

Ontario's Food and Beverage Processing Industry Strategy
THE NEW ENGINE OF ONTARIO'S ECONOMY



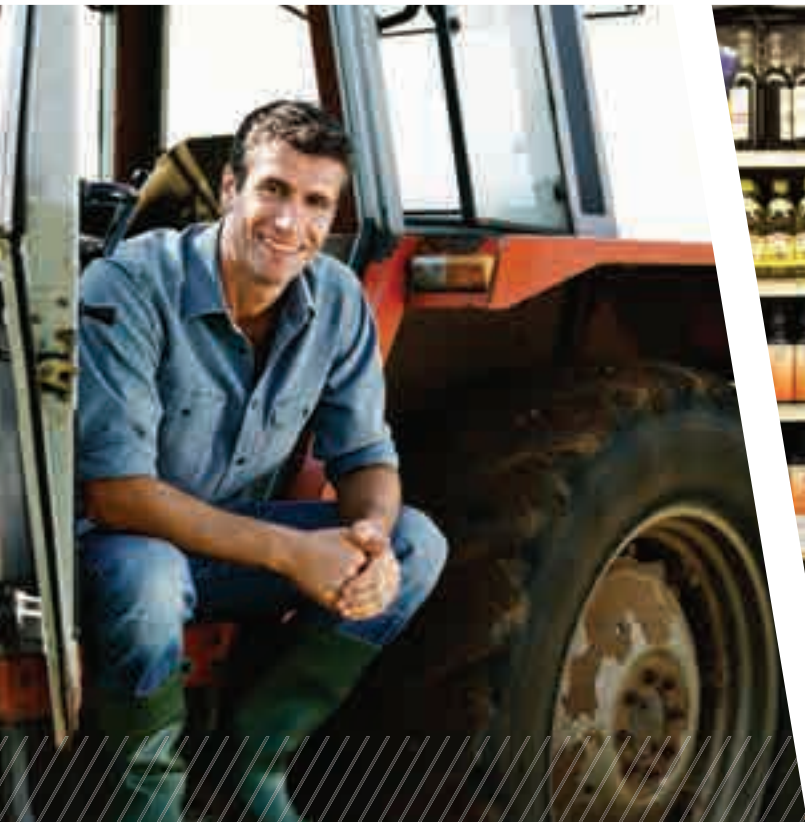




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Ontario Food & Beverage Processing by 2020

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.

THE ALLIANCE OF ONTARIO FOOD PROCESSORS

The Alliance is a not-for-profit organization that speaks on issues and concerns common to Ontario's food and beverage industry. Our focus is on the success, prosperity and growth of the food and beverage processing sector. We work collaboratively with our colleagues and partners across the agriculture and food sector.

The food and beverage processing sector is a key contributor to the provincial economy. In 2011, the industry generated \$39.4 billion¹ in annual revenues and contributed \$11 billion to the provincial Gross Domestic Product.² Over 125,000 jobs³ are directly provided through the sector with thousands more generated indirectly in supporting infrastructure.

With over 65% of product purchased by food and beverage processors from Ontario farmers, the sector is also a major supporter of Ontario's 37,000 farm families.

In Ontario, in excess of 3,000 businesses make up the food and beverage processing sector – these small, medium and large-sized businesses contribute directly to the province's economy and job creation and provide healthy, high quality food and drink.

From local cheeses to wine country vintages, from delicious meats to regional brews, and from wholesome, specialty breads, jams and pastries – food and beverage processors are a sector Ontarians should be proud of.

In 2013, the Alliance of Ontario Food Processors spearheaded an initiative

to investigate industry issues and challenges and forecast sector growth potential. The resulting action plan has been developed to support the people of this industry, people who are committed and passionate about making food and drink in this province.

And Ontario is the right place for the food and beverage processing industry to continue to grow.

In this province we have access to local and export markets, a depth of knowledge in academia, experts in research, and bright young people and eager new Canadians embarking on careers in an entrepreneurial business culture.

Together with industry commitment and investment by all three levels of government there is tremendous opportunity to reach ambitious growth targets by 2020.

