



**STAFF REPORT
ACTION REQUIRED**

**Initiatives to Strengthen Food & Beverage Sector
(Collaborating for Competitiveness – Implementation
Action 7)**

Date:	January 6, 2014
To:	Economic Development Committee
From:	General Manager, Economic Development and Culture
Wards:	All
Reference Number:	

SUMMARY

This report provides an update on the Food and Beverage processing sector in Toronto and the work completed to date on the *Golden Horseshoe Food & Farming Action Plan, 2021*(GHFFAP). The Action Plan is a collaborative strategy between the members of the Greater Toronto Agricultural Action Committee (GTA-AAC) including the City of Toronto, the Region of Niagara, the City of Hamilton and other industry and farming stakeholders that was endorsed by Toronto City Council in April 2012.

RECOMMENDATIONS

The General Manager, Economic Development and Culture recommends that City Council:

1. continue to support the work of the Golden Horseshoe Food and Farming Alliance (GHFFA) in co-operation with the Regions of Peel, Durham, Halton, Niagara and York, the City of Hamilton, the Ontario Ministries of Agriculture, Food and Rural Affairs (OMAFRA), Municipal Affairs and Housing (MMAH) as well as Agriculture and Agri-food Canada (AAFC), and the Toronto and Region Conservation Authority (TRCA) and other partners;

2. authorize and direct appropriate city staff to continue to work with regional, local and industry partners to implement specific actions under the *Golden Horseshoe Food & Farming Action Plan, 2021*

Financial Impact

Conditional upon Council approval as part of the 2014 Operating Budget, Economic Development and Culture will provide \$30,000 to the GHFFA in 2014 for administration of their programs. Funding is included in the Recommended Economic Development & Culture 2014 Operating Budget, currently under consideration.

The Deputy City Manager and Chief Financial Officer have reviewed this report and agree with the financial impact information.

DECISION HISTORY

In August 2009, the Vineland Research and Innovation Centre, in partnership with the GTAAAC, the Friends of the Greenbelt Foundation and the Region of Niagara, hosted a Summit with stakeholders to address food and farming issues. Through these discussions, it became evident that regional and municipal organizations were working on similar projects and initiatives. As a result, in the fall of 2011 the original members of the GTA-AAC (the Regions of Peel, Halton, York and Durham and the City of Toronto) the Region of Niagara, City of Hamilton and Friends of the Greenbelt Foundation joined forces to develop the *Golden Horseshoe Food & Farming Action Plan, 2021*.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.ED12.5>

In 2012 the Work plan was adopted in order to match the pillars from the Action Plan that established the Golden Horseshoe Food and Farming Alliance. The current Toronto representative on the GHFFA is Councillor Mary Fragedakis.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.ST9.4>

ISSUE BACKGROUND

Toronto's Food & Beverage cluster is of great importance to the region, and along with Chicago, New York and Los Angeles, is one of the largest food and beverage clusters on the continent. About 47.2% of Ontario's employment in the Food & Beverage Sector was in the Toronto CMA in 2010. The total annual sales in the Toronto CMA were estimated to be approximately \$17 billion or about 47% of Ontario's annual sales of \$35 billion in 2010. (Source: Ontario Ministry of Agriculture & Food, 2010).

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In the Toronto Census Metropolitan Area (CMA), there are approximately 995 food and beverage manufacturing establishments employing over 60,000 people (Sources: Canadian Business Patterns, Dec. 2012; and Labour Force Survey, 2012) Within the City of Toronto there are 494 food and beverage manufacturing establishments. There are approximately 27,700 City of Toronto residents employed in the Food and Beverage manufacturing sector. This accounted for 46.1% of total employment (by place of residence) in the Toronto CMA. (Sources: Canadian Business Patterns, Dec. 2012; and Labour Force Survey, 2012)

Within Ontario, Toronto dominates the provincial food industry with more than half of all the food processing in the province taking place within the Greater Toronto region. A recent white paper on the Food & Beverage processing industry in Ontario, produced by the Alliance of Ontario Food Processors, calls the sector "*The New Engine of Ontario's Economy*".

