AOFP

Alliance of Ontario Food Processors

Ontario Food and Beverage Processing Industry Strategic Priorities Consultation

PATHWAYS / PARTNERS / PROSPERITY

THE NEED FOR AN INDUSTRY ROADMAP

The food and beverage manufacturing sector is a key contributor to the provincial economy. In 2011, the industry generated $39.4 billion in annual revenues and contributed $11 billion to the provincial Gross Domestic Product (GDP).[1] The Ontario food and beverage processing industry is also ranked the second largest in terms of value of shipments among manufacturing industries in the province.

In order to ensure continued success, growth and prosperity of the industry, the Alliance of Ontario Food Processors (AOFP) committed to developing an industry strategic plan or 'road map'. This road map will build on past strategies, identify one dynamic vision for the industry, align objectives across industry stakeholders and prioritize items to take action on.

AOFP's industry road map project follows a series of steps:

- Complete an environmental scan of recent strategies reports, statistics and reports related to the food and beverage processing industry in Ontario – see Appendix B for sources.
- Conduct an industry and stakeholder consultation – July 24, 2013.
- Prepare and release the Industry Road Map Report – September 2013.

Key Facts About the Food and Beverage Processing Industry in Ontario

- **The food and beverage processing industry employs over 125,000 people across Ontario and pays more than $4.1 billion in salaries and wages.**
- **The sector has over 3,000 businesses ranging from very small niche-drive businesses to multinationals.**
- **The industry generates annual revenues of $39.4 billion and creates manufacturing value added of $11 billion annually for Ontario's economy.**
- **The sector contributes $11 billion annually to provincial GDP.**
- **The sector exports $7.7 billion annually while imports are close to $14.1 billion.**

Sources: MNP, "Economic Impact Analysis: Ontario Food and Beverage Processing Industry," 2012. Statistics Canada, "Annual Survey of Manufacturers and Logging," 2011. Industry Canada, "International Trade Data," 2011.

[1] Statistics Canada, "Annual Survey of Manufacturers and Logging," 2011.

WHAT WE KNOW

The food and beverage processing sector provides an essential link in the food supply chain, which begins at the farm gate and ends at your plate. The process requires numerous steps and a variety of people working together at each stage beginning with farmers, followed by employees in process plants and those working in the transportation, distribution and warehousing sectors, and finally restaurants and grocery stores involved in distributing food and beverage products to customers.

The sector is made up of 10 subsectors:

Sub-Sector	2011 Revenue ('000)
Animal Food	$2,502,714
Grain and Oilseed Milling	$4,356,472
Sugar & Confectionary	$2,696,643
Fruit & Vegetables	$3,054,393
Dairy Products	$5,182,626
Meat Products	$8,180,793
Seafood	$289,646
Bakeries & Tortilla	$4,674,096
Other food manufacturing	$3,572,452
Beverage manufacturing[2]	$4,920,944
Total	**$39,430,779**

Source: Statistics Canada, Survey of Manufacturers and Logging

The sector in Ontario is comprised of about 3,000 food and beverage processing companies ranging from multinationals to locally developed giants and successful niche-driven businesses that provide employment to over 125,000 people in the province and contribute more than $4 billion in salaries and wages.[3] While the majority of food and beverage processing companies are located close to urban centres, a number of establishments are located in rural regions, providing economic opportunities throughout the province.

