

# Toronto Food & Beverage Manufacturing Sector Road Map 2020 - 2030

Collaborating to Enhance Pathways to Innovation and Growth

Economic Development & Culture  
City of Toronto

# Foreword to the Reader

*Toronto has had a long and well documented history with food and beverage manufacturing. Today, the City is sometimes referred to by its nickname 'The Six'. But for generations before it was known as 'Hogtown', nicknamed after the sprawling stock yards of the William Davies Company, one of Canada's earliest and largest meat packers. Davies would soon go on to create Toronto's first iconic food item 'Peameal Bacon'. The William Davies Company would grow to become Canada Packers and then later Maple Leaf Foods. Today it is one of the world's leading meat protein manufacturers and suppliers. The Gooderham and Worts Distillery was founded in 1832 and by the late 1860s was the largest distillery in the world. Once providing over 2 million US gallons (7,600,000 L) of whisky, mostly for export on the world market, the company was bought out in later years by rival Hiram Walker Co., another large Canadian distiller. Its location on the side of the Canadian National Railway line and its proximity to the mouth of the original route of the Don River outlet into Lake Ontario allowed for a facilitated transport connection to the rest of Canada and the world, enabling Toronto's domination as an industrial centre.*

*In the 1980s innovation thrived in Toronto, driven mainly by new, emerging, specialty food businesses. One of the drivers of this innovation was the launch of the President's Choice line of products and the subsequent popular Insider's Report. Local manufacturers from Toronto and surrounding regions created new items for Loblaw's Co. on a quarterly basis filling supermarket shelves throughout Canada. At its height, President's Choice was a leading international brand selling in every major supermarket chain in the U.S., Australia, and the U.K. It garnered Toronto area producers a great reputation for high quality, unique and authentic tasting world foods.*

*For those who come to Toronto, discovering neighbourhoods such as the St. Lawrence Market or Kensington Market or Little Italy or Cabbagetown or the Distillery District or Chinatown, soon see that food and beverage is an integral part of the fabric of the City. In 2016, New York Times author Jeremy Egnor noted 'In this famously diverse city you'll find an energetic food scene, vibrant street culture and cocktail wizardry.'*

*Food manufacturing, food security, food transportation, the growing of food in urban centres and food employment and skills are all essential to an urban population, and is vital to life in Toronto. There is a notion that food is a primarily rural, agricultural issue that is linked to rural development. At the turn of the 20th Century immigrants coming to Canada would often settle in rural areas and came from countries with agrarian backgrounds. Today immigrants primarily land in urban centres, bringing with them a diversity of food cultures. The intent of the City of Toronto's Economic Development and Culture Division (EDC) when commissioning this report was to create an action-centric strategy which could be taken up by the City of Toronto and all industry players, with mechanisms that would evolve and develop over time to ensure the survival and growth of Toronto's Food and Beverage Sector. Enjoy the report.*

## **A Vision for the Toronto Food and Beverage Cluster**

The Toronto Food and Beverage sector will be the leading cluster in North America. It will achieve and sustain this by drawing upon its long experience, continuous innovation, and outstanding companies, in close collaboration with its academic partners and a nurturing public sector.



# Contents

Toronto Food & Beverage Manufacturing Sector Road Map 2020 - 2030 \_\_\_\_ 0

Foreword to the Reader \_\_\_\_\_ 1

Executive Summary \_\_\_\_\_ 3

Background \_\_\_\_\_ 5

Introduction \_\_\_\_\_ 7

Methodology \_\_\_\_\_ 11

International Food and Beverage Cluster Review \_\_\_\_\_ 13

Toronto Food and Beverage Industry Case Studies \_\_\_\_\_ 21

Toronto Food and Beverage Industry Consultations \_\_\_\_\_ 24

Recommendations \_\_\_\_\_ 27

Conclusion \_\_\_\_\_ 34



# Executive Summary

The importance of the food and beverage processing sector to the City of Toronto's economic and social growth cannot be overstated. There are over 1,000 registered companies that produce food and beverage products in Toronto.

The industry employs in excess of 65,000 direct individuals in the Census Metropolitan Area. These employees come from all walks of life. From line workers that come from other countries and find their first employment opportunities in the food and beverage sector to graduates from regional universities and colleges that create, develop, research and insure that the food products produced by companies in Toronto are the safest, most innovative and quality merchandise available for both domestic and foreign consumption. In order to insure the sustainability and growth of this sector EDC needs to help establish an inter-divisional working group within the City of Toronto that meets on a regular basis to discuss and deal with issues faced by the sector. The Toronto Food and Beverage Inter-divisional Advisory group (FABIA) would be made up of Transportation, Toronto Employment and Social Services, Toronto Water, Toronto Hydro, Planning, Municipal Licensing, Social Development, Finance and Administration, Toronto Public Health and the Solid Waste Management Services. This has been tried in the past with the Toronto Cask Force with great success.