With the right support, by 2020 the industry can grow to 185,000 direct jobs, an additional 60,000 over today's numbers, and generate over \$70 billion in revenues.

The following plan invites government and industry stakeholders to engage in new partnerships that will create a pathway to a brighter, more competitive and more powerful Ontario food and beverage processing sector.

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

² Ontarian Ministry of Agriculture and Food.

³ MNP, "Economic Impact Analysis: Ontario Food and Beverage Processing Industry," 2012.

Strategy Process & Consultation

With funding from the Canadian Agricultural Adaptation Program administered by the Agricultural Adaptation Council and generous support from the Grain Farmers of Ontario, the Alliance partnered with MNP LLP, Pursuit Labs Inc. and the Institute of Competitiveness and Prosperity to assist with initial research and subsequent industry consultations.

The initiative followed several steps:

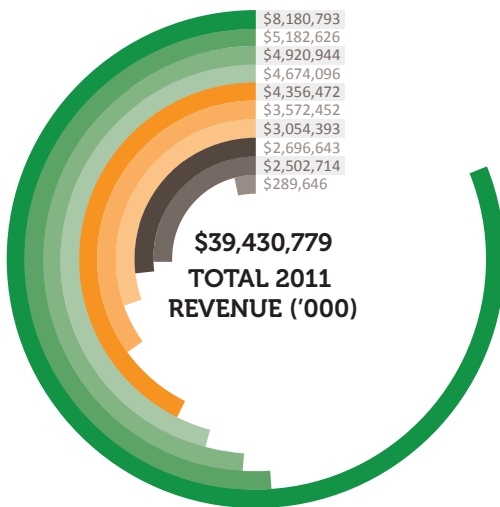
- Established an Industry Advisory Committee to guide the initiative.
- Environmental scan of current literature, trends and various industry and organizational strategies and materials. The scan included a high level SWOT analysis; a review of policy papers and provincial and national strategy documents developed by key agri-food players and organizations; and identification of high priority strategies.
- Consultation session with over 120 participants on July 24, 2013 representing key stakeholders directly and indirectly involved in the food and beverage processing sector.
- Development of a consultation Discussion Paper based on the environmental scan.
- Facilitated consultation on October 9, 2013 with 25 industry leaders from across the sector.
- One-to-one consultations with industry and government stakeholders.
- Completion of Ontario's Food and Beverage Processing Industry Strategy with action items to drive a highly competitive sector.



Industry Profile

The food and beverage processing sector is an essential link in the food supply chain beginning at the farm gate and ending at the consumer's plate. The process of making food and drink requires a number of steps and people working together starting with farmers, followed by employees in process plants and those working in the transportation, distribution and warehousing sectors. Restaurants and retail stores have the most common direct contact with consumers.

The sector is made up of ten sub-sectors:



SUB-SECTOR

- Meat Products
- Dairy Products
- Beverage & Tobacco Manufacturing
- Bakeries & Tortilla
- Grain & Oilseed Milling
- Other Food Manufacturing²
- Fruit & Vegetables
- Sugar & Confectionery
- Animal Food
- Seafood

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.⁴ 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.

The Ontario food and beverage processing industry directly and indirectly impacts the

Ontario economy through 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:⁵

- Total direct, indirect and induced output⁶ of \$67 billion and nominal GDP⁷ 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 conducted in 2012, 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.

⁴ Statistics Canada, “Annual Survey of Manufacturers and Logging,” 2011. MNP, “Economic Impact Analysis: Ontario Food and Beverage Processing Industry,” 2012.

⁵ MNP, “Economic Impact Analysis: Ontario Food and Beverage Processing Industry,” 2012.

⁶ Output is the total gross value of all business revenue.

⁷ GDP is the “value added” to the economy (the unduplicated total value of goods and services).

