

Annual Report

June 2014

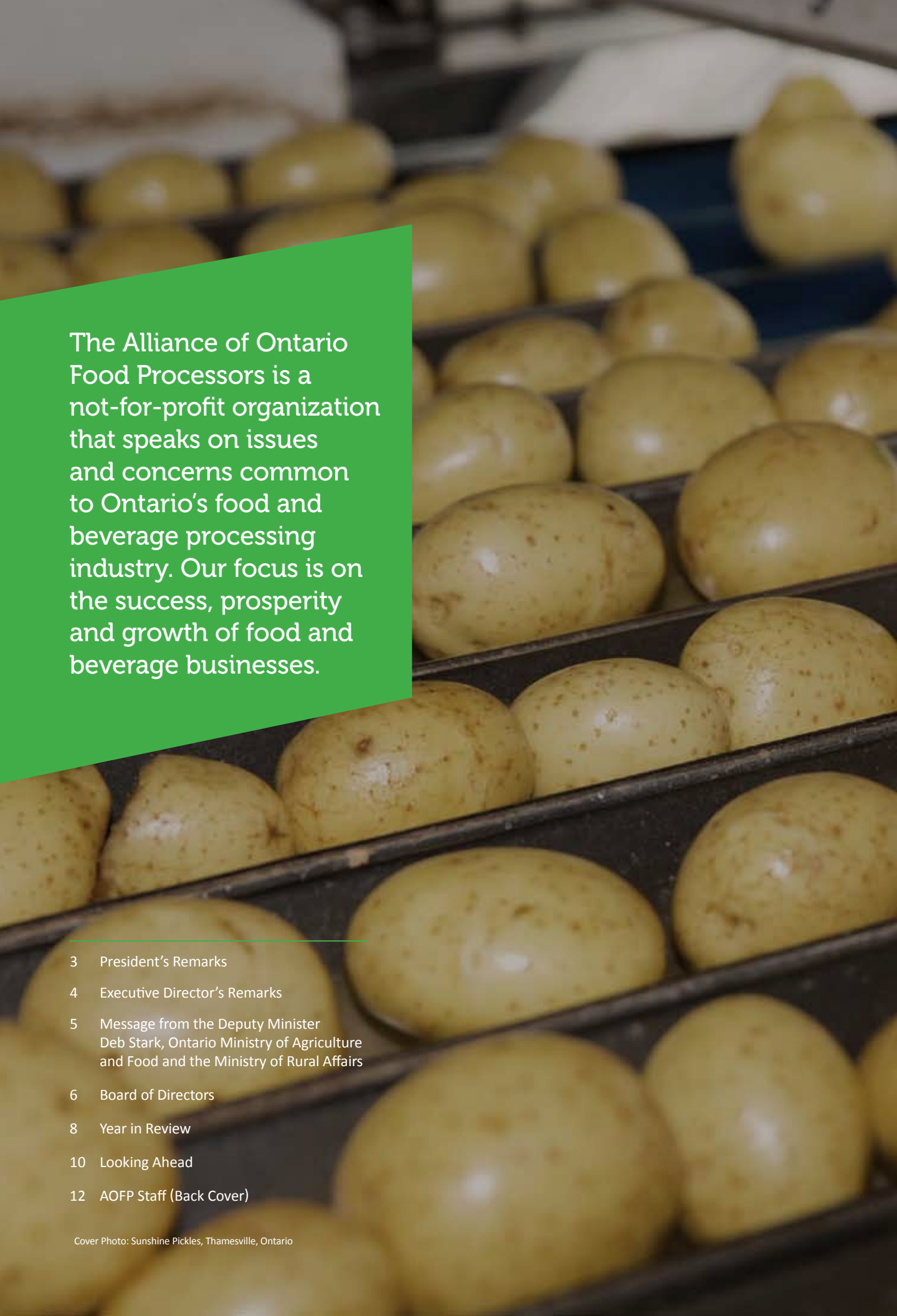
Alliance of Ontario Food Processors

The voice for Ontario food and beverage processors

AOFP

Alliance of Ontario Food Processors





The Alliance of Ontario Food Processors is a not-for-profit organization that speaks on issues and concerns common to Ontario's food and beverage processing industry. Our focus is on the success, prosperity and growth of food and beverage businesses.

