



Food & Beverage Canada
Aliments et boissons Canada

Food & Beverage Canada

Food & Beverage Atlantic
November 22, 2018

Agenda

1. FBC-ABC: Who We Are
2. FBC-ABC: Where We Want to Be
3. Canada's Food & Beverage Processing Sector
4. Federal Priorities



FBC-ABC: Who We Are

Formed in January 2018

- Coalition of:
 - Regional/provincial food and beverage associations,
 - Canadian food and beverage processing companies
 - Associate members.
- Raise the profile of the food processing industry in Canada by providing one **unified, strong and trusted advocacy voice** on federal and national issues that impact food and beverage businesses.



FBC-ABC Membership

Regional/Provincial Food Processing Associations

ALIMENTS ET
BOISSONS
ATLANTIQUE^{MD}



FOOD &
BEVERAGE
ATLANTICTM



FOOD &
BEVERAGE
manitoba



FBC-ABC Membership

Canadian Food and Beverage Processing Companies



FBC-ABC Membership

Three Key Strengths

1. We speak for Canadian interests
2. We represent manufacturers
3. We offer a national perspective on issues



FBC-ABC: Where We Want to Be

Vision 2021

We are the go-to national voice for thriving food and beverage manufacturers in Canada



FBC-ABC: Where We Want to Be

Mission

To advance a competitive business environment that enables growth and sustainability through knowledge sharing, consultation, business led solutions and proactive advocacy.



FBC-ABC: Where We Want to Be

Values

Progressive advocates of change, focused on advancing business led solutions that improve competitiveness, encourage innovation and deliver value for the businesses we represent.

Collaborative and transparent in our efforts, working with stakeholders to collectively strengthen our industry.

Valued representatives of our industry, offering reliable, trusted expertise.



FBC-ABC: Where We Want to Be

FBC-ABC 3-Year Priorities

- Developing Membership Value
- Effective Policy and Advocacy
- Ensuring an Engaging Association
- Creating Effective Infrastructure



FBC-ABC: Where We Want to Be

FBC-ABC Policy Priorities

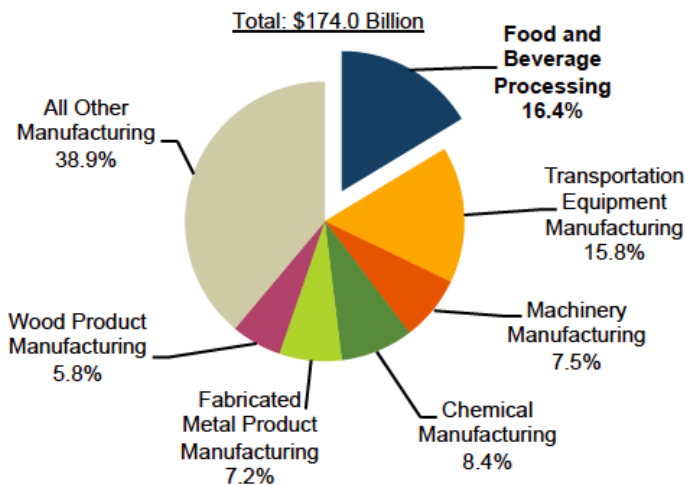
- Industry Competitiveness
- Labour Access
- Regulatory Processes and Changes



Canadian Food & Beverage Processing

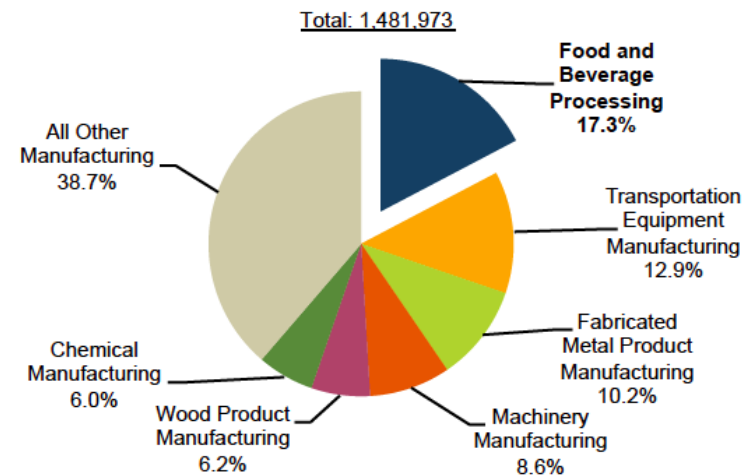
1 Manufacturing GDP / # 1 Manufacturing Employer

Distribution of Total Manufacturing GDP by Industry, 2016



Source: Statistics Canada and AAFC calculations.
Note: Data is preliminary and subject to revisions.