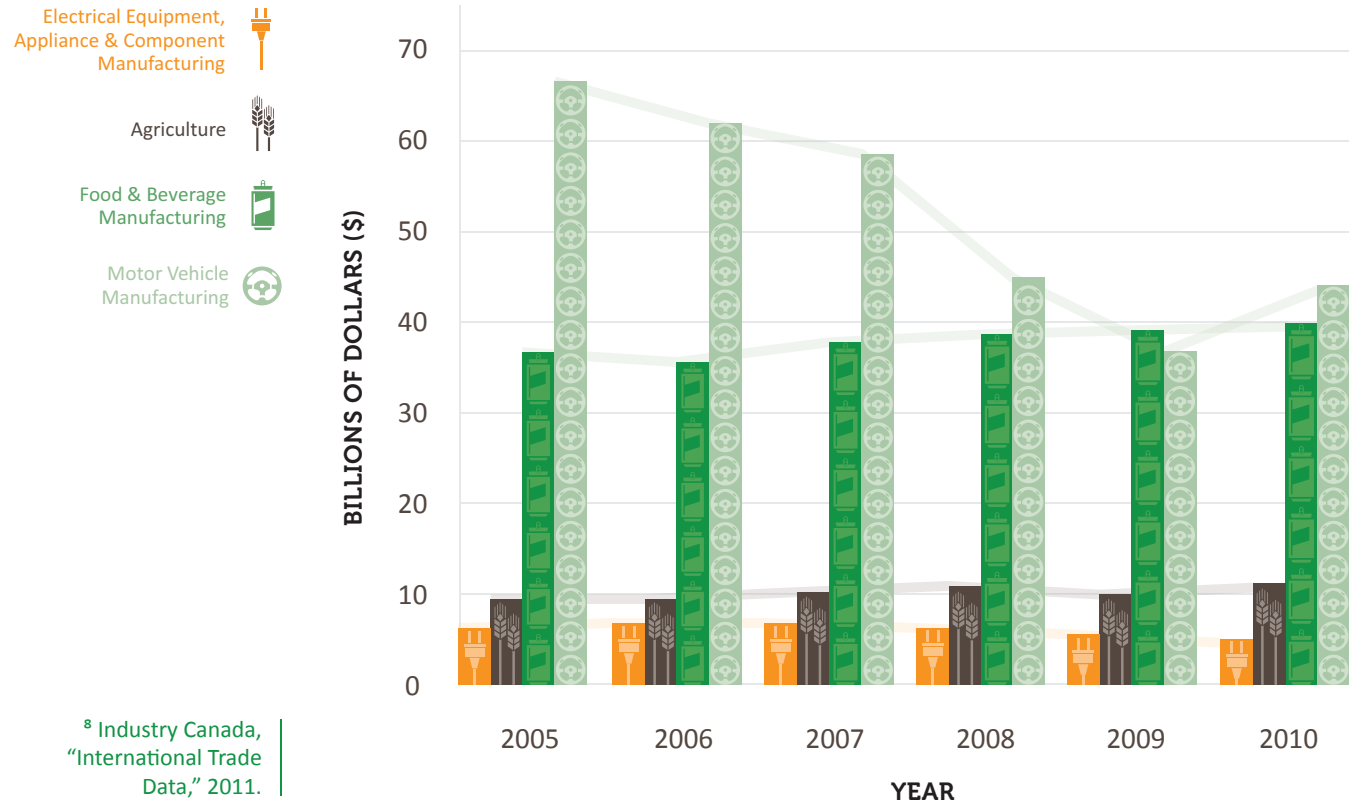
Strong demand exists within the US, Mexico, Asia and Europe for food and beverage products processed in Ontario. In 2012, Ontario's food and beverage manufacturing sector exports were about \$7.7 billion, accounting for more than 30%

of Canada's total food and beverage manufacturing exports.⁸

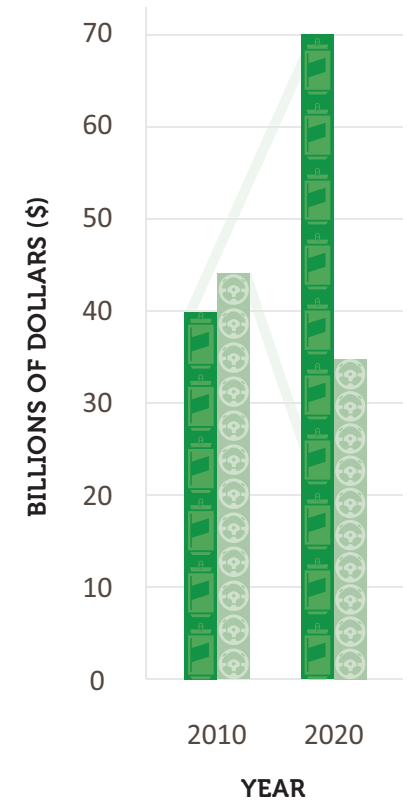
The sector in Ontario has also grown to become the third largest food and beverage manufacturing sector in North America.