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President's Remarks

Norm Beal

It has been a busy year at the Alliance of Ontario Food Processors. In October 2013 we released [Ontario's Food and Beverage Processing Industry Strategy | The New Engine of Ontario's Economy](#) at Queen's Park to a very receptive all-party audience. Since that time we have been working closely with the Ontario Ministry of Agriculture and Food on putting action behind the four priorities for industry success identified in the report:

- Establishing a Food and Beverage Innovation Centre
- Raising the Profile of Ontario Food & Drink
- Developing Talent & A Future in Food
- Simplifying & Modernizing Regulations

Developing implementation plans is never a quick process, but I am confident that we are moving forward with the investment needed for an Ontario processor innovation and technology resource and a comprehensive campaign to raise the employment profile of the sector and attract young people.

As we were crafting the industry strategy with processors around the province it became clear that it was time to launch a second important initiative – a complete review of the organization. After ten years of service by the AOFP the time was right to evaluate membership return on investment and value. With strong support from our founding and group members at the Ontario Dairy Council, Ontario Independent Meat Processors, Ontario Fruit and Vegetable Processors Association, Wine Council of Ontario, Association of Chicken Processors, the Baking Association of Canada and our own AOFP Board of Directors, we embarked on a governance and membership review.

I really can't say enough about our Board who graciously provided their time and expertise to not only the regular business of the AOFP over the last year, but also to the renewal of the organization's structure – no small undertaking.

At this year's Annual Meeting, current and new members will

provide input and ultimately decide on the exciting changes proposed for the AOFP. The AOFP Board is recommending a new name, Food and Beverage Ontario, and a new processor-based membership structure. This transformation is about having the right framework to provide the best services and resources to members and do the best job we can as the leadership organization for food and beverage processors and stakeholders across the province.

It has been my privilege to serve as President and work on behalf of AOFP members and future members. Join us as we continue to build the influence and strength of this organization.

NORM BEAL

President
Alliance of Ontario Food Processors



REMARKS FROM
Steve Peters
AOFP Executive Director

“The 2014-2015 year will be a pivotal one for the AOFP in strengthening its influence and building a strong and diverse membership.”

As I write this Ontario is in full swing of an election campaign. Speaking from experience, elections are exciting if not highly stressful times for all involved.

As a leading manufacturing sector in this province and the top employer, elections offer us an important opportunity to question the parties on their platform and policies. In May, the AOFP, together with the Ontario Federation of Agriculture and a number of other farmer and food organizations, called on party leaders to participate in a public agriculture and food debate.

Although the candidates' schedules didn't permit this event to happen, we need to persist with this type of approach in the future. As an organization we also provided each party with a questionnaire for their responses, which were subsequently posted at aofp.ca.

In the agriculture and food sector we are stronger when we work together, finding a common ground and building a shared position. The food and beverage industry is a major economic driver

of this province and stakeholders should have confidence in the AOFP successfully communicating industry issues and advocating for a successful future.

My closing comments are particularly important to me. I want to thank the staff of the AOFP – Isabel Dopta, Julie Stalford and Katherine Fox. They are an impressive group of focused and dedicated individuals. I am also really pleased to welcome Alan Grant to the team as our membership recruiter. The 2014-2015 year will be a pivotal one for the AOFP in strengthening its influence and building a strong and diverse membership.

STEVE PETERS

Executive Director
Alliance of Ontario Food Processors



MESSAGE FROM THE

Deputy Minister Deb Stark

Ontario Ministry of Agriculture and Food
and the Ministry of Rural Affairs



On behalf of the Ontario Ministry of Agriculture and Food, and the Ministry of Rural Affairs, it is a pleasure for me to contribute to the Alliance of Ontario's Food Processors' (AOFP) Annual Report.

I applaud the hard work and dedication of your organization for the support you provide to Ontario's food and beverage manufacturers. This sector is a key link in Ontario's agri-food industry and the AOFP continues to demonstrate its commitment and determination to take the steps that will grow the industry.

In 2013, your organization released Ontario's Food and Beverage Processing Industry strategy known as *The New Engine of Ontario's Economy* with *The New Way Forward* action plan. I also commend the AOFP on your

'transformation initiative' which proposes a new governance model for the organization including the creation of a Food and Beverage Advisory Council and a new name – Food and Beverage Ontario.