Distribution of Total Manufacturing Employment by Industry, 2016



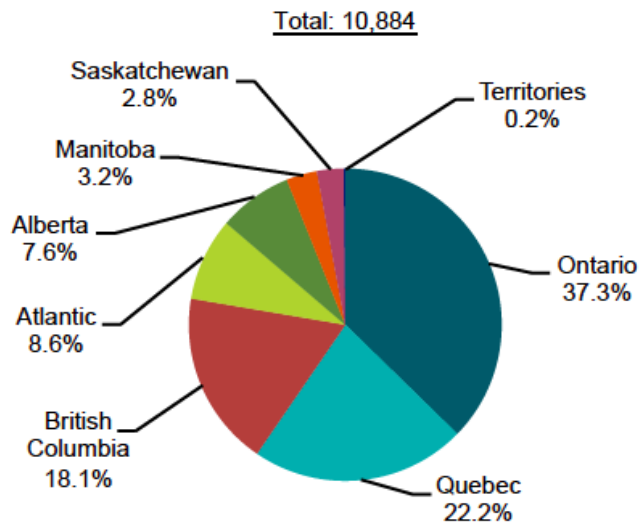
Source: Statistics Canada and AAFC calculations.



Canadian Food & Beverage Processing

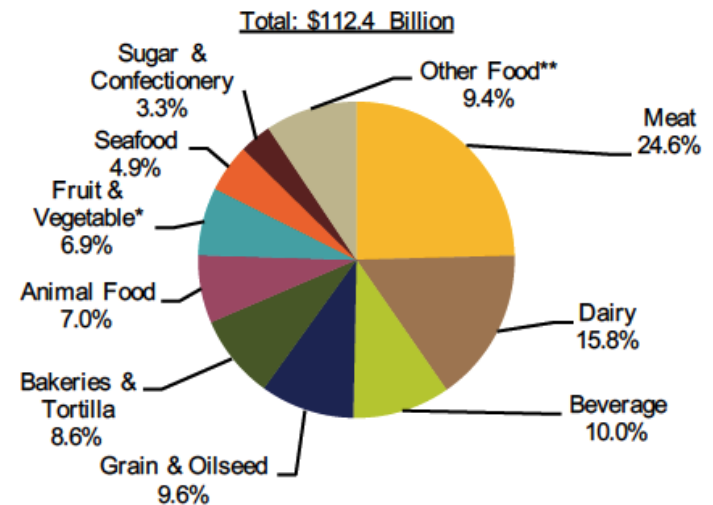
Spread Across the Country / And Across Sub-sectors

Distribution of Food and Beverage Processing Establishments by Province and Region, 2016



Source: Statistics Canada and AAFC calculations.

Distribution of Food and Beverage Processing Shipments by Sub-Industry, 2016



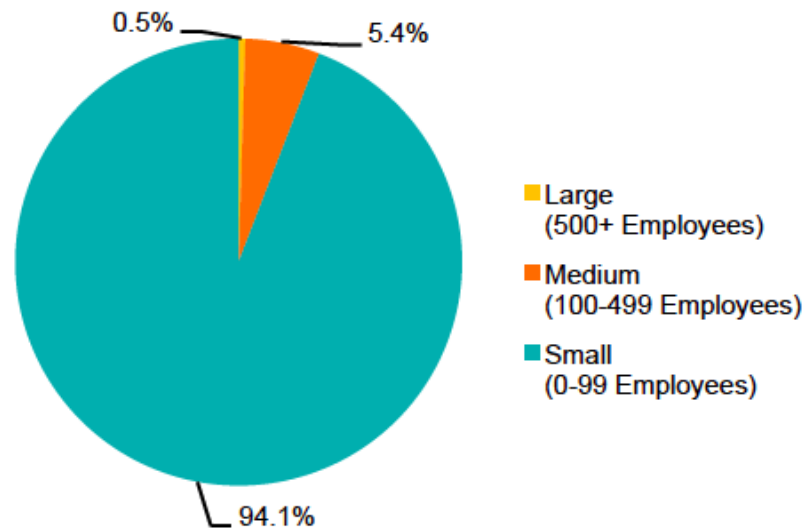
Source: Statistics Canada and AAFC calculations.



Canadian Food & Beverage Processing

Small and Mid-sized Businesses = 95% of Sector

Share of Food and Beverage Processing Establishments by Employment Size, 2016



Source: Statistics Canada.