In the past number of years a food and beverage sector organization has been tried numerous times with very little traction. The last effort was begun by the Toronto Region Board of Trade<sup>1</sup> in 2015 and then passed on to the Food and Consumer Products of Canada (FCPC)<sup>2</sup> to grow. The GTA Food and Beverage Cluster was publicly launched in April 2015 by FCPC with the goal of bringing together business, government, academia, key stakeholders and community leaders with a vision to promote and grow the sector over the long term.

The purpose is to develop a single unified voice to act as a coordinating force to move the sector forward. This advisory group should take on the issues and challenges of greatest importance to the largest number of sector members and work with each element of the sector to develop solutions to these challenges. At the same time, opportunities will be discovered to move the sector forward as a whole and these should also be taken under the wing of this Advisory Group. Using the Chicagoland Food and Beverage Network as a good example, this group should act as a resource for new food and beverage entrants, networking opportunity for existing companies, and a resource to draw attention to the importance of the sector to the Greater Toronto Regions

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<sup>1</sup> <https://www.bot.com/>

<sup>2</sup> <https://www.fcpc.ca/>





economy. Clearly the City of Toronto is the heart of the regional food and beverage industry, but there are many other firms in the surrounding jurisdictions of the GTHA which add mass and value to the overall local industry base. Collectively, this large industrial base can be the anchor for the formation of a true food and beverage cluster, with all of the attendant elements necessary to sustain and grow such a cluster.

As we have seen with Food Valley in the Netherlands clusters rarely simply “happen”; bold visioning and a concerted effort are required to drive the initiative.

The time may be right to bring the International Food Processing Innovation and Commercialization Centre (IFPICC) concept to the fore with a view to creating a 'cluster campus' for food and beverage production in Toronto, one of the largest food and beverage cluster regions in North America.

In 2012 the Golden Horseshoe Food and Farming Alliance (GHFFA)<sup>3</sup> was formed and released its action plan. Much has been accomplished by this organization since then but many of its initiatives have been targeted to planning and zoning issues of the GGH. What is required is the establishment of a GHFFA Food Processing Subcommittee that can focus on the regional promotion and growth of the food and beverage processing sector within the GGH.

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<sup>3</sup> <http://www.foodandfarming.ca/>



# Background

The food and beverage processing sector has been in transition over the past 15 years and continues to evolve. Today food and beverage manufacturing is an urban centric industry rather than a rural manufacturing industry. Municipal governments have the most interaction with food and beverage manufacturers on a daily basis and this is a phenomenon that can be seen around the world. This is no different in Ontario. More than 50% of all food and beverage manufactured in the province is done in the Greater Toronto Area. It is imperative that the City of Toronto listen to its food and beverage manufacturing sector and react to the issues it is facing in order to allow it to stay, and grow, in Toronto.

No other manufacturing sector is as important to the Toronto economy. Food and Beverage manufacturing provides various levels of employment and required skill sets including entry level jobs for many new immigrants arriving in the City. Over the years, many have gone on to open their own food and beverage manufacturing businesses, leading to the growth of entrepreneurship in this sector. Toronto also has more than four world class colleges and three universities with programs in the culinary arts and food businesses that contribute to the vibrant local food scene. Graduates from many of these programs go on to find employment not only in restaurants and food service companies but in the large numbers of value-added food manufacturers in the region. This more recent phenomenon has led these colleges to develop specific programming for food manufacturing. Quality Assurance, Product Development and Maintenance and Sanitation graduates are finding new, rewarding and well paying positions in many food and beverage plants. This industry is more recession proof than many of the manufacturing industries across the region. It has seen continued growth over the years when others have witnessed downturns due to changes in technology and world economic pressures. Simply put, people have to eat and the growth of the population will only add to the demand for food products.

Traditionally Canada has established itself as an excellent supplier of safe, high quality, raw and partially processed agricultural products to regions around the world. While admired by many, this reputation has not always led to the creation of value added, innovative, commercially viable food products that enhance economic prosperity. As with most other sectors in Canada, when it comes to investment in Research and Development, commercialization has often happened elsewhere. Canada is now taking a new look at how we can improve in this field. Recently the Canadian Senate Committee on Agriculture and Forestry has studied the future of value-added food in Southern Ontario and its full report, "Made in Canada", is available on-line.<sup>4</sup>

Two preliminary findings are beginning to emerge from the research. First we need to do more to support the start-up and SME producers across the country. The growth of the sector in Canada and indeed in centres like Toronto will come from the small culturally diverse food companies that are springing up in incubators and commercial kitchens across the country. These companies are producing the authentic,

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<sup>4</sup> <https://sencanada.ca/en/info-page/parl-42-1/agfo-made-in-canada/>



healthy, unique food items that the new consumer is demanding. According to David Hughes, Emeritus Professor of Food Marketing, Imperial College London, 'I see a sea change in food processing, not least in North America. The big food companies — the Unilevers, the Danones, the Nestlés and the General Mills — have had a tortuous five-to seven-year period, and they've been really squeezed. In North America, they've seen little or no sales growth. Almost all the growth in North America in prepared and value-added foods over the last five years has come out of small, emerging, often Millennial start-up food companies that have stolen all the growth.'<sup>5</sup> The majority of food and beverage manufacturers in Toronto, some 75% fall under this category. In positioning Toronto amongst the North American leaders in food and beverage processing we need to create the business climate to help these companies grow and flourish.