I would like to take this opportunity to wish you all the best for another successful year.

Yours truly,

**DEPUTY MINISTER
DEB STARK**

Ontario Ministry of Agriculture and
Food and the Ministry of Rural Affairs

Board of Directors

2013-2014



Norm Beal, AOFPPresident
Peninsula Ridge Estates Winery

Norm accepted the role of AOFPPresident in January 2013. With over 14 years experience as president and founder of one of Ontario's finest wineries, Peninsula Ridge Estates

Winery, Norm is no stranger to the beverage processing industry. Norm has also worked for 20 years in the oil industry as an International Oil Products Trader and in other roles for multinational giants such as Syncrude Canada, Shell Canada, Glencore International and British Petroleum. He earned a fourth class engineering degree from the Northern Alberta Institute of Technology, followed by a Marketing degree from the University of Calgary. Norm sits as a board member for the Wine Council of Ontario and is past director with the Vintners Association.



Rob Anderson, AOFPPresident
Bonduelle North America

Currently Vice President of Ontario and USA Operations with Bonduelle North America, Rob is responsible for seven company facilities in Ontario,

Wisconsin and New York. Prior to Bonduelle, Rob also worked for Green Giant, Strathroy Foods and Carriere Foods. Industry posts include Past President of the Ontario Fruit and Vegetable Processors Association and Past President of the AOFPP. Rob has a BSc. Agriculture from the University of Guelph and is a member of the Ontario Institute of Professional Agrologists.



Rob Kee, AOFPTreasurer
Ingredion Canada

Rob has been Vice President and Managing Director of Ingredion Canada Inc. (formerly Casco Inc.) since 2010. Before this, Rob was Managing Director and Director of

Food Sales at the company and has held sales positions at other companies in the food and chemical industries. He graduated from the University of Toronto with a Bachelor of Applied Science degree in Chemical Engineering and is a Professional Engineer in Ontario. Rob has served as a Director for the AOFPP since 2009.



Dave Shepherd, AOFPSecretary
The Ippolito Group

Dave is a Human Resources professional with over 15 years of experience. Since 2008, he has been the Director of Human Resources for the Ippolito Group of Companies

located in Burlington, Ontario. In addition to serving as an AOFPP Director for three years, Dave sits as the Program Advisory Committee Chairperson for the Craig Richardson Institute for Food Processing and Technology at Conestoga College.



Doug Alexander
Wing's Food Products

Doug is Vice President & General Manager of Wing's Food Products, a company which operates facilities in Toronto, Brantford and Edmonton. Doug has diplomas in Food Chemistry

and Industrial Engineering Technology and has 28 years of experience in food process operations. In addition to serving as Director with the AOFPP for the past three years, Doug holds post as Vice President of the Agricultural Management Institute and Director with the Agricultural Adaptation Council.



Sarab Hans
Hans Dairy

Sarab is the Managing Director of Hans Dairy Inc. Located in Toronto, the family business processes milk products that are focused towards the South Asian community. Prior to joining Hans Dairy,

Sarab worked in the investment banking sector for six years. She has a BA from the University of Western Ontario and an MBA from McGill University. Sarab has been a Director with the AOFPP for two years.



Angela Bell

Speedo Foods & Flavours

Angela is part owner and general manager of Speedo Foods & Flavours Inc. Speedo manufactures natural and artificial flavours, pastry fillings and glazes. Angela obtained a Bachelor of Business Administration from Wilfrid Laurier University, followed by her Juris Doctorate and Masters of Business Administration from Western New England University in Springfield, MA. Angela has been a Board member with the AOFP for one year.

Lucy McKee

Cargill Value Added Meats – Canada

Lucy is the Director of Procurement for Cargill Value Added Meats Canada, in London, Ontario. In this role, Lucy contracts with chicken farmers across Ontario and leads Tariff Rate Quota Administration, logistics, customer service and liaison with McDonalds Restaurants Canada-wide. In addition to serving as a Director with the AOFP, Lucy sits on the Canadian Poultry & Egg Processors Council, as an Alternate Director on the Chicken Farmers of Canada and is a member of the Chicken Industry Advisory Committee.



