

December 16, 2019

The Honourable Marie-Claude Bibeau, P.C., M.P.
Minister of Agriculture and Agri-Food
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Dear Minister Bibeau,

We are writing to congratulate you on your recent re-appointment as Minister of Agriculture and Agri-Food.

FBC-ABC is a national association representing more than 1,500 food and beverage manufacturers from across Canada. FBC-ABC strives to support a strong business environment for our members and a robust food system for Canadians.

Today, food and beverage is the largest manufacturing employer in Canada, collectively employing over 260,000 people – more than the automotive and aerospace industries combined. Total sector shipments, at over \$112.4 billion, are the second largest of any manufacturing sector in the country.

We believe that industry and government have a shared goal – to ensure Canada has a thriving food and beverage manufacturing sector. We have identified three areas of work – Labour, Innovation and Regulation – that we believe are essential to achieving that goal and where shared leadership from both industry and government is required.

LABOUR

Labour is the number one issue facing Canada's food and beverage manufacturing sector today. The problem is expected to become even more dire, with industry projecting a shortfall of 65,000 full time employees by 2025. In addition, the primary agriculture sector is projecting a shortfall of 123,000 workers by 2029. Canada's agri-food sector is facing a looming crisis.

Labour is a complex issue: the problem and the solutions are multi-faceted; labour shortages and issues are often local; and policy and programs fall within federal, provincial and territorial jurisdictions. Even at the federal level, multiple cabinet ministers and government departments have responsibility for various elements of the problem and hold the authority to contribute to various elements of the solution.

At the June 2019 Food Processing Value Chain Roundtable, FBC-ABC presented a framework – People, Careers & Workforce Planning – that demonstrates the complexity of industry’s labour problems. Present at that meeting were executives from your department as well as senior representatives from Employment and Social Development Canada and Immigration, Refugees and Citizenship Canada. Progress on labour issues requires leadership and coordination from both industry and government. FBC-ABC is working with industry associations, producer groups and other stakeholders to coordinate our work on the labour file. We also need your leadership to champion and coordinate work on this issue at the federal level and across all orders of government.

Where to Start:

- We recommend that, under your leadership, AAFC establish an internal division headed by a senior department official to lead and coordinate work on the agri-food industry’s labour issues. Industry recognizes its own obligations and would take responsibility for coordinating and increasing collaboration among interested industry groups and stakeholders.
- We recommend that AAFC establish a small but focused working committee of the Value Chain Roundtables to include representatives from the agri-food industry and key government departments to develop a joint plan of permanent solutions to help meet the agri-food sector’s long-term labour needs.
- To support this work, labour should be a central issue on the agenda for the July 2020 Federal-Provincial-Territorial Agriculture Ministers meeting, where the work of the working committee would be presented by industry.

INNOVATION

While innovation continues to be a priority issue for food and beverage companies and their industry associations, the sector has made little progress in identifying or moving towards specific innovation goals. This in part is due to unique challenges in the food and beverage manufacturing sector including broad company demographics, wide company geographic distribution, industry fragmentation and a lack of coordination among innovation stakeholders.

Where to Start:

- We recommend that AAFC and industry, working with innovation stakeholders (academic institutions, research facilities, food tech centers), undertake a joint project to develop a full and accurate understanding of the level and nature of innovation today; to explore the future potential for innovation, given the unique nature of the sector; and to work together to design policies and programs to support industry in adopting further innovation. As with labour, industry would recognize its role in bringing together industry groups and stakeholders to work with government on this issue.

REGULATORY AGILITY

Food and beverage manufacturing is one of Canada's most highly regulated sectors. These regulations can help to support Canada's system of and reputation for safe and reliable food. Regulations can, however, become overly burdensome adding costs and reducing industry's ability to innovate. It is essential that we achieve the correct balance. More and more, companies are suggesting the burden has become too great and that new regulations, while well intended, do not adequately consider the cost and harm to industry.

Where to Start:

- Treasury Board Secretariat (TBS) has started an ambitious and forward looking body of work focused on how Canada's regulatory system can be more agile and less burdensome. We recommend that AAFC and industry work together and with TBS to make agri-food the early focus of this work.

We thank you for taking the time to review these priorities and hope for an opportunity to discuss how to move each of these issues forward.

Sincerely,



Kathleen Sullivan
CEO

c.c. Daniel Vielfaure, Co-Chair, FBC-ABC and Deputy CEO, Bonduelle Group
Michael Burrows, Co-Chair, FBC-ABC and CEO, Maple Lodge Farms
Chris Forbes, Deputy Minister, Agriculture and Agri-Food Canada
Alison Porter, Chief of Staff, Office of the Minister of Agriculture and Agri-Food