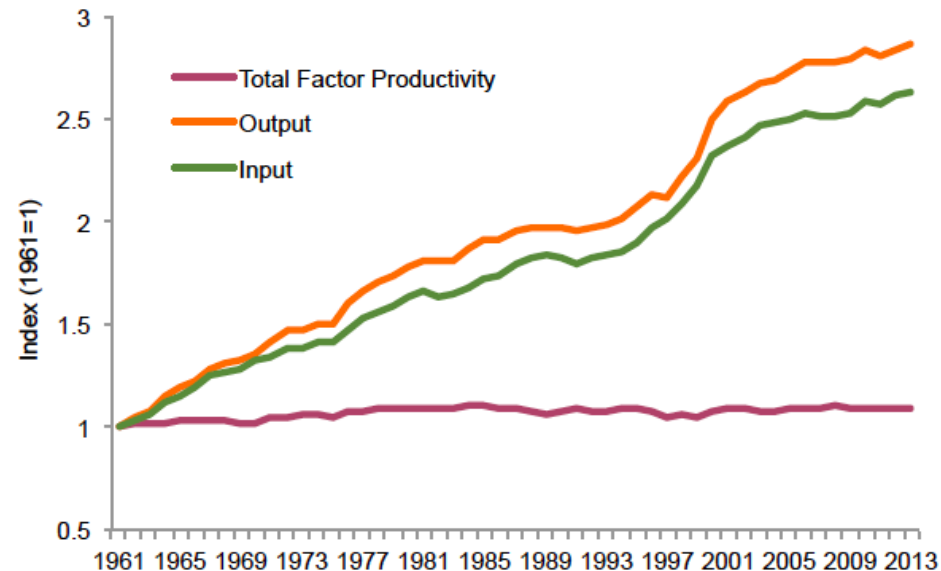
Note: Uses Innovation, Science and Economic Development Canada definition of small and medium-sized enterprises.



Canadian Food & Beverage Processing

Productivity is Not Growing

Input, Output, and Total Factor Productivity in the Food Processing Industry, 1961-2013



Source: Statistics Canada and AAFC calculations.

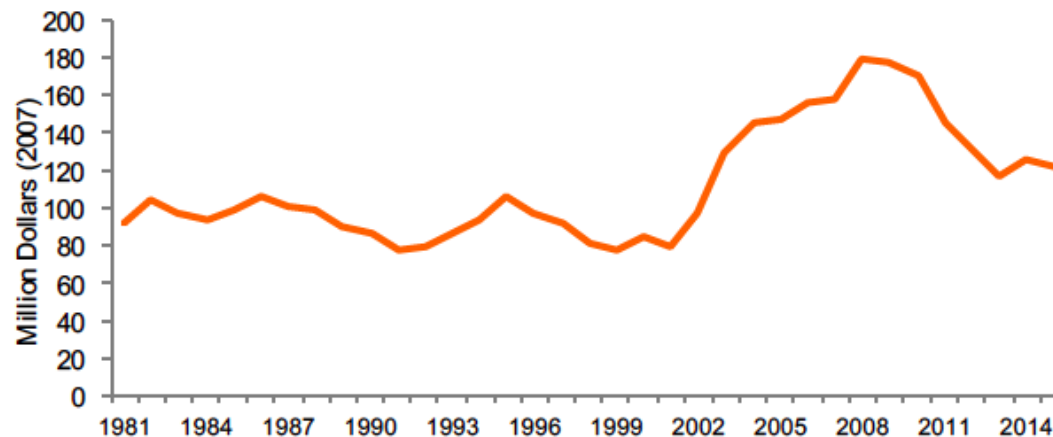
Note: The above data show TFP as measured on a gross output basis.



Canadian Food & Beverage Processing

R&D Expenditures are Declining

Real Private Sector R&D Expenditures in Food Processing, 1981-2015



Source: Statistics Canada and AAFC calculations.



FBC-ABC: Federal Priorities

Budget 2017

BUDGET IN BRIEF

SKILLS AND INNOVATION

In Budget 2017, the Government of Canada introduces its Innovation and Skills Plan, which focuses on people and addresses the changing nature of the economy to ensure it works for all Canadians. The plan will build Canada as a world-leading innovation economy to create jobs and grow the middle class.



FBC-ABC: Federal Priorities

Budget 2017 Innovation and Skills Plan

- Identified agri-food as a priority sectors through which the Canada can position itself as a leader in innovation;
- Established the Agri-food Economic Strategy Table; and
- Set a target of \$75 billion in annual agri-food exports by 2025.



FBC-ABC: Federal Priorities

Agri-food Economic Strategy Table Report



CANADA'S ECONOMIC STRATEGY TABLES



Mandate

“set ambitious growth targets for Canadian innovators, identify sector-specific challenges and “bottlenecks” to innovation as well as barriers to greater participation across gender lines, and lay out specific strategies to help innovators achieve their target”.



FBC-ABC: Federal Priorities

Agri-food Economic Strategy Table Report

TARGETS

\$140B in **domestic sales** by 2025, an increase from \$110 billion in 2017

\$85B in **exports** by 2025, an increase from \$64.6 billion in 2017

REQUIRED GROWTH

↑ 27%

↑ 32%



FBC-ABC: Federal Priorities

Agri-food Economic Strategy Table Report



1. Agile Regulatory System
2. State-of-the-art Transportation and IT Infrastructure
3. Develop and Diversify Markets
4. Innovation Through Automation and Digitization
5. Diverse Labour Force



FBC-ABC: Federal Priorities

Fall Economic Statement

- Accelerated Capital Cost Allowance;
- Additional export supports for small and mid-sized businesses;
- A commitment to work with the provinces and territories to remove internal barriers to trade; and
- Significant measures to modernize regulation, including measures to examine the impact proposed regulations have on industry competitiveness.

