eng/1300139461200/1300140373901

Pet Food Association of Canada www.pfac.com



APPENDIX

LABORATORIES FOR PET FOOD ANALYSIS

Central Testing Laboratories, Ltd.

Unit 9-851 Lagimodiere Blvd. Winnipeg, Manitoba, Canada R2J 3K4 Contact: Yvan Bruneau (General Manager) Telephone: 204-237-9128 E-mail: yvanb@ctl.mb.ca www.ctl.mb.ca

The Food Science & Technology Centre

2395 Speakman Drive Mississauga, Ontario, Canada L5K 1B3 Contact: Charmaine Rose-Graham Telephone: 905-822-3227 E-mail: crgraham@fstclabs.com www.fstclabs.com

ILC Micro-Chem Inc.

6535 Millcreek Drive, Unit 62 Mississauga, On Canada L5N 2M2 Tel #: (905) 858-8630 Fax #: (905) 858-0771

Maxxam Analytics

6740 Campobello Road Mississauga, Ontario, Canada L5N 2L8 Contact: Susan Bigg Telephone: 905-817-5700 E-mail: sue.bigg@maxxamanalytics.com www.maxxam.ca

Silliker-JR Laboratories

#12-3871 North Fraser Way Burnaby, B.C. V5J 5G6 Contact: Cathy Shevchuk Tel: +1 778 328 3200 E-mail: info@silliker.com