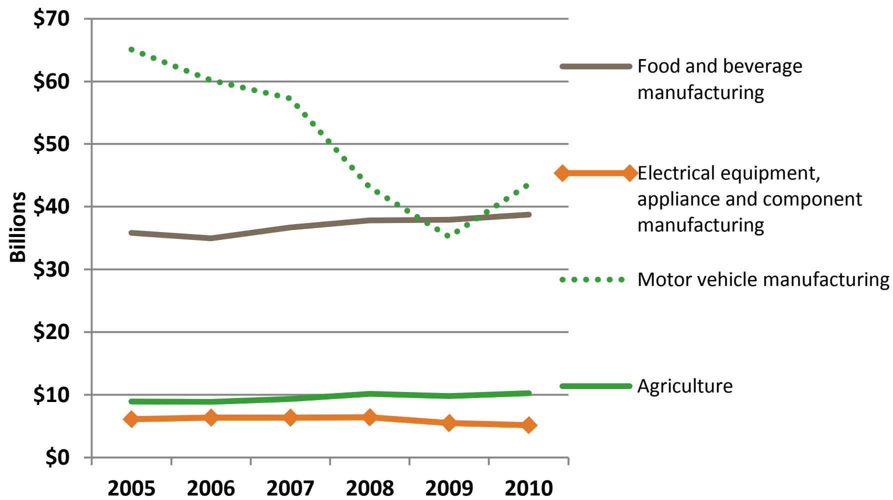
[2] Please note that the estimates for the beverage manufacturing sector revenue are for the combined beverage and tobacco manufacturing sector.
[3] Statistics Canada, "Annual Survey of Manufacturers and Logging," 2011. MNP, "Economic Impact Analysis: Ontario Food and Beverage Processing Industry," 2012.

The Ontario food and beverage processing industry directly and indirectly impacts the Ontario economy through direct expenditures on goods and services, the employment of workers and the generation of tax revenues. It is estimated that in 2011 food and beverage processors generated the following for Ontario:[4]

- Total direct, indirect and induced output[5] of $67 billion and nominal GDP[6] of $26 billion.
- About 361,026 direct, indirect and induced full-time equivalent employees (FTEs).
- About $5 billion in direct, indirect and induced taxation revenue.

The Ontario food and beverage processing industry is more recession resistant than other major manufacturing sectors. In a study recently conducted by MNP for the AOFP, the food and beverage processing sector was compared to the "motor vehicle manufacturing," "electrical equipment appliance and component manufacturing," and "agriculture" sectors. The results of the benchmark analysis showed that while comparator manufacturing sectors' revenue decreased over the five-year period from 2005 to 2010, the Ontario food and beverage sector and the agriculture sector experienced growth.

Total Revenues by Sectors (2005 – 2010)



Source: Statistics Canada, Survey of Manufacturers and Logging

Strong demand exists within the U.S., Mexico, Asia and Europe for food and beverage products processed in Ontario. In 2012, Ontario's food and beverage manufacturing sector exports were about $7.7 billion, accounting for more than 30% of Canada's total food and beverage manufacturing exports.[7]

The food and beverage processing sector in Ontario has grown to become the third largest food and beverage manufacturing sector in North America. Many of the world's largest food and beverage manufacturing companies, such as Nestle, Kellogg's Company and Kraft Foods Inc., have located in the province. At the same time, many local companies producing innovative niche products have become recognized in the marketplace.

4 MNP, "Economic Impact Analysis: Ontario Food and Beverage Processing Industry," 2012.
5 Output is the total gross value of all business revenue.
6 GDP is the "value added" to the economy (the unduplicated total value of goods and services).
7 Industry Canada, "International Trade Data," 2011.

