

# HUNGRY FOR CHANGE

**BIG OPPORTUNITY AWAITS CANADA'S FOOD, BEVERAGE AND CONSUMER** PRODUCTS INDUSTRY IF BUSINESS CONDITIONS IMPROVE

As the largest manufacturing employer in Canada, the food, beverage and consumer products (FCP) industry is an integral part of the Canadian economy. Because of the FCP industry, Canadians enjoy some of the safest, highest quality food in the world, and Canada has the potential to be a global leader in feeding the world's growing population.



## **ECONOMIC IMPACT**







FCP companies in Canada purchase

40%

of the food our farmers grow



industry's output,

60%+

is sold through restaurants and grocery stores



In 2018, the value of food and beverage exports was

**\$35.8 BILLION** 

with products shipped to

But serious challenges threaten the long-term sustainability of Canada's domestic FCP industry and will affect our ability to remain competitive and achieve ambitious international trade targets. Over the last several years, intensifying regulation and accelerating costs have squeezed margins to the point that manufacturers may look to more attractive markets to invest.

## INDUSTRY AT RISK



increase in cost of placing and selling product on store shelves

(costs for U.S. manufacturers remained flat)



decrease in full-time employment



average net profit margins for food manufacturers were among the lowest

(across Canadian manufacturing sectors)



of branded products sold on Canadian shelves were neither developed nor manufactured domestically

\* The FCPC Industry Sustainability & Competitiveness Study is based on a five year trend from manufacturers that account for approximately 40% of total grocery sales in Canada

Without changes to the business environment, these downward trends may continue – putting Canadian jobs, rural communities and the economy at risk. The impacts could lead to higher prices and fewer product choices for consumers. Canada has an incredible opportunity to supply our nation and the world with high quality and trusted food, beverage and consumer products. Government and industry must build on existing steps and work together to overcome roadblocks to innovation and investment.

# REQUIRED ACTION



## Apply a competitiveness lens

to all new policies and regulations impacting the FCP industry and find ways to reduce existing regulatory burden, in order to encourage innovation and exports.



## Implement measures

to encourage manufacturers to invest in the modernization of their facilities, production-line efficiencies, and product innovation and reformulation.



## Continue dialogue

with our key trading partners to stabilize trade and open new markets, ratify CUSMA and lift retaliatory tariffs on food and consumer products.

Will Canada seize the opportunity that awaits?

To learn more and read the entire FCPC Industry Sustainability & Competitiveness Study,