Michael Burrows

Maple Lodge Farms

Michael is the CEO of Maple Lodge Farms, a family owned business founded in 1955 and today the largest chicken processor in Canada. Maple Lodge Farms has 2200 employees in primary/further processing facilities, hatcheries and feed mills in Ontario and the Maritimes. Prior to joining Maple Lodge Farms in 2008, Michael was the CEO of E.D. Smith and Sons, and the COO of Janes Family Foods. Michael earned an MBA from Queens University. He has served one year as a Board member with the AOFP.



John Rossetti

Italian Home Bakery Limited

John is the co-owner and CFO of Italian Home Bakery Limited, a manufacturer of artisan bread products for major Canadian retailers and food service across North America. John has served as the Chair of the Baking Association of Canada and on the boards of the Gaming Control Commission, the Liquor Licensing Board of Ontario and the Alcohol, Gaming Control Commission of Ontario. In addition to his role at the AOFP, John serves as a business advisor for students at the Rotman School of Business.



Joe Abate

Abate Rabbit Packers

Joe is the President of Abate Rabbit Packers, operating in Arthur, Ontario since 1967. Joe is the second generation of this family operated business. Abate Packers is a processor of specialty game products, including rabbit, serving many markets in Ontario. Joe currently serves as Past President of the Ontario Independent Meat Processors and has been a Director with the AOFP for one year.



Adrian Jaques

Sunshine Farms

Adrian grew up on his family's asparagus farm outside of Thamesville, ON. Adrian pursued French and Spanish studies at Wilfrid Laurier University followed by two years in France teaching English. Upon returning to Canada, he completed his B.Ed French. Adrian is now part owner of the family's farming and vegetable processing business. Adrian has served as a Director of the AOFP for one year.



Year In Review

2013-2014

Food and Beverage Processing Industry Strategy

Spring 2013 marked the start of the AOFP's initiative to develop a multi-year industry strategy – an action plan to drive a highly competitive Ontario processing sector. The initiative commenced with establishing an industry-based Advisory Committee followed by a comprehensive review of over 100 agri-food strategy papers. This task then set the stage for industry and stakeholder consultations in July and again in early October.

Ontario's Food and Beverage Processing Industry Strategy | The New Engine of Ontario's Economy was released on October 28, 2013 at the AOFP's annual Queen's Park reception to overwhelming support. Outcomes of this flagship report will support 2020 industry growth targets and direct the AOFP's activities in 2014 and 2015. Funding from the Canadian Agricultural Adaptation Program administered by the Agricultural Adaptation Council made this initiative possible.

Issues

There was no shortage of issues this past year for Ontario's food and beverage processors. The AOFP successfully weighed in at the federal level with industry colleagues on the Canada-Korea Trade Agreement and the Foreign Temporary Worker Program.

In terms of the provincial government, a submission was made to the 2014 pre-budget process, an election issues questionnaire was distributed to the four parties and the AOFP partnered with the Ontario Federation of Agriculture and Holland Marsh Growers on orchestrating a leaders' debate on agriculture and food. The AOFP also participated in a Toronto mayoral candidate food processing round table, hosted a session with the Deputy Minister of Industry Canada, monitored Canadian Food Inspection Agency's plan to modernize legislation and met at the provincial Open For Business forum to discuss regulatory issues of concern.

In response to plant closures, the AOFP presented a multi-year proposal to the Ontario Ministry of Agriculture and Food to fund

new investment in the province and retain current businesses. On issues of industry sustainability, the AOFP continued to work closely with Provision Coalition on addressing sustainability concerns and responding to relevant legislation, including Bill 91 and the Waste Reduction Strategy. With regards to competitive electricity pricing for Ontario, the AOFP renewed its 2014 membership with the Coalition of Ontario Manufacturers for Competitive Industrial Power Rates and a submission was made to the Standing Committee on Finance and Economic Affairs.