http://www.aofp.ca/pub/docs/Ontarios_Food_and_Beverage_Processing_Industry_Strategy_The_New_Engine_of_Ontarios_Economy.pdf

The five pillars of the GHFFA are to:

- A. ***Grow the Cluster:*** Grow food production, processing, research and training in the Golden Horseshoe so it becomes the leading food and farming cluster in the world, renowned for healthy and safe products.
- B. ***Link Food, Farming and Health:*** Educate current and future consumers about the importance of locally-sourced food and farming products for enhancing their health and well-being.
- C. ***Foster Innovation:*** Encourage and support innovation to enhance the competitiveness and sustainability of the Golden Horseshoe food and farming cluster.
- D. ***Enable the Cluster:*** Align policy tools and their application to enable food and farming businesses to be increasingly competitive and profitable.
- E. ***Cultivate New Approaches:*** Pilot new approaches to support food and farming in the Golden Horseshoe.

To date, the accomplishments of the GHFFA have been to:

1. Raise funds of \$210,000 from Greenbelt Foundation for first two years of operation to pay for administrative operations.

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2. Identify and appoint staff from each municipality to contribute to the Working Group of the Golden Horseshoe Food and Farming Alliance. The staff member for City of Toronto is Michael Wolfson, Senior Advisor Food and Beverage Sector, Economic Development & Culture Division with support from Lauren Baker, Toronto Public Health staff representative to the Toronto Food Policy Council.
3. In the fall of 2012, the Municipal Economic Development Conference of the Ontario Ministry of Agriculture and Food was co-hosted by the City of Toronto, the Greater Toronto Area Agricultural Action Committee and the Ontario Ministry of Agriculture and Food in order to demonstrate the economic value of the locally grown produce to the provincial economy as it moved through the food value chain from farm to table. The 'tofu trail' followed the soya bean from farm to fork. Tours were conducted of Sunrise Soya, a Toronto tofu manufacturer, the Ontario Food Terminal and TnT Supermarket.
4. Coordinating regional input to a video project, called 'Off the Beaten Palate' that featured the food and farming sectors in the Golden Horseshoe including the Brickworks Farmer's Market, the St. Lawrence Market and the CN Tower Edge walk. This was launched in the United States on PBS in June 2013 and has subsequently been shown several times in both the U.S. and Canada as part of a multi-episode series.
5. Completing Phase 1 of the Asset Mapping Project for the Golden Horseshoe, which has provided all stakeholders with the tools required to collect and analyze the food and farming asset data in the Golden Horseshoe. The project also provided an analysis of the trends in and structure of the agri-food value change in the Golden Horseshoe so that we can better understand the strengths and weaknesses in this important region.
6. Convened a meeting of Public Health officials from across the Golden Horseshoe, led by Dr. David McKeown, in order to discuss food security, access to healthy foods and other health and food related issues that face the region. This was the first time a meeting like this had been held.

Work plan for 2014/2015;

The Golden Horseshoe Food and Farming Alliance work plan goals fall under the following headings; **Replicate, Collaborate, Incubate and Communicate.**

1. **Foodstart;** Using Niagara College's successful undergrad placement program with food processing companies, this pilot would place students from George Brown College and Durham College in paid internships within the industry.
Collaborate and Replicate

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2. **Asset Mapping 2;** This project builds on the success of part 1, which concentrated on gathering the data from all partners. In part 2 we will find a host site for all data, once data sharing agreements have been signed by partners. This will lead to a live up-dated data file of all agri-food assets in the region and finally an analysis of gaps and opportunities for growth. **Collaborate**

3. **Stakeholder Group for Food Innovation Centre;** Participate on a regional basis in further pursuing the viability of a funding and implementation model for a Food Innovation and Commercialization Centre that will assist new, small and medium size companies develop local, healthy and innovative food products. **Incubate and Collaborate**

4. **Public Health Collaboration on Local Food:** Convene another meeting of public health representatives across the Golden Horseshoe to continue to track what's being done, share ideas, and develop a workplan to further local food education and promotion. Regular meetings will follow to ensure implementation of the public health work plan. Initiatives could include in-school programs, community gardens, fairs & festivals, local food procurement programs.

