

Food and  
Beverage  
Canada



Aliments  
et boissons  
Canada

# Annual Report 2019-2020





Advocating for food and beverage manufacturing businesses in urban and rural communities across Canada.



# Table of Contents

<b>3</b>	<b>CEO &amp; Co-Chair Remarks</b>
<b>5</b>	<b>Managing the Present &amp; Planning Ahead</b>
<b>7</b>	<b>Our Priorities</b>
<b>8</b>	<b>People, Careers &amp; Workforce Planning</b>
<b>9</b>	<b>Explaining Innovation</b>
<b>10</b>	<b>Focus on Regulatory Modernization</b>
<b>11</b>	<b>Our Perspective on 2020-2021</b>
<b>13</b>	<b>Board of Directors</b>



## CEO Remarks

In 2018, Food and Beverage Canada — Aliments et boissons Canada (FBC-ABC) was formed as a new national association representing Canada's food and beverage manufacturing sector. Our goal was to ensure a strong, unified voice in Ottawa for the 7,000 food and beverage manufacturers located across this country.

When FBC-ABC was created, its members identified three key priorities: Labour, Industry Competitiveness and Regulatory Modernization.

Throughout 2019 and into 2020, FBC-ABC remained focused on these priorities; making significant progress building the association's profile and advocating for a policy environment that supports a strong food and beverage manufacturing sector and a safe and healthy food supply.

While COVID-19 has significantly impacted the association's focus in recent months, it has not altered FBC-ABC's mission. At FBC-ABC, we remain more committed than ever to ensuring Canada offers a competitive business environment that enables

growth and sustainability for this critical sector through knowledge sharing, consultation, business-led solutions, and proactive advocacy.

In the short-term, FBC-ABC continues to advocate for greater understanding of, and support for, food and beverage companies as they manage COVID-19. But we also have an eye on the future – with focus on the recovery phase of the crisis and on ensuring the long-term sustainability of Canada's food system.

### **KATHLEEN SULLIVAN**

CEO, Food and Beverage Canada

# Co-Chair Remarks

Food and beverage manufacturing is the largest manufacturing sector in Canada.

Its 7,000 companies employ close to 300,000 workers and produce \$118 billion in products every year.

Despite the significance of this industry to food security, to the national economy, and to Canada's trade portfolio, there are virtually no federal resources focused on this important sector.



MICHAEL BURROWS

This situation is not new, but COVID-19 has confirmed it is no longer sustainable. The COVID-19 pandemic has magnified both the importance and fragility of Canada's food supply. It has also highlighted the need to strengthen federal understanding of Canada's food system and to cultivate federal leadership over the issues impacting industry growth.

COVID-19 has also reaffirmed for us the importance of ensuring that Canada's food and beverage manufacturing leaders work together to amplify the voice of our sector. For too many years, food and beverage manufacturing – Canada's largest manufacturing sector – has been overlooked by federal policy makers. Only by working together and coordinating our resources and our voice, will we continue to make a difference in Ottawa.



DANIEL VIELFAURE

As we enter our third year as Co-Chairs of FBC-ABC, we are firm in our commitment that FBC-ABC is uniquely positioned to unite our industry – through the membership of our provincial and regional food and beverage manufacturing associations, and through our close affiliation with Canada's national product associations. Working together, there is no challenge we cannot overcome.

## **MICHAEL BURROWS**

CO-CHAIR, FBC-ABC  
CEO, Maple Lodge Farms

## **DANIEL VIELFAURE**

CO-CHAIR, FBC-ABC  
Deputy CEO, Bonduelle Group & CEO, Bonduelle Americas

# Managing the Present & Planning Ahead

Since the onset of COVID-19, Canada's food and beverage manufacturers have been focused on two critical goals: protecting frontline food workers and sustaining Canada's food supply.

Food and beverage manufacturers are facing their greatest challenge – as governments manage the health impacts of COVID-19, our sector has been asked to keep plants running so Canadians can eat.

Food and beverage facilities were designed and laid out for efficiency, innovation, and, above all, food safety. Virtually overnight, in early 2020, 7,000+ food and beverage plants had to develop and introduce new health and safety measures – measures such as social distancing, use of Personal Protective Equipment (PPE) and health screening tools, building of new temporary non-structural barriers, and changes to production lines – to keep their front-line workers safe.

Companies adopted these measures early, with little external guidance or support from federal and provincial governments.

Leadership during COVID-19 has come from industry itself.

- Companies have come together to share their best practices in managing and responding to COVID-19. Leading food and beverage manufacturers have developed COVID-19 guidelines and playbooks and have willingly shared these with other companies and industry partners.
- FBC-ABC has coordinated a group of 14 provincial and national food and beverage processing associations to lobby the federal government for COVID-19 support programs to address the cost pressures on industry, leading to an initial \$77.5M in federal support.
- BC Food and Beverage has launched its *Protecting Our People* Program – an on-line purchasing program to source much needed PPE for BC's food production, seafood, and agriculture sectors.