STRENGTHS	WEAKNESSES
• **Attractive location.** Location and logistics are a major strength for Ontario's food and beverage processing sector. Ontario's large, high-earning population and proximity to the U.S. market provides the province with access to a large, lucrative potential consumer base. The industry is also in close proximity to key distribution routes and major packaging companies. • **Favourable climate and abundant resources.** Southern Ontario's rich agricultural lands and mild climate allow for the production of more than 200 agricultural commodities. • **Competitive food clusters.** Ontario, particularly in areas such as Toronto and Guelph, is one of the largest and most competitive food clusters in North America. • **Reputation for safety and quality.** Consumers in Ontario know that they can trust Ontario food and beverage products as a result of the industry's high standards in safety and quality excellence. • **Quality research and education opportunities.** In Ontario, there are ample opportunities for students to gain the skills required to participate in the industry and for research to be conducted to support the industry. Institutions such as the universities of Guelph, Toronto, Queens and Western offer such opportunities. • **Opportunities for commercialization.** There are abundant opportunities for Ontario processors to bring innovative agri-food products to market through commercialization opportunities made possible through centres such as the Agri-Tech Commercialization Centre, Guelph Food Technology Centre, Toronto Food Business Incubator and the Vineland Research and Innovation Centre. • **Strong relationships.** Contributing to the success of the food and beverage processing sector in the province are the strong relationships that exist among businesses, government and academia.	• **Low levels of investment in R&D.** Food and beverage processing ranks second to last in productivity growth among Ontario's 21 manufacturing industries resulting in small and medium-sized businesses (SMEs) trailing larger, more productive and innovative companies. • **Distance between food manufacturers and retailers / distribution networks.** Particularly in the Greater Toronto Area (GTA) it is becoming increasingly cost prohibitive for manufacturers to be in close proximity to retailers and distributers due to expensive land costs, high commercial property tax and residential encroachment. • **Difficulty in securing financing.** Margins in the food processing industry are perceived to be low and, as a result, financial institutions are less inclined to provide financing to companies in the industry. This problem is particularly pronounced for SMEs. • **High industry entry costs.** Some sub-sectors have high capital and scale requirements which may deter new players from entering the industry. • **Seasonal production.** Unlike some competitors, producers and processors in Ontario are posed with the challenge of managing seasonality related to the production of horticulture and other commodities. • **Risks associated with retail and distribution consolidation.** Retail and distribution consolidation in Ontario has resulted in a few major food retailers and distributors dominating the marketplace and imposing significant competitive pressure on small and medium-sized food and beverage processors. • **Rapid increases in input costs.** A number of factors have been contributing to rising input costs associated with food and beverage manufacturing, including increases in energy and waste management costs, increases in employment costs as a result of employee attraction and retention efforts, international taxes on inputs imported, and import quota affecting the prices of primary inputs determined by supply management boards.

OPPORTUNITIES	THREATS
• **Shifting consumer preferences.** Consumers are increasingly targeting healthier food and beverage options and, in doing this, are becoming more aware of the contents of the products they consume. Sought after functional qualities (e.g. gluten-free, zero trans fat etc) are being incorporated into processed foods, providing manufacturers with opportunities to innovate to develop healthier food products that satisfy consumer preferences. • **Changing demographics.** Growing and ethnically diverse populations in Ontario and other markets have generated an interest in innovative food products. Similarly, the ageing population, which is believed to have an unparalleled level of disposable income, is expected to alter consumer demand patterns. Long term success of processing businesses will depend on their ability to adapt products to meet the demands of changing demographics. • **Contributions to sustainability.** Sustainability continues to be a major focus in the sector as consumers look for evidence of social, economic and environmental sustainability efforts. Processors continue to make contributions in this area as it directly relates to marketing and sales opportunities. • **The "buy-local" movement.** Concerns over imported food have encouraged consumers to purchase locally produced products. In Ontario, consumers are enthusiastic to support local farmers and boost the local economy by choosing food and beverage products produced in the province. • **Demand for innovative products.** The manufacturing and promotion of new, value-add and niche products, such as peanut free confectionary, wine, and bio-fuels, can provide new opportunities for processors in the province. • **Expanding export opportunities.** Population growth in developing countries and rising middle-class populations in emerging countries are creating new opportunities for food and beverage manufacturers in Ontario.	• **Shifting consumer preferences.** Consumers are increasingly targeting healthier food and beverage options and, in doing this, are becoming more aware of the contents of the products they consume. As a result, the consumption of some particular processed food and beverage products may diminish. • **Increasing competition and pressure on profitability.** There is growing competition from processors in the US and emerging markets. At the same time, competition between private labels and national brands is likely to increase as a result of heightened consumer price-sensitivity resulting in lower profit margins for food and beverage manufacturers in the province. • **Regulatory environment.** The complex and constantly changing regulatory environment that exists imposes high compliance costs on industry participants and limits their ability to innovate to satisfy changing consumer food and beverage preferences. • **Lack of investment in food safety.** While food and beverage products in the country are generally safe there has been an increase in the number of food recalls. Given that improvements in testing technology have enabled microscopic traces of bacteria to be identified, this trend is expected to continue. Regular product recalls have the ability to shift consumer consumption patterns towards non-processed foods. • **Canadian dollar fluctuation.** A higher Canadian dollar results in decreased exports for Ontario manufacturers and reduced competitiveness for the Ontario industry as a whole. With the recent decline in the Canadian dollar. Currency fluctuation may become an opportunity in the near future.

