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Food giant takes on local canola product

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VANCOUVER SUN

INNOVATION – Vancouver’s Burcon NutraScience moved its canola protein product a step closer to the commercial market on Wednesday with the announcement of a licensing and development deal with a major U.S. food processor.

Burcon president Johann Tergesen announced at the company’s annual general meeting that Archer Daniels Midland Co. (ADM) has followed though on an April 2003 letter of intent and has agreed to commercialize the product.

Tergesen would not provide financial details, but said the deal could eventually provide Burcon with a royalty equivalent to seven to ten per cent of sales volume of its products.

“I think it’s a tremendous product innovation. We’re very excited about this,” said Tony DeLio, chief

marketing officer for ADM, in a telephone interview.

“It’s going to take a little while – we’ve got to scale this process up in an economical way. That’s not going to happen overnight, but I think it’s something that in the end will bear a lot of fruit.”

Proteins derived from canola meal, which is itself a by-product of canola oil production, could have applications for a wide range of food products, notably as a replacement for egg whites, dairy, and soy – competing with the latter a meat substitute.

Canola is the second-largest oilseed crop in the world, after soybeans.

About 60 per cent of canola by weight is left over after its commercially valuable oil is extracted, with the remaining meal used mainly as animal feed.

Burcon’s canola product is a white powdery vegetable protein with no distinct flavour or odour.

The patent for isolating the proteins was developed in the 1990’s by a Winnipeg company which sold it to Burcon in 1999. Burcon now has two proteins, bearing the trademark names Puratein and Supertein.

The companies will work together to develop commercial-scale processing technologies, Tergesen said, adding that ADM will seek regulatory approval from the U.S. Food and Drug Administration and develop applications for it.

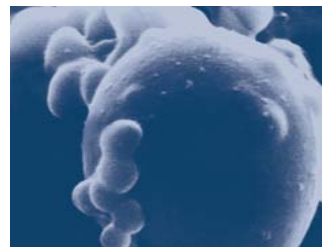
ADM gains exclusive rights to market, promote and sell the product worldwide using its sales team. Based in Illinois, ADM is one of the world’s largest processors of canola, soy beans, corn, wheat and cocoa,

with 26,000 employees working at 270 processing plants.

The company had net sales of \$30 billion US for the 2003 fiscal year.

“ADM sells so many different proteins for the food industry,” DeLio said.

“We produce soy protein, wheat protein, lots of combinations of those products for meatless products and so on.”



Pictures: (Above) An electron Microscope photo shows protein actually parting from canola; (Right) one of the two canola proteins developed.

“Burcon’s canola protein has very unique properties which we think will be complimentary to all the other proteins we offer the food industry as ingredients.”

ADM has a canola oil processing plant in Lloydminster, Sask., and has previously worked with Agriculture Canada on projects to develop new applications for Canadian crops including flax.

Tergesen said he does not expect Puratein and Supertein to go head-to-head with soy.

Rather, he expects ADM’s global sales force to offer it as a substitute for more expensive animal-based milk and dairy ingredients.