- Food and Beverage Ontario has launched its *Frontline Food Facts* campaign to recognize the industry's frontline heroes and provide honest answers to the consumers asking questions about the food and beverage sector.
- CTAQ has developed a Guide – *Preventive Measures for the Food Industry Amid the COVID-19 Pandemic* – to support food and beverage manufacturers through COVID-19.
- FBC-ABC and Canada's leading provincial/regional food and beverage associations have developed a joint analysis of the PPE needs of the food and beverage sector – an analysis that has been shared with Public Safety Canada, Innovation, Science and Economic Development Canada, and Agriculture and Agri-food Canada.
- FBC-ABC developed a joint submission with primary agriculture groups to successfully reopen the Canadian border for Temporary Foreign Workers.

And the work continues.

# Managing the Present

## & Planning Ahead (continued)

COVID-19 is not a “short term” crisis. This is a new normal of extraordinary cost pressures and industry restructuring facing Canada’s largest manufacturing sector. FBC-ABC continues to coordinate with industry partners to identify and advance a shared set of short, mid and long-term goals to ensure the food and beverage manufacturing sector has the support needed to succeed.

### **SHORT-TERM** Increase Financial Support

Make certain as many food and beverage manufacturers as possible qualify for COVID-19 financial support programs. If businesses close, there is no guarantee they will reopen when the health and economic crises stabilize.

### **MID-TERM** Begin Building A Plan for Industry Recovery

Plan for the recovery phase of the crisis so we can ensure the long-term sustainability of Canada’s food system. Focus on key issues including on-going disruptions, changes to PPE measures, supply chain adjustments and an impact analysis framework.

### **LONG-TERM** Ensure National Leadership Supporting Canada’s Food System

Learn from recent experiences by increasing understanding of the sector. Focus on federal policy makers, cultivating strong leadership from within the federal government, and increasing public understanding of the Canadian food system.



# Our Priorities

FBC-ABC made significant progress in 2019 and the early part of 2020 on the association's Strategic Plan. The 2020 COVID-19 outbreak required FBC-ABC to refocus its resources in the short-term, but the organization's main priorities continue to drive activities.

## Membership Strategy

- FBC-ABC's digital membership recruitment campaign – *Innovate, Influence, Inspire, Belong* – was launched in 2019 to connect with potential members across the country. The campaign leveraged the newsworthy topic of the day, the 2019 Federal Election, and placed a spotlight on current FBC-ABC members.

## Effective Policy & Advocacy

- In 2019, FBC-ABC established working groups and strategies to support each of the association's three policy priorities – Labour, Industry Competitiveness, and Regulatory Modernization.
- FBC-ABC provided input to federal political parties prior to the 2019 election to highlight and assert influence on issues concerning food and beverage manufacturers.
- FBC-ABC held regular quarterly Lobby Days on Parliament Hill and participated in 65+ consultations and meetings with senior political and government officials to raise the profile of the sector and positively impact public policy and programs.
- FBC-ABC raised the profile of industry and its key issues through 11 media releases and statements and regular media interviews.

- In February 2020, FBC-ABC temporarily refocused national resources in response to the COVID-19 outbreak emergency.

## Engaging Associations

- FBC-ABC implemented a new committee structure, and effective systems and processes for improved industry input and efficiencies within the organization.
- FBC-ABC achieved majority member participation in organizational governance and policy development.

## Effective Infrastructure

- FBC-ABC designed and implemented a new corporate branding strategy, and financial systems and protocols to support FBC-ABC as a leader in industry advocacy.

# People, Careers & Workforce Planning

Labour is a complex and multi-faceted issue impacting food and beverage manufacturers from coast to coast. To ensure better understanding of the structural issues impacting workforce planning, in 2019 FBC-ABC created a model and narrative – *People, Careers and Workforce Planning* – to describe the current labour environment for businesses.

In February 2020, FBC-ABC convened a Labour Planning Session – bringing together 25 leaders from food and beverage companies, government, and training and educational institutions – to identify priority initiatives that will build and retain a strong workforce and contribute to sector growth. That session identified three key priorities:

- **Qualified Foreign Workers** – Address, on an urgent basis, the need for immigration and Temporary Foreign Worker programs that support timely access to foreign labour without unnecessary administrative burden.
- **Automation and Innovation** – Develop funding programs that are not tied to “job creation” to support the introduction of automation and innovation to improve productivity and address labour shortages.