STRATEGIC PRIORITIES CONSULTATION

The environmental scan completed as an early step to the development of the Industry Road Map reviewed a large number of industry priorities and strategies identified by a cross-section of Canadian and Ontarian food and beverage industry stakeholders.[8] Most of those strategies focused on achieving success, prosperity and growth of Ontario and/or Canada's agriculture, food and beverage sectors. A review of these past strategies revealed seven common themes. These seven common themes will serve as the focus for the consultation on July 24, 2013.

Common Food and Beverage Strategy Themes:

1. Partnerships
2. Human resources
3. Innovation
4. Market development
5. Regulatory environment
6. Capacity / Competitiveness
7. Health

Based on the common themes and *long list* of strategies for the Ontario food and beverage sector, as detailed in Appendix A of this paper, a list of 17 priority strategies for discussion on July 24 has been developed:

Partnerships

1. Create more cooperative long-term relationships between industry value-chain members, including producers, manufacturers, processors, distributors, importers, exporters, retailers, food services and government with the purpose of enhancing the performance of the entire Ontario's agri-food industry.

Human Resources

2. Invest in the development of human resources and build a workforce with the skills required to meet the needs of Ontario's food and beverage industry through continuous support of specific food training initiatives.
3. Position Ontario's food and beverage industry as an attractive career destination by supporting a marketing strategy that increases awareness of the industry.

Innovation

4. Foster Ontario's food and beverage innovation system by investing in programs and organizations that bridge the commercialization gap between new ideas, research institutions and commercial products.
5. Support food and beverage processing innovation in Ontario by increasing access to capital allowance, funding and/or resources for investment in new technology.

Market Development

6. Ensure Ontario's food and beverage industry captures the opportunities inherent in the implementation of a Local Food Act.[9]
7. Ensure that the appropriate food and beverage products are delivered to the right local and international markets.

[8] Relevant reports identify and describe a combination of pillars, goals, priorities, strategies, action items and/or tactics.
[9] The Local Food Act is a new development and even though not mentioned in past strategies, is important to consider going forward.

8. Ensure the Ontario food and beverage industry fully takes advantage of bilateral and multilateral free trade agreements e.g. Trans-Pacific Partnership (TPP) and Comprehensive Economic and Trade Agreement (CETA).[10]
9. Ensure Ontario's food products are the first choice of Ontarians by continuously researching and innovating to provide the products in demand by local consumers.
10. Leverage Ontario's global brand and favourable international perception to increase food and beverage exports by broadening industry's knowledge on new and emerging markets.

Regulatory Environment

11. Improve regulations governing Ontario's agri-food sector to remove barriers to international and inter-provincial markets.
12. Improve regulations to provide faster response to applications and approvals (e.g. environmental, food safety and labour).

Competitiveness

13. Enhance the food and beverage industry's competitiveness by supporting investment in efficient technologies and processes, increasing scouting for new technologies around the world, and extension and training.
14. Improve the competitiveness of the sector including efforts to automate and modernize plants and to significantly increase productivity.

Health

15. Increase coordination and collaboration between the agri-food and health sectors to ensure food availability and choice address the health interests of Ontarians.
16. Increase domestic market demand for healthier food and beverage products through the implementation of education programs across Ontario e.g. fruit and vegetable programs in schools that support the development of healthy food products.
17. Support the agri-food industry's R&D by importing ideas and technologies for the development of healthier food products from around the world.

Investment in this project has been provided by Agriculture and Agri-Food Canada through the Canadian Agricultural Adaptation Program (CAAP). In Ontario, this program is delivered by the Agricultural Adaptation Council.

(Agriculture and Agri-Food Canada (AAFC) is committed to working with industry partners. Opinions expressed in this document are those of the Alliance of Ontario Food Processors (AOFP) and not necessarily those of AAFC)

AAC agricultural adaptation council

Agriculture and Agri-Food Canada Agriculture et Agroalimentaire Canada

[10] TPP and CETA are new trade developments and even though not mentioned in past strategies important to consider going forward.