Many of the world's largest food and beverage manufacturing companies have located in the province. At the same time, many local companies producing innovative niche products have become recognized in the marketplace.

TOTAL REVENUES BY SECTORS (2005 - 2010)



GROWTH TARGETS BY SECTORS (2010 - 2020)



⁸ Industry Canada, "International Trade Data," 2011.

STRENGTHS

- **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 US market provide 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.
- **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, Queen's and Western Ontario and a number of colleges such as the Craig Richardson Institute of Food Processing Technology and George Brown College 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.
- **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.



WEAKNESSES

- **Costly to operate in major urban centers.** Particularly in the Greater Toronto Area it is becoming increasingly cost prohibitive for manufacturers to be in close proximity to needed supply chain and infrastructure due to expensive land costs, high commercial property tax, residential encroachment and high water/waste water costs.
- **Steep increases in utility costs.** High and unavoidable costs associated with food and beverage manufacturing, resulting from increases in energy, water and waste management costs, make it less attractive to invest in this region.
- **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.
- **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 producer supply.** Unlike some competitors, producers and processors in Ontario are faced with the challenge of managing seasonality related to the production of commodities resulting in the cost related to imported supply.
- **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 and international taxes on imported inputs.
- **Low levels of investment in traditional 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 trailing larger, more productive and innovative companies through the application of informal product development techniques.