COMMENTS

Since last reporting to the Economic Development Committee in 2012 a number of initiatives have been cultivated to help strengthen and grow the Food & Beverage processing sector. In 2013 along with work on a number of food business expansions the following accomplishments were achieved.

1. One program that was launched in March 2012 was the *'Entry Level to Food Processing Training'* developed through a joint partnership with Economic Development & Culture, Toronto Employment and Social Services, Toronto Public Health and the Toronto District School Board. In 2013 the program won the City Manager's award for Cross Corporate Collaboration and to date has placed 28 former Ontario Works (OW) clients in food industry positions and generated in excess of \$1.2 million in economic benefits within the city of Toronto.

2. Staff from Economic Development and Culture ran four *'How to Start a Food Business Seminars'*, throughout 2013 and delivered food industry start up information to over 280 participants. Many were then connected to the network of commercial kitchens in Toronto and the Toronto Food Business Incubator (TFBI) for further business development.

3. EDC staff hosted a booth at the **Canadian Restaurant and Food Association (CRFA)** trade event that allowed 7 small scale city of Toronto food processors; *Casa Manila, Aiden's Gluten Free, Mary Mcleod Shortbread, Mad Mexican, Christine Cushing's Gourmet, Caveman Foods,* and *Alvim Fine Foods* the opportunity to showcase and display their products. New contracts were developed at the show and a new commercial product, **Gluten Free Cheese Bread**, was launched by *Alvim Fine Foods*, winner of Toronto's Next Great Food Product contest at the Toronto Small Business Forum.
4. Work with **BLOOM Centre for Sustainability** to run a pilot project in two Toronto food processors in order to reduce their waste water effluent and their water surcharges. Capital equipment was placed in **Weston Bakeries** and **Portuguese Cheese** at no charge to the companies. More than \$200,000 worth of equipment leveraged. As well, the **Energy Efficiency Office** worked through **BLOOM** to provide funding that leverage additional contributions from **Toronto Hydro** and **Enbridge Gas** to undertake an audit at **Gay Lea Foods** in order to identify energy, water and waste water cost savings that will ultimately save the company in excess of \$200,000 per annum in energy and water efficiency.

As the year concluded in 2013 the City of Toronto was informed by the Board of the Toronto Food Business Incubator (TFBI), that the 2,500 sq. ft. food grade facility launched in 2007 as a pilot project with the assistance of City of Toronto funding and staff, would close at the end of January 2014 while it transitions to a larger, more sustainable space that would suit the growing needs of its clients. The pursuit of a regional Food Innovation and Commercialization Centre for Toronto, as recommended as part of the GHFFA work plan for 2014/2015, would assist as a future home for new food processing companies that would be more sustainable in the long run and will incorporate the findings of the TFBI pilot project.

CONCLUSIONS

Food and Beverage manufacturing is a major economic driver for the city of Toronto, employing in excess of 60,000 people, with approximately 50% of the processing of food and beverage in the Toronto CMA being done in the City of Toronto proper. More than 47% of Ontario's employment in the Food & Beverage Sector was in Toronto CMA in 2010.

It is important to understand that food production does not recognize municipal borders. The food value chain, from field to fork, is a regional economic driver and as such our participation in regional food and farming alliances are vitally important to the people of Toronto. According to the latest figures collected by the Ontario Ministry of Agriculture and Food approximately 65% of what is grown in Ontario is further processed in Ontario. Recognizing the economic and job creation strength of an integrated Food & Beverage sector the City of Toronto has been encouraging greater collaboration between the urban

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and rural sub-sectors of the industry for many years. The Golden Horseshoe Food and Farming Alliance is an important initiative to achieve this objective. Interaction between farmers, processors, food distributors, and food service institutions are now becoming more frequent. Ontario farmers are beginning to react to the demands of the urban centres by diversifying their crops to provide local food options geared to the cultural and ethnic diversity of cities. By participating in regional entities like the Golden Horseshoe Food and Farming Alliance the City of Toronto has a voice in preserving our local farmland ensuring that the raw materials that supply many of our urban food manufacturers continues to be there now and in the future.

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