APPENDIX A – LONG LIST OF STRATEGIES

The tables on the following pages summarize the *long list* of industry strategies. This list was used to identify the seven common themes and 17 priority strategies presented in the *Strategic Priorities Consultation* section of this paper. For a full list of the references used for the identification of the long list strategies, please refer to Appendix B.

I.	PARTNERSHIP RELATED STRATEGIES
1.	Create more co-operative long-term relationships between processors and farmers aimed at maximizing the performance of the entire agri-food industry.
2.	Be a leader in developing programs to support food and farming.
3.	New partnerships with farmers, governments and customers.
4.	Improve relationships with farmers, government and retail/food service.
5.	The Canadian food chain is driven by its diverse, sustainable, innovative and profitable farm and food supply sectors.
6.	Develop solutions to close gaps in the infrastructure required to support the food and farming industry.
7.	Increase access to retail and foodservice markets in Ontario and outside by improving the industry's ability to work with customers and better meet their needs.

II.	HUMAN RESOURCES RELATED STRATEGIES
8.	Provide employers with the tools to develop a workforce with the skills required to support the Ontario food and beverage processing sector by supporting the two current human resource projects, the workforce development project and the post-secondary curriculum blueprint for Ontario's agri-food industry.
9.	Provide employers with the tools to develop a workforce with the skills required to support the Ontario food and beverage processing sector by hiring a manager to coordinate the projects and initiatives to undertake outreach and promote the industry as an attractive career option.
10.	To provide employers with the tools to develop a workforce with the skills required to support the Ontario food and beverage processing sector by participating with the industry coalition to establish a premier's council that will develop a comprehensive provincial skills strategy.
11.	Access to labour.
12.	Revitalize Ontario's economy by attracting skilled labour at all levels of the industry, supporting training, access to labour domestically or through foreign worker programs at all levels of the industry.
13.	Profile the industry as a viable employments/career opportunity.
14.	Train people with the skills needed to support the industry.
15.	Post secondary curriculum development for training, retraining.
16.	Develop the food industry workforce by upgrading of skills of existing workers.
17.	Develop the food industry workforce by supporting the Craig Richardson Institute of Food Processing Technology at Conestoga College.
18.	Develop the food industry workforce by supporting the Workforce Training Fund.
19.	Canada's food chain capacity meets future demand in a sustainable manner. To achieve this a skilled and motivated workforce for the agriculture and agri-food sector is sustained.
20.	Develop the food industry workforce by supporting in-class and on-line curriculum development.
21.	Canada's food chain capacity meets future demand in a sustainable manner. To achieve this succession planning will facilitate sustainable farm businesses.