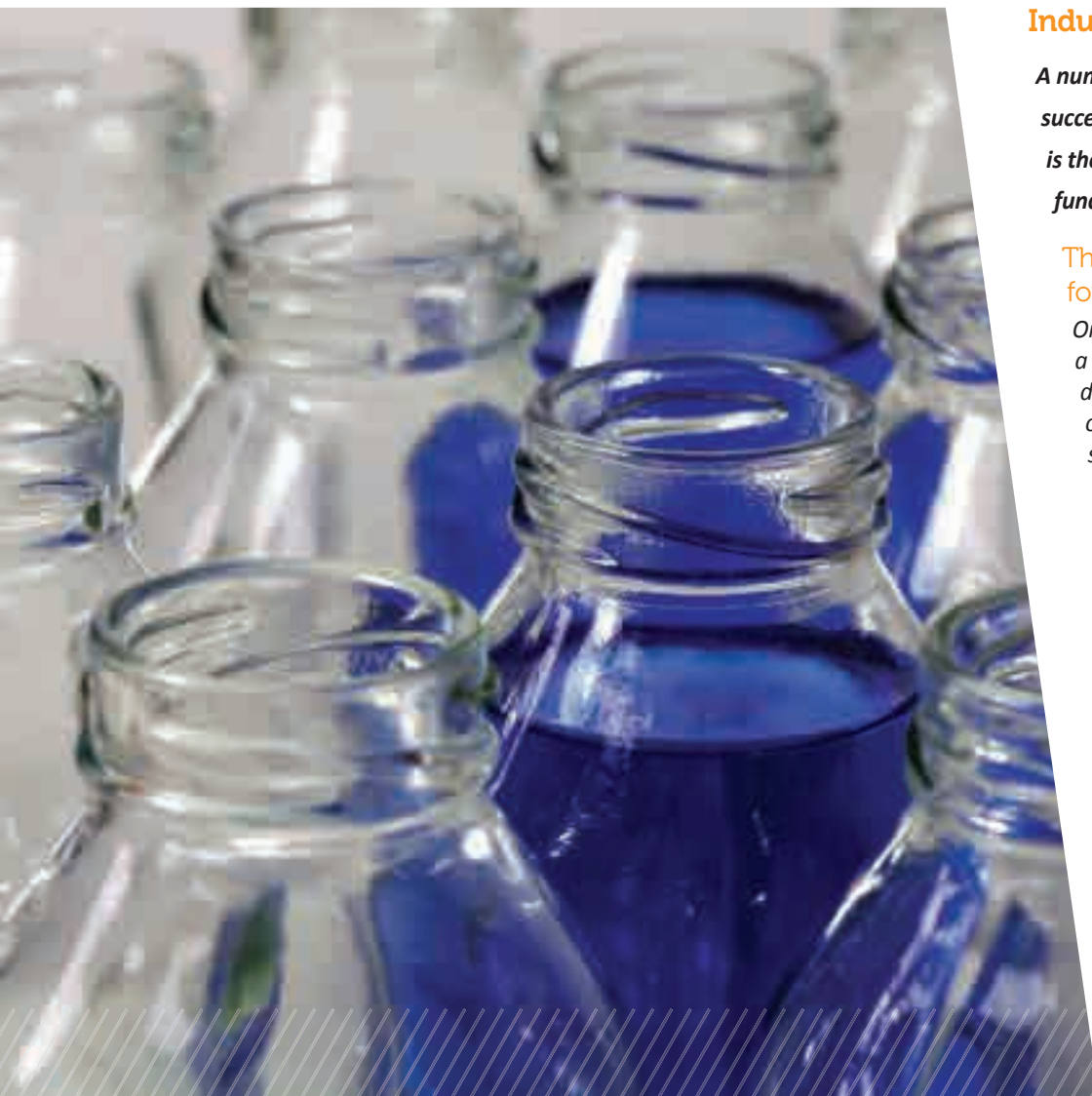
THREATS

- **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. 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.
- **Required investment in food safety.** While food and beverage products in the country are safe there are increasing costs associated with food safety program implementation for processors. New technologies and rapid identification are critical to program effectiveness and must be resourced appropriately.
- **Canadian dollar fluctuation.** A higher Canadian dollar results in decreased exports for Ontario manufacturers and reduced competitiveness for the Ontario industry as a whole.



OPPORTUNITIES

- **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) are being incorporated into processed foods, providing manufacturers with opportunities to innovate to develop healthier food products that satisfy consumer preferences.
- **Expanding export opportunities.** Recognition of the wholesome and safe quality of Canadian food products, the growing population in developing countries and rising middle-class in emerging countries are creating new opportunities for food and beverage manufacturers in Ontario.
- **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 related 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 foods promoting health attributes can provide new opportunities for processors in the province.



Industry Issues & Challenges

A number of issues impact processor business growth and success in Ontario. Underpinning all the following issues is the importance of providing the sector with accessible funding programs and options to access capital.

The Right Ingredients for Market Development

Ontario food and beverage processors are facing a number of challenges when considering market development options. Gaining access to new domestic opportunities in retail, food service and institutional settings can be difficult to navigate, and fewer companies in Ontario now export. Forging new collaborative relationships and understanding opportunities in developing and emerging markets are a must for long-term sector growth.

The path to capturing new markets and reclaiming Ontario's position as a strong exporting jurisdiction requires an understanding of what products are in demand, what resources are needed, and what type of facilitation can be provided by government agencies.

Opportunity & Market Analysis

Processors need to understand potential market opportunities in depth. Access to market information in the form of market analysis, consumer preferences and global trends is the first step to new market exploration.

Developing Partnerships

With increasing global competitiveness in the food industry, stakeholder partnerships have become the new normal for business development. Team building, networking functions and information exchange forums are a practical way of introducing members of the food and beverage supply chain and providing a platform for business development.

Trade Facilitation

Partnerships with governments are essential for Ontario processors to access new export markets successfully. Refining the Ontario brand, identifying new markets and facilitating robust trade agreements have to be accomplished through industry-government collaboration if these initiatives are to succeed. Trade missions are critical to support export partnerships.