Secondly, the Senate Committee realizes the importance of educating the public, on what exactly is processed foods and how do you assist the consumer to connect directly with their food supply. Once again Dr. Hughes pointed out in his questions that other countries are doing a better job of educating their constituents. In particular he points out that 'There is a program in the U.K. called Facetime a Farmer<sup>6</sup>. There are 200 farmers around the U.K. who, every month, each visit the same class once a month, by Skype or by Facetime or whatever it might be. The seven-year-olds see them on their farm and they discuss what they are up to and what time of the year it is.' The industry needs to work through the early education educators and the press to educate the consumer on the sector and the value, economic benefits, and safety of the food industry in Canada and the innovations that are happening throughout the industry.

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<sup>5</sup> <https://sencanada.ca/en/info-page/parl-42-1/agfo-made-in-canada/>

<sup>6</sup> <https://www.facetimeafarmer.com/>

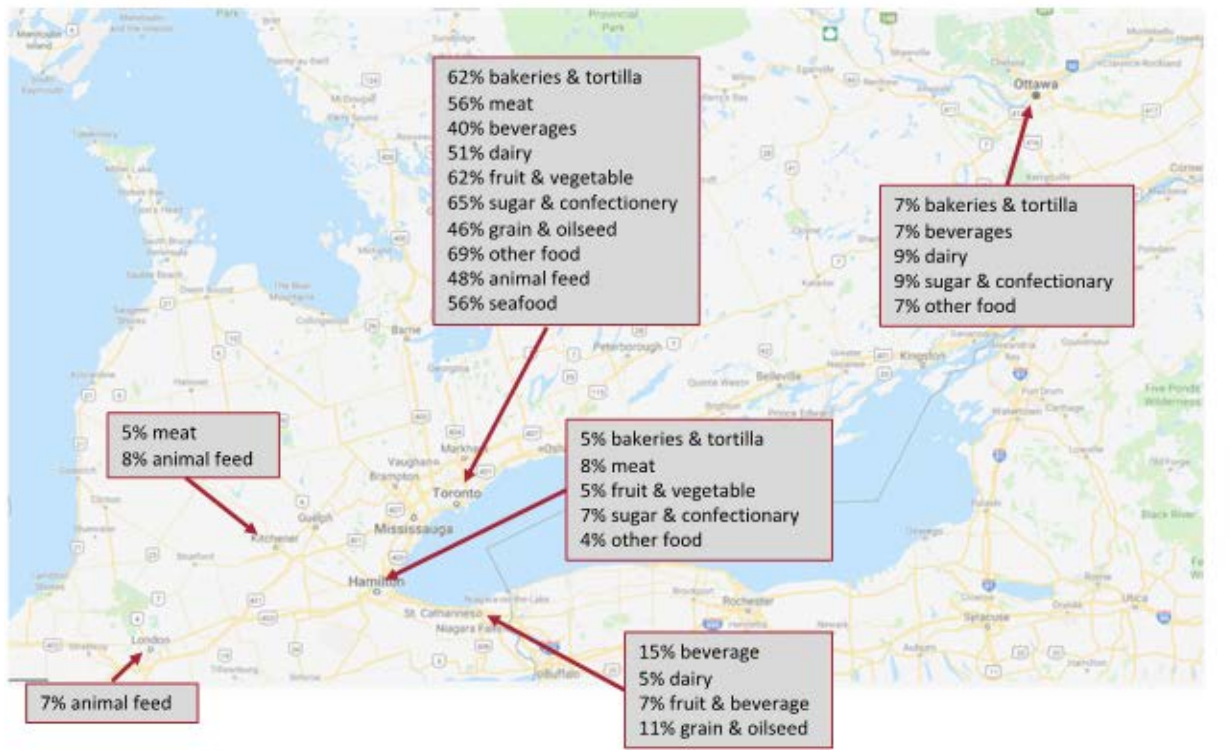


# Introduction

## Introduction

The Greater Toronto Area (GTA) possesses all of the qualities to support a globally competitive food and beverage (or the “industry”) cluster. It has a strong urban core, a diverse labour pool, connections to nearby rural agricultural lands and an existing base of innovation. The GTA is already home to the largest concentration of food and beverage manufacturers in Canada, and is one of the largest food and beverage clusters in North America. Annual food and beverage sales in the GTA exceeded \$21 billion in 2015.

## DISTRIBUTION OF ESTABLISHMENTS



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