III.	INNOVATION RELATED STRATEGIES
22.	Develop programs and policies to assist companies to invest in innovation and productivity.
23.	Increase investment in productivity, new product R&D and support for commercializing new ideas and new products by identifying current programs that may be better used or modified to make them more effective.
24.	Revitalize Ontario's food and beverage processing innovation system by implementing a food and beverage industry investment fund.
25.	Revitalize Ontario's food and beverage processing innovation system by creating a technology scanning and extensions function and investing in industry knowledge transfer.
26.	Increase investment in productivity, new product R&D and support for commercializing new ideas and new products by investing in food and beverage processing research and development.
27.	Increase investment in productivity, new product R&D and support for commercializing new ideas and new products by increasing support for commercializing new products and technologies and investing in programs and organizations that bridge the commercialization gap between new ideas, research institutions and commercial products.
28.	Increase investment in productivity, new product R&D and support for commercializing new ideas and new products by creating a fund aimed at energy and environmental management.
29.	Create a system that is focused on innovation, customer value, environmental sustainability and future opportunities.
30.	Increase/support Ontario's R&D/commercialization by supporting for industry focused R&D and technical assistance, attracting corporate R&D to Ontario, and creating effective public/private partnerships.
31.	Support the agri-food industry's R&D/commercialization by supporting for health focused R&D and technical assistance.
32.	Support the agri-food industry's R&D/Commercialization by importing ideas and technologies for healthier food products from around the world.
33.	Increase/support Ontario's Bioeconomy by developing and producing bio-based products and chemicals, supporting Ontario's manufacturing base by developing a thriving bioeconomy sector through support for R&D, infrastructure and pilot studies.
34.	Increase/support Ontario's Bioeconomy by developing bio-based alternatives to existing products.
35.	Increase/support Ontario's Bioeconomy by helping other industries transition to cleaner technologies and inputs including other manufacturing sectors.
36.	Increase/support Ontario's Bioeconomy by developing biomass chains to provide inputs to the sector.
37.	Support the agri-food industry's R&D/commercialization by supporting the green technology development.
38.	Support the agri-food industry's R&D by supporting commercialization within agriculture and food and linking agriculture to other manufacturing sectors.
39.	Increase the competitiveness of Canadian companies by encouraging the development and introduction of new technologies.
40.	Increase the competitiveness of Canadian companies by including all key activities up to the start of production in the definition of R&D (scale-up).
41.	Increase the competitiveness of Canadian companies by Increasing support to research centers dedicated to the agri-food processing industry.
42.	Improve food and beverage processing innovation by developing an Innovation Strategy for the food and beverage processing sector.
43.	Improve food and beverage processing innovation by organizing workshops and an Annual Innovation Forum.
44.	Improve food and beverage processing innovation by developing an innovation portal.
45.	Improve food and beverage processing innovation by undertaking an inventory of training opportunities.

III.	INNOVATION RELATED STRATEGIES
46.	Improve food and beverage processing innovation by supporting access to funding for innovation and pursuing regulatory modernization.
47.	Improve food and beverage processing innovation by creating opportunities for industry collaboration through a pre-competitive analysis.
48.	Ensure the food sector is innovative, competitive and growing.
49.	Create the environment to foster innovation. In order to achieve this recommendation for industry: – Encourage and seek collaboration – Form clusters – Partner with research institutions and service providers – Partner with educational institutions for workforce development – Be proactive, take small steps – Internationalize
50.	Create the environment to foster innovation. In order to achieve this recommendation for government: – Define and set standards – Include Agri-Food in the Ontario Innovation Agenda – Support an industry-led cluster – Create long term funding programs – Create programs that encourage growth
51.	Create the environment to foster innovation. In order to achieve this recommendation for academia and service providers: – Maintain closer link to Industry – Focus on industry's needs for commercialization – Advertise IP

IV.	MARKET DEVELOPMENT RELATED STRATEGIES
52.	Ensure that Ontario mitigates its risk yet captures the opportunities inherent in implementing a domestic institutional purchasing policy.
53.	Consumers always have access to safe and nutritious food. To achieve this: – Infrastructure and food distribution processes and regulations guarantee efficient and effective distribution to all areas of the country including urban, rural and remote. – Canadian infrastructure ensures the efficient storage, transportation and distribution of food. – Threats to the food system from input supplies to distribution are identified and mitigated with contingencies available. – Food safety, security and sustainability systems are in place and documented.
54.	Canadian-grown, fresh and processed products are the first choice of Canadians. To achieve this: – Canadian governments and public institutions increase their utilization of Canadian-grown and processed products by at least 2% per year. – Environmental, employment and food safety standards of imported foods are equivalent to Canadian standards. – Retail and food service outlets increase their utilization of Canadian-grown and processed products by at least 2% per year farmers, food processors, and all members of the value chain continuously research and innovate to provide the products in demand by Canadian consumers. – Food labelling and retail signage systems clearly identify Canadian grown and Canadian processed products to enable consumers to choose.
55.	Canadian grown, fresh and processed products are the preferred choice of international markets. To achieve this – Pricing strategies allow for shared value for all stakeholders along the food chain to enable Canadian companies to be competitive internationally. – Producers and processors offer food products that adapt to changing global market demand. – Quality assurance programs are developed and managed nationally by industry. – An identifiable standard for Canadian food products encourages the purchase of these products by international buyers. – Market intelligence data readily identifies international market opportunities