AOFP Renewal

After ten successful years representing Ontario's food and beverage processors, the AOFP Board of Directors and the organization's founding group members – Ontario Independent Meat Processors, Wine Council of Ontario, Ontario Fruit and Vegetable Processors Association, Baking Association of Canada, Association of the Chicken Processors and Ontario Dairy Council – agreed it was time to assess the value and framework of the organization. Many hours of discussion and



consultation led to agreement on a recommended series of changes to the membership that would shift the AOFPP to a bona fide processor member-based organization and change the name to Food and Beverage Ontario. The Ontario Ministry of Agriculture and Food provided generous support for this work.

Industry Outreach

This past year the AOFPP refreshed its social media presence with an updated website, newsletter and Food & Beverage Insider blog, and participated in industry events such as the Grocery Innovations trade show and OMAF's Global Food Safety Initiative Forum. Within media, the AOFPP significantly improved its reputation as a credible source of information for mainstream and local networks. In April 2014, Steve Peters, the AOFPP's Executive Director, was invited to TVO's television program *The Agenda* with Steve Paikin for a panel discussion on Ontario food production.

The AOFPP and the its Directors promoted the processor vis-à-vis relevant organizations such as the

President's Council, Agricultural Adaptation Council, Agricultural Management Institute, Vineland Research and Innovation Centre and the Golden Horseshoe Food and Farming Committee. The AOFPP also collaborated with Food & Consumer Products Council on their GTA Food Cluster Initiative. Steve Peters presented at a number of events including the Ontario Chamber of Commerce Economic Summit, the Ontario Federation of Agriculture Annual Meeting and the Agricultural Research Institute of Ontario Board session.

Partners & Collaborators

As part of the AOFPP's renewal process it became clear that gaining efficiencies through collaboration and partnerships would be essential to the success of the organization as an industry leader and advocate. Over the last year, the AOFPP further developed a positive working relationship with the Ontario Ministry of Agriculture and Food and Agriculture and Agri-Food Canada. These relationships facilitated program improvements and secured the AOFPP's seat on the Growing Forward 2 Advisory Committee.

Through another partnership with the University of Guelph, Ontario Agricultural College, an initiative to assess the future employment needs of the sector against the current College and University level curriculum was completed. This effort will conclude with a strategy to raise employment awareness with youth and new Canadians and ensure the right educational programs are available or in development for the future. In terms of research and analysis, a relationship with the Canadian Agri-Food Policy Institute has assisted the AOFPP in better understanding economic and global challenges to the sector and in starting to shape solutions.

Looking Ahead

Plans for 2014-2015

"2014-2015 will be a period of growth in leadership and value for the organization."

Ontario's Food and Beverage Processing Industry Strategy / The New Engine of Ontario's Economy will guide the AOFPP over the following year, focusing the organization on industry innovation and productivity, career development, branding and regulatory reform. With membership approval, the proposed new governance framework will provide the AOFPP with the right leadership structure to deliver on the report's priorities in 2014 and 2015.

With the addition of a Membership & Industry Relations role, the AOFPP is primed to rally stakeholder support and build industry engagement within the organization. Talking to and surveying processors on issues

to ensure the organization determines the right solutions and the right messages will be an important strategy over the coming year. Similarly working closely with sector and colleague organizations will be essential to strengthening the food and beverage processor voice.

2014-2015 will be a period of growth in leadership and value for the organization. With the governance and membership framework in place the organization will strive to raise the level of discourse and influence with government, industry stakeholder and consumers. This sector is a powerful economic engine in the Province of Ontario – the future is ours to shape.

Ontario Food & Beverage Processing by 2020

The largest manufacturing employer in the province and the sector of choice for experienced professionals, young people and new Canadians.

The number one customer of Ontario's primary agriculture sector, generating wealth and employment for local farmers.

Recession resistant and growing its revenues and exports year over year consistently.

