

FCPC

Food & Consumer
Products of Canada

PACC

Produits alimentaires et de
consommation du Canada



Feeding the World, Together

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Food & Consumer Products of Canada

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Logos of Member Companies

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Largest Employer

- Food processing is the largest employer in manufacturing in both:
 - 1) Canada:
 - larger than aerospace and auto combined
 - approximately 300,000 jobs over 6,000 facilities in every region
 - 2) Rural Canada:
 - linking rural and remote Canadians through economic opportunity
 - providing an important market to farmers

Part of the Supply Chain



- Food manufacturers are an integral part of the Canadian food supply chain:
 - selling over 60% of output to Canadian grocery stores and restaurants
 - processing about 40% of Canadian agricultural production
- How can we increase this 40% number?



“Canada is often viewed as satisfied with remaining largely a commodity supplier, rather than doing more to add value to what it produces or enhance its processing potential.”

-Canadian Agri-Food Policy Institute, 2016

Overview of Canadian Food Manufacturing

- Global competition continues to be fierce.
- We are importing more processed food than we are exporting.
- Investment in food manufacturing has not kept pace with our competitors.
- According to AAFC, there is declining investment in:
 - food manufacturing facilities/ buildings
 - advanced technologies (automation & robotics)
 - R&D



- Consumers demand food that:
 - stays fresher longer, transports well, has a variety of ingredients/ nutritional profiles, and smaller packages that produce less waste.
- On the equipment side:
 - Why do we import almost all of our food manufacturing equipment?
 - Why can't we develop the technology here to make products in a way that is more efficient, produces less waste and uses less water and energy?

The Barton Report

- “The food processing sector is underdeveloped.”
- “This stems from a historical lack of investment in processing infrastructure paired and often correlated to a challenging regulatory environment.”
- The report draws attention to challenges such as:
 - trade deficit in processed food
 - limited processing of Canadian commodities
 - lack of inter-departmental coordination
 - need for better collaboration along supply chain

Working Together on Barton's Recommendations



- We agree with Mr. Barton that the agfood sector has “great potential”.
- Food is going to be one of the biggest businesses in the world!
- Canadian farmers and processors have a unique opportunity to play a vital role in feeding the world with our trusted, made-in-Canada products.
- Together, we can build an optimal operating environment to unleash the sector's potential.
- We look forward to working with you to meet the growing global demand for food.

Other Common Issues

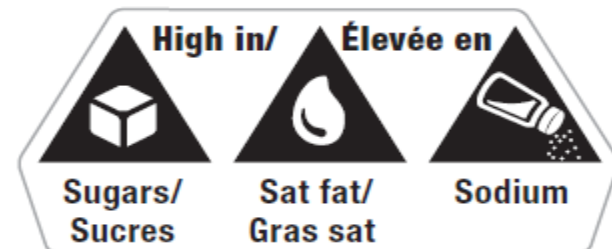
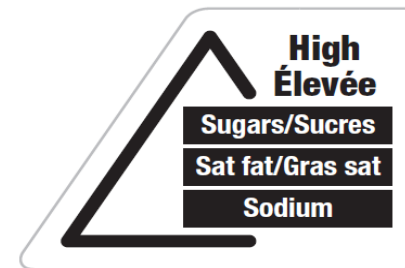
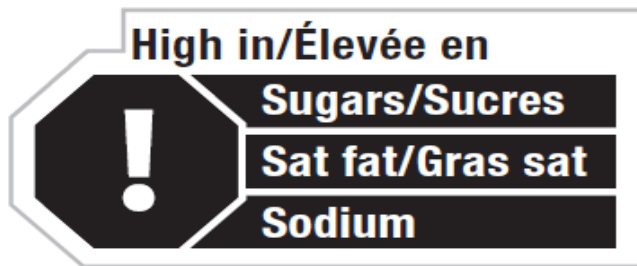
- Educating Canadians on where our food comes from
- Predictable market for our products - in Canada and/or abroad
- Supply chain collaboration
- Innovation and research
- Advocating for science-based and modern regulations

New Intervention by Health Canada

- The *Healthy Eating Strategy* will change how we make our products, how we label our products and how we market our products.
- No other country in the world has attempted to make these many changes all at once.
- This shifting landscape will permanently transform the entire agri-food sector in Canada in a very short time frame.
- Huge cost and competitiveness implications.

Health's Canada's Labelling Proposals

- HC proposed a thresholds approach for triggering Front of Pack labelling.
- Implications for some cheeses, yogurts, potato products, breads, veg./meat/poultry in sauce/ broth etc. and maple syrup!
- Examples of 'high-in' symbols under consideration by Health Canada:

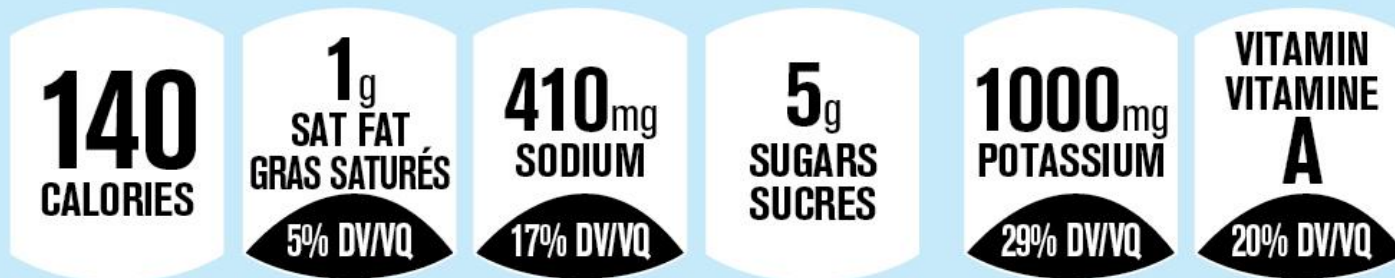


Facts Up Front



- FCPC is proposing a Canadian version of *Facts Up Front*

PER 1 CUP SERVING – PAR PORTION 1 TASSE



- We support a fact-based approach to labelling – no stop signs or warning labels.
- We need a collaborative approach that includes consultations with all groups.
- We recommend that HC:
 - Modernize existing regulations first
 - Assess the overall existing - and potential -regulatory burden on our industry
 - Conduct a comprehensive economic analysis for proposed changes, which includes examining the impact on manufacturers, consumers and farmers
 - Examine the unintended consequences of these changes

Final Thought



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- We are in uncharted waters facing both unprecedented challenges and opportunities.
 - We are faced with a unique opportunity to work together to make Canada a global leader in the production of high-quality, trusted, safe and sustainable food.
 - We look forward to working together.
 - Thank you.