IV.	MARKET DEVELOPMENT RELATED STRATEGIES
56.	Support/increase export market development by identifying, developing and supporting high value export markets.
57.	Off-shore market access.
58.	Support/increase domestic market development by replacing imports with Ontario products, developing and supporting ethnic markets, creating local food networks and supporting new food product development.
59.	Increase consumer awareness of the advantages of Ontario-produced food by implementing a branding and marketing strategy for the Ontario agri-food sector.
60.	Increase consumer awareness of the advantages of Ontario-produced food by undertaking greater analysis of the Verified Health Quality (VHQ) Initiative.
61.	Ensure that Ontario’s organic sector and niche markets continue to grow.
62.	Sell more Ontario produced and processed products – meet the needs of the consumer.
63.	Systematically support good food systems by establishing a Centre for Good Food Citizenship.
64.	Systematically support good food systems by developing a better food label.
65.	Increase objectives for the development of the agri-food processing sector by assisting companies in national and international markets by enhancing and improving existing programs.
66.	Ensure market access, adaptation and sustainability.
67.	Canada is a global leader in ensuring international agreements impacting food are based on science, sustainability, fairness, consistency and enforceability.

V.	REGULATORY ENVIRONMENT RELATED STRATEGIES
68.	Improve regulations governing Ontario’s agri-food sector.
69.	Create a supportive regulatory environment.
70.	Create a regulatory environment that protects public safety but at the same time encourages innovation and supports Ontario’s agri-food industry, a system that provides a level playing field for industry participants and minimizes the barriers to international and inter-provincial.
71.	To improve regulations governing Ontario’s agri-food sector by establishing a ‘one-window’ access point so that the agri-food sector can navigate the regulatory approval process.
72.	To improve regulations governing Ontario’s agri-food sector by ensuring greater efficiency of decision-making in relation to regulatory action.
73.	To improve regulations governing Ontario’s agri-food sector by ensuring that regulations are practical and capable of being implemented in a timely and efficient manner.
74.	To improve regulations governing Ontario’s agri-food sector by analyzing how the regulatory and development process in Ontario impacts the agri-food sector.
75.	To improve regulations governing Ontario’s agri-food sector by undertaking a cost-benefit analysis of all regulatory proposals before bringing them forward to decision-makers.
76.	To improve regulations governing Ontario’s agri-food sector by ensuring that taxpayer resources are efficiently and appropriately used in providing regulatory enforcement.
77.	Harmonize regulations, provide one-stop shopping for approvals and create an “open for business” environment.
78.	Ensure better coordination, integration, harmonization and resource sharing to overcome the problem of regulatory overlap between federal and provincial governments.
79.	Improve regulations governing Ontario’s agri-food sector by removing barriers to markets and productivity, coordinating regulations with major markets and suppliers, having better access to inputs, streamlining inter-provincial barriers,

V.	REGULATORY ENVIRONMENT RELATED STRATEGIES
	providing faster response to applications and approvals.
80.	Innovate the regulatory system to: – Create a supportive business environment. – Encourage innovation. – Minimize barriers. – Create a level playing field. – Require industry consultation and assessment of cost/benefit impacts.
81.	Help the Ontario government fully understand the contributions of the food and beverage processing industry and achieve a better balance between those contributions and the policy attention and commitment that it receives from government.
82.	Coordinate regulations and provide a national regulatory framework that supports implementation of health and food safety standards, and ensures tracking.
83.	Create a legislative framework for products with nutritional claims and fortifications for the entire industry, and that ensures tracking.
84.	Coordinate regulations and their implementation at the national level and ensure tracking (traceability and labelling).
85.	Increase objectives for the development of the agri-food processing sector by representing and supporting the interest of Canadian agri-food processing sector during bilateral and multilateral agreements.
86.	Increase objectives for the development of the agri-food processing sector by working towards harmonizing provincial regulations in order to eliminate non-tariff barriers.
87.	Achieve a responsive and modern regulatory system by implementing an annual regulatory report card.
88.	Achieve a responsive and modern regulatory system by setting a Federal Cabinet Committee on Food.
89.	Support regulatory modernization by the formation of the Regulatory Modernization Task Force that addresses the following key issues: – Lack of balance in decision-making in regulated marketing sectors – Decisions made with limited consultation – Inefficient administration – Inconsistent interpretation and enforcement of regulation – Prescriptive regulations can stifle innovation – Regulations create unlevel domestic playing field
90.	Up-to-date policies, laws and regulations address food industry and household interests.