Access To Innovation & Technology

Accelerating food and beverage processing innovation and access to new technology is a key competitive factor for Ontario processors. Over the last number of years a cultural shift has taken place where the sector is not only ready to embrace the concepts of innovation but is actively seeking access to innovations and new technologies.

Ontario processors understand that issues of health, sustainability and consumer trends

are changing the competitive landscape. As a result, rapid access to leading edge information, latest innovations and new technologies is in demand.

Ontario Food & Beverage Research & Innovation Strategy

Research and development is often the underpinning to innovation, however rapid, cost-effective commercialization is a must if end users are to gain access. Long-term investment by government, academia and industry is needed to implement a successful strategy that defines research and innovation priorities for the sector followed by a plan to either develop innovative solutions or explore solutions already available. Funding must be made available in a format that works for food processing research and development.

Innovation Intelligence & Information

Processors need to be made aware of available innovations and technologies for a number of business reasons. A simple point of entry to expert information on innovative solutions



for the food and beverage processing sector would aid processors in understanding options available or currently development.

Investment in Innovation

Investment and improved coordination are important to supporting the Ontario food and beverage processor industry's transition to a fast-paced environment for innovation performance. The sector continues to lag in productivity growth when compared to other manufacturing industries which means small and medium sized businesses trail larger, more productive and innovative companies.

Attracting the Next Generation

The food and beverage processing industry is one of Ontario's major hiring sectors providing over 125,000 direct jobs. Not unlike other manufacturing sectors, processors are finding themselves in a growing employee deficit scenario. Jobs are available, however trained or experienced individuals are in shortage.

In addition, in-house operational challenges such as skills training for employed individuals, business best management practices and succession planning continue to impede business growth especially in small to medium-sized enterprises.

Education & Training Resource

Food and beverage processing is a vibrant sector offering a variety of career paths for secondary, college and/or university educated

individuals. Young people need to understand the career opportunities and the related education and training options available to them. A centralized web-based information site that provides formal curriculum information in addition to mentorship programs, informative event, public speaking and ad hoc learning opportunities will assist students and new entrants to the industry in navigating through options. This resource will also be of value to workplace training boards, school counsellors and other types of guidance support.

Raising Awareness

Not unlike other manufacturing sectors such as forestry and mining, the food and beverage industry needs an outreach campaign that is comprehensive and multi-media based to expose and attract young people to the number of exciting career paths available to them in the sector. A campaign of this magnitude will be far reaching with the primary goal of capturing the imagination of young people and new entrants considering their future and the opportunities ahead of them.

Tools for Employers

Employers offer the most direct and hands-on approach to supporting a healthy HR culture in the food and beverage processing business. Professional development opportunities such as mentorship programs or best management practices training can empower existing employees to better their contribution to the sector. Individually, each food and beverage processing business in Ontario adds to the

collective HR improvements made across the industry in terms of building a culture of life-long learning and employee retention.

Closing Up Competitive Gaps

Ontario processors have some impressive business advantages – good location to reach consumers, access to 200 plus agricultural commodities, a strong provincial food safety and quality reputation, and the basis for robust relationships with supply chain partners.

However, as an export-trading region, Ontario suffers, as does Canada, with a trading deficit. In 2012, Canada's trade deficit sat at nearly \$6.5 billion. Add to this a strong bias to the United States as an export market and the sector is vulnerable to currency fluctuations and border threats. Domestically, imported product continues to be a challenge to local marketers.

Strategies to improving the competitive position of Ontario processors have been well documented. Capturing new markets, reducing input costs, modernizing management systems and physical plant assets, improving productivity and ensuring the right trade agreements are in place all play a role.

Access to Business Development Expertise

Ontario is home to a number of business and economic experts at Universities, research institutes and non-profit organizations. If made

available, this network of expertise could be harnessed to lend brain power to the sector through the development of business strategies and strategic thinking.

Resources & Investments

Increasing costs of inputs and lack of available capital puts many small to medium sized processors at a competitive disadvantage. By pooling resources and leveraging buying power it is possible to raise the bargaining position of smaller manufacturers.