- **Domestic Skilled Trades Development** – Create alternative training and accreditation models that will increase the availability of relevant and required skilled tradespeople.

The analysis and strategic work completed by FBC-ABC to better understand the sector’s labour situation primed the organization to address new COVID – 19 related workforce challenges. Employee absenteeism, evolving occupational health and safety measures, and frontline worker concerns have directly impacted business sustainability. Building confidence with frontline workers, and clearly communicating food supply chain concerns with consumers is an added focus for FBC-ABC in 2020.



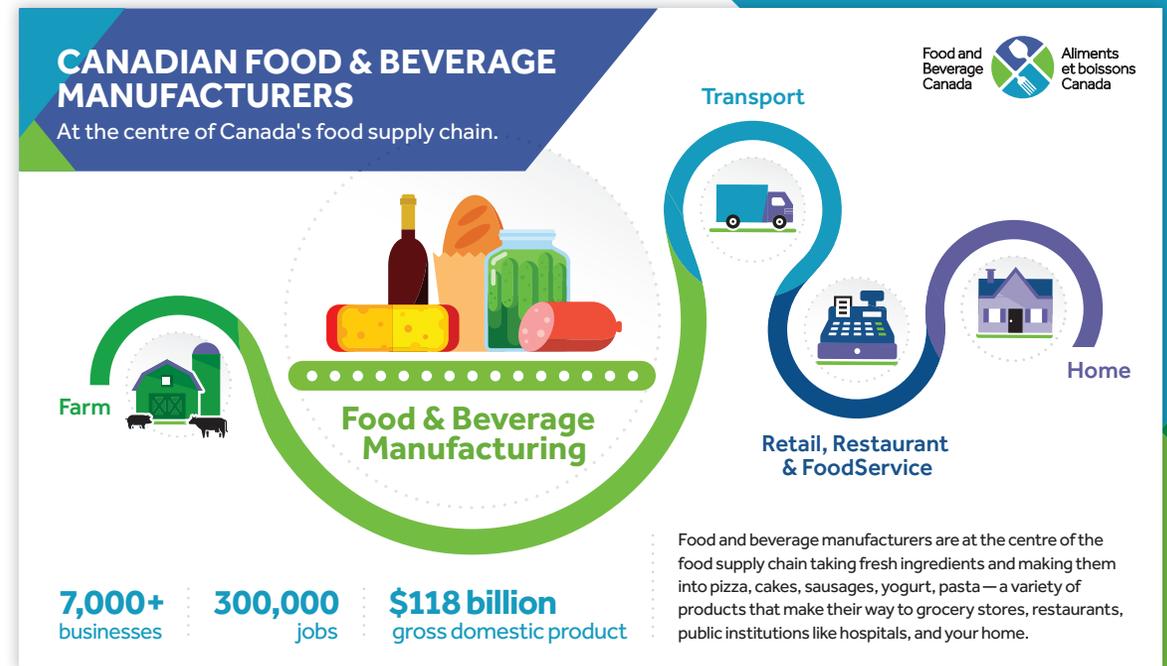
# Explaining Innovation

On one issue — innovation — the food and beverage industry continues to stand out as having unique challenges due to, among other variables, company demographics and geographic distribution, industry fragmentation, and a lack of coordination among innovation stakeholders.

FBC-ABC is taking a leadership role by working with innovation stakeholders – academic institutions, research facilities, food tech centers, and all levels of government in exploring the current state of innovation in the sector and setting realistic innovation objectives.

In February, FBC-ABC took the first step in establishing a common understanding of industry innovation by hosting an informative Innovation Tour for federal government officials. This tour guided representatives from government through the real-time innovation challenges and solutions Canadian food manufacturing facilities were engaged in. Participants had the opportunity to see, first-hand, the various types and stages of innovation in companies, and the business perspective on implementing new technologies and processes in the workplace.

With the COVID-19 outbreak, industry has had to shift its requirements for innovation. Managing an evolving work environment and adjusting to unique supply chain issues, as examples, will require a different kind of innovation lens in 2020.





# Focus on Regulatory Modernization

Regulatory modernization is a key issue for food and beverage manufacturing — one of the most highly regulated sectors in Canada. There is no aspect of food production, storage, distribution, and manufacturing that is not federally regulated to some degree.

FBC-ABC believes regulatory modernization is critical to our industry's competitiveness, ensuring regulations keep pace with innovation and technological development and, in so doing, allowing food and beverage manufacturers to best support health and food safety.

Since its formation in 2018, FBC-ABC has advocated for a number of measures to support regulatory agility and responsiveness, including:

- Decoupling the Food and Drugs Act and creating a new, modern Food Act for Canada.
- Ensuring all federal departments, including regulatory departments and agencies, incorporate competitiveness and innovation in their mandates.
- Introducing a competitiveness test in evaluating federal regulations.