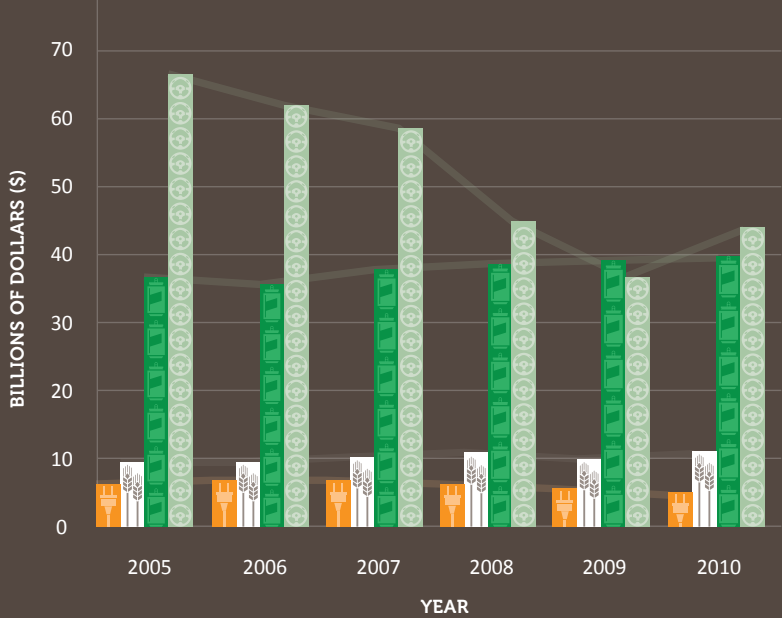
An engine for the development of new high quality products and technologies; advancing

development, processing, distribution and consumer health innovations from discovery to commercialization.

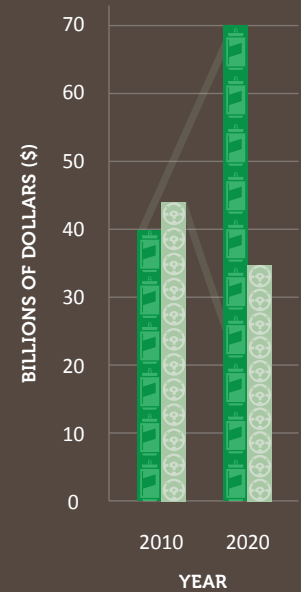
Driver of local economies, generating wealth, employment, and training opportunities, and attracting new businesses and residents to communities throughout the province.

A critical part of ensuring continuity in supply of healthy food to Canadians.

TOTAL REVENUES BY SECTORS (2005 - 2010)



GROWTH TARGETS BY SECTORS (2010 - 2020)

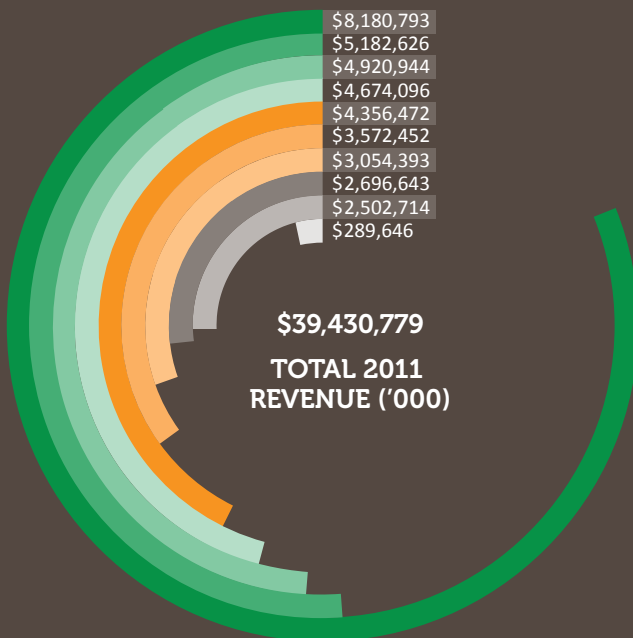


Electrical Equipment, Appliance & Component Manufacturing

Agriculture

Food & Beverage Manufacturing

Motor Vehicle Manufacturing



SUB-SECTOR

- Meat Products
- Dairy Products
- Beverage & Tobacco Manufacturing
- Bakeries & Tortilla
- Grain & Oilseed Milling
- Other Food Manufacturing
- Fruit & Vegetables
- Sugar & Confectionery
- Animal Food
- Seafood

Reference: MNP, "Economic Impact Analysis: Ontario Food and Beverage Processing Industry," 2012.

AOFP STAFF

Steve Peters
Executive Director



Isabel Dopta
Director of Communications



Alan Grant
*Director of Membership
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Administrative Manager



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The Alliance of Ontario Food Processors is a non-profit organization of food and beverage processing companies and industry organizations.