Strengthening Ontario's Brand

Ontario has food and beverage character and clout. Processors purchase over 65% of raw product from local Ontario farmers and product from Ontario is unique and well-recognized by the consumer. Thanks to regional and provincial consumer campaigns local product is in demand. Ontario and Canadian food and drink also hold a strong brand position in many export friendly markets.

Strengthening Ontario's "brand" as an experienced food and beverage industry providing wholesome, high quality and safe food will strengthen credibility for processors in local markets, support access to new markets, and attract processor investment to the province. Taking a collaborative approach with government on engaging in the health debate will also build reputation and consumer confidence.

Telling the Story

The Ontario food and beverage processing industry has an exciting story to tell. The sector produces healthy, high quality food and beverages for a diverse and demanding consumer base, is a primary career choice for many Ontarians and is a major contributor to the provincial economy. This is a story that needs to be told and there are a number of industry ambassadors who can take a leading role in building consumer recognition and loyalty, and engage younger generations of professionals.

Defining Ontario

The question of what defines Ontario together with the desire by certain consumer segments to have detailed information on products has initiated an important conversation about defining and identifying Ontario food with reference to specific attributes. Issues of food security, authenticity and sovereignty can be mitigated and consumer loyalty enhanced with a robust system specific to the Ontario food supply chain.

Streamlining Regulations

A strong and effective regulatory system is an important part of Ontario's brand. Ontario's regulatory environment protects public safety and provides assurances to consumers around the world regarding the safety, quality and credibility of Ontario produced food and drink. However, many have observed that regulations can be cumbersome or obstructive by not keeping pace with market place changes, limiting production expansion and slowing business development.

Although there have been positive changes within the Ontario government to streamline regulations

and address matters of regulatory navigation, approval processes and redundancy, challenges continue to exist. Add this to circumstances at the municipal and federal levels on items such as regulatory harmonization with key trading partners or business expansion locally, and the regulatory environment can be frustrating for processor businesses.

Understanding the Issues & Working Together

Issues of labelling, inter-provincial trade, supply, labour, environment and packaging, all fall within various municipal, provincial and federal frameworks. Greater collaboration between representatives from agriculture and agri-food with all three levels of government can assist the sector in working together and in a balanced manner when reforming old regulatory systems and implementing new.

Ease of Use

A complex regulatory environment increases cost and slows speed of use for processors. Easy to use, on-line regulatory processes would assist processors in meeting regulatory expectations while at the same time pursuing business development initiatives.

Regulatory Navigation

The industry needs a single port of access to facilitate all regulatory navigation as it often obstructs growth initiatives, investment and speed to market.



THE NEW WAY FORWARD – TAKING ACTION – RECOMMENDATIONS

The Ontario food and beverage processing industry is poised for growth. With the right investment, the right people and the right programs, creating a stronger, more competitive environment for Ontario food and beverage processors is within our reach.

The following action plan is an important next step in meeting that challenge.

I. Establishing a Food & Beverage Innovation Centre

Ontario needs a Centre dedicated to food and beverage processing innovation, business development and incubation to drive a new level of processor competitiveness both domestically and globally.

This Centre will provide a physical and on-line space where processors can access expertise and resources to directly support their own business development. With this Centre, industry will find help in investigating innovations, technology scouting, accessing market intelligence, developing partnerships and learning of ways to improve productivity. The Centre will also provide incubation facilities and facilitate processor connections with networks in research and innovation, commercialization and product development.

Having access to capital is an important issue underpinning innovation and business development for processors. The Centre will assess and streamline capital options for processors such as angel or venture capital, debt financing, equity financing, available government programs and even consider embedding financial partners in the Centre.

Innovation Resource & Portal – the processor source for latest innovations and technologies.

The Centre will provide direct access via a portal to an inventory of the world's best technologies, innovations, market information, manufacturing processes and product packaging and information. As a resource, processors will also have access to regulatory information, latest scientific research and a network of innovation pipeline contacts.

An education and training program will build in-house company skills and assist information and idea exchange within an "open innovation" platform. The Centre will develop a sector

research and innovation strategy and build capacity by providing feedback to industry from innovation successes and best practices from around the world. With this resource, industry will have direct access to expertise in how to become more process efficient and productive.