- Using regulatory mapping as a tool to demonstrate the cumulative impact of regulations on the food and beverage manufacturing sector.
- Implementing a meaningful one-for-one rule to ensure new regulations do not augment regulatory burden.

Prior to last fall's federal election and the outbreak of COVID-19, the federal government was making progress on several of these recommendations. As COVID-19 continues, our immediate focus will be to delay any new regulatory initiatives that would further burden food and beverage companies in these challenging times. To date, the Canadian Food Inspection Agency has confirmed it will not prioritize compliance activities associated with the July 15, 2020 coming into force of the Safe Food for Canadians Regulations for food and beverage manufacturers.

# Our Perspective

on 2020-2021

For many sectors, including food and beverage manufacturing, 2020 will be defined by COVID-19.

As the first active phase of the global pandemic continues, we know that many Canadian food and beverage manufacturers are under significant pressures to contract or close their operations due to the loss of food service sales, liquidity issues, the inability to manage health care considerations, or increased worker absenteeism.

Although it is too early to fully understand the full impact of COVID-19 on our sector, we know that many businesses are struggling.

At some point, perhaps this Fall, the food system should experience a relative calming as the COVID-19 health care crisis comes under control. In this recovery phase, food

demand patterns will likely begin to stabilize as food service sales increase, input supplies will become more available, and the risk of the virus to food workers will decrease.

At this point, food and beverage manufacturers will be better positioned to retroactively examine the impact of the crisis and to evaluate their future economic viability. This will allow all stakeholders to better understand the full impact of the COVID-19 crisis on food and beverage companies and on the food system overall.



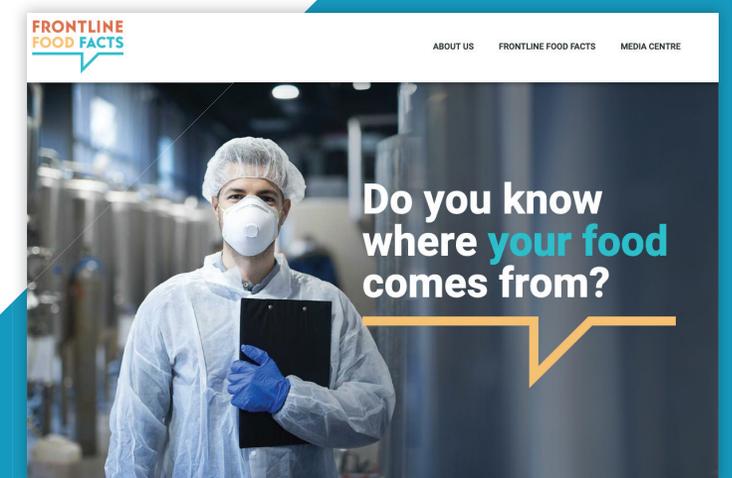
# Our Perspective

on 2020-2021 (continued)

It is not too early to be thinking about the future. FBC-ABC and its provincial partners have requested that federal and provincial governments work with our sector to develop a plan for the recovery of food and beverage manufacturing.

- Evaluate the state of the food system in the aftermath of the first outbreak of the pandemic.
- Identify key issues and considerations facing the food system going forward – including worker health considerations, supply chain issues and the overlay of regulatory obligations.
- Create recommendations on how to manage on-going potential disruptions to the food supply.
- Determine what measures e.g. social distancing, barriers, Personal Protective Equipment will industry need to permanently adopt, and how, in the new world of COVID-19.
- Ensure a consistent framework for evaluating the impact of COVID 19 at the federal and provincial levels.

2020-2021 will also be the time to undertake an “Arms-Length Review of How the Food System Managed during COVID-19”. Stakeholders have an opportunity to learn from this experience and, by examining what unfolded during the pandemic, ensure that a better and stronger food system emerges for Canada.



A Food and Beverage Ontario initiative to recognize frontline food heroes and offer straight talk on industry issues with consumers.

# Board of Directors



## Daniel Vielfaure

Co-Chair, FBC-ABC  
Deputy CEO, Bonduelle Group & CEO,  
Bonduelle Americas



## Michael Burrows

Co-Chair, FBC-ABC  
CEO, Maple Lodge Farms



## Sylvie Cloutier

CEO, CTAQ, Vice-Chair



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Gay Lea Foods, Officer-at-Large



## Rory McAlpine

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Sofina Foods



## Bruno Burelle

Senior Director, Purchasing and Demand  
Planning, Groupe St-Hubert



## Become a Member

- Have your business interests come first.
- Connect with food and beverage manufacturers across Canada.
- Stay current on industry issues.
- Count on the best spokesperson in Ottawa.

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