VI.	COMPETETIVENESS RELATED STRATEGIES
91.	Canada's food chain capacity meets future demand in a sustainable manner. To achieve this: – A balance between the production of food and the production of crops for energy is identified and sustained. – Food processing capacity and output expands at a sustainable level – Food chain productively utilizes agricultural by-products and waste as useable resources. – Government programs remain resilient to help farmers mitigate impacts of climate change. – Ongoing research continuously identifies the quantity and nature of future demand domestically and globally.
92.	Canada has a secure infrastructure to support the production, processing, distribution and sale of food in Canada and abroad.
93.	Improve the competitiveness of the sector including efforts to automate and modernize plants and to significantly increase productivity.
94.	Access to competitively priced inputs.
95.	Improve energy and water efficiency by supporting investment in efficient technologies and processes, increasing technology scouting for new technologies around the world, extension and training.
96.	Increase the competitiveness of Canadian companies by helping stabilize the Canadian dollar at a competitive rate.

VI. COMPETETIVENESS RELATED STRATEGIES	
97.	Increase objectives for the development of the agri-food processing sector by closely monitoring the consolidation of the distribution sector and /or the international acquisitions in the agri-food.
98.	Enhancing the competitiveness of Ontario’s food and beverage industry by supporting/developing the Food and Beverage Industry Innovation Fund, Growth & Investment Fund, Environment and Energy Fund, and through Ongoing Intelligence Gathering.
99.	The food industry is viable and prosperous for producers, manufacturers, processors, distributors, importers, exporters, retailers and food services.
100.	Position the agriculture, food processing, food retail and food service sector in the Golden Horseshoe as “the place to do business.”

VII. HEALTH RELATED STRATEGIES	
101.	Increase coordination and collaboration between the food industry and health sector to ensure food availability and choice addresses the health interests of Canadians.
102.	Work closely with a broad range of stakeholders to educate and inform consumers about healthy food products.
103.	Increase/support market development by creating market demand for healthier products, expanding fruit and vegetable programs in schools, and introducing new education programs supporting healthy product development.
104.	Systematically support good food systems by developing a self-regulatory approach to reduce priority unhealthy ingredients in our food (e.g., saturated fat, simple sugars).
105.	Canadians eat healthier and have balanced diets.
106.	Canadians have low rates of food related chronic diseases, including obesity, diabetes, cardiovascular disease and cancer.
107.	Canada is the world leader in food safety.
108.	Consumers choose foods and healthy eating patterns that promote optimal heath. To achieve this − Canadian food production and processing are environmentally sound, science-based and complement the health of Canadians. − Food product innovation is aligned with Canada’s Food Guide. − Research focuses on current food offerings and new food product innovation that maintains or improves the health of Canadians and citizens in other markets. − Canadians understand healthy eating patterns, nutritious foods and how to choose, prepare and include these foods in daily meals.
109.	All Canadians have physical and economic access to safe, nutritious and affordable food that meets their dietary needs.

APPENDIX B – REFERENCES

Main References

The reports that were reviewed to prepare the list of consolidated sector strategies in this discussion paper are included in the following list:

1. *A Strategy for Ontario's Food and Beverage Processing Industry – Consultation Document,* September 2007, Alliance Of Ontario Food Processors.
2. *A Strategy for Ontario's Food and Beverage Processing Industry – Update AOFP Board of Directors,* August 2011, Alliance Of Ontario Food Processors.
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6. *Accessing the Market: Development of an Optimal Food Distribution Model for the South Central Ontario Region*, August 2011, George Morris Centre For Ontario Fruit and Vegetable Growers Association/Erie Innovation and Commercialization.
7. *Advancing Innovation in the Food Processing Industry – A Gap Analysis between Food Valley and Ontario,* January 2013, Craig Richardson Institute of Food Processing Technology.
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