Business Strategy & Market Development – experts in business development.

Leaders in business and brand development will assist processors in exploring new markets and opportunities through trend forecasting, economic analysis, case studies, success stories, company road maps, tutorials and materials. This resource will assist processors in navigating new distribution channels and expanding their business.

Value Chain Development – finding the right partners to develop new supply chains.

The Centre will provide support to processors in their transition from small to mid-sized companies or mid-sized to large by facilitating

access to capital, identifying partners and facilitating new supply chain development. Potential value chain partners will be identified and guidance provided on how to minimize risk in collaboration and increase collective and individual business revenue.

Incubator – pilot plant for small-scale manufacturing.

The Centre will make available a leading edge, flexible manufacturing facility capable of small-scale products runs that can be contracted by processors to investigate new product and process opportunities. The facility may evolve into a commercial incubation centre for food processing.

II. Raising the Profile of Ontario Food & Drink

Ontario has a strong brand presence, and that brand can be leveraged by processor businesses as part of their market development strategy. By increasing the profile of Ontario's assets related to food—a place for healthy, high quality food produced

in a safe food system – there is an opportunity to expand the reputation of Ontario product in developed and emerging markets.

A collaborative initiative between industry stakeholders and the Ontario Ministry of Agriculture and Food/Ministry of Rural Affairs should be initiated to bring clarity to Ontario's brand followed by design and implementation of a campaign that supports brand development in local and global markets. Identifying Ontario brand attributes and the potential for a measurable brand identification system is one way of assisting food and beverage processors in differentiating their product with a new dimension of uniqueness and credibility. Embracing the health debate together with government using science-based, objective story telling will be an essential part of maintaining brand integrity.

An ambassador program where industry champions can promote Ontario food and drink in foreign markets to support trade agreements and attract new investment to Ontario will also be a vital component of brand communications.

III. Developing Talent & A Future In Food

The food and beverage processing industry offers an exciting and diversified career environment but continues to be the industry's best-kept secret. A

comprehensive communications and marketing campaign that engages the Ontario Ministry of Education, Ontario Ministry of Training, Colleges and Universities, Ontario Ministry of Agriculture and Food, industry associations and education stakeholders for the purposes of reaching the next generation workforce is an investment that must be made.

To find a viable solution for sector-specific specialized skills a province-wide plan must also be implemented. This plan will take action on developing on-site training programs, driving collaboration across post-secondary institutions to deliver programs where skills-training is needed, and recruit offshore/seasonal support where there is a local shortage or lack of interest in the role.

IV. Simplifying & Modernizing Regulations

Regulations are an essential and necessary part of ensuring a robust and safe Ontario food system but the cost, complexity and commerce-limiting effect on the sector is a serious problem threatening retention, especially in large urban areas such as the Greater Toronto Area.

The Government of Ontario's Open for Business strategy has been effectively assisting in identifying problems and streamlining processes but there is still room to improve collaboration between industry and government before regulations are enacted and when reform is needed. Working together takes commitment but it is the only way to move to a landscape of balanced decision-making in regulatory frameworks.

A "one window" approach to regulatory navigation for all three levels of government would also assist processors in streamlining record keeping, reducing the paper burden and accelerating regulatory approvals. This approach would have a secondary benefit of creating a collaborative culture cross-ministry and cross-department that would assist in breaking down barriers and reducing unnecessary red tape. Cross-government collaboration would also work favourably when endeavoring to align and harmonize regulations with major trading partners.

NEXT STEPS

With the right measures and investment in place the Ontario food and beverage processing industry can grow by 2020 to 185,000 plus jobs and generate over \$70 billion in revenues.

The time for action is now if we are to meet the needs of Ontarians.

The Alliance of Ontario Food Processors is calling for the immediate creation of a Task Force to be resourced by industry and government.

The Task Force will:

- *Create Implementation Teams for each of the four recommendations that will develop 3-5 year implementation plans identifying necessary resources, partners, timelines and execution structures.*
- *Complete and submit recommendations to the Premier of Ontario and other stakeholders by February 2014 to secure necessary investment and resources.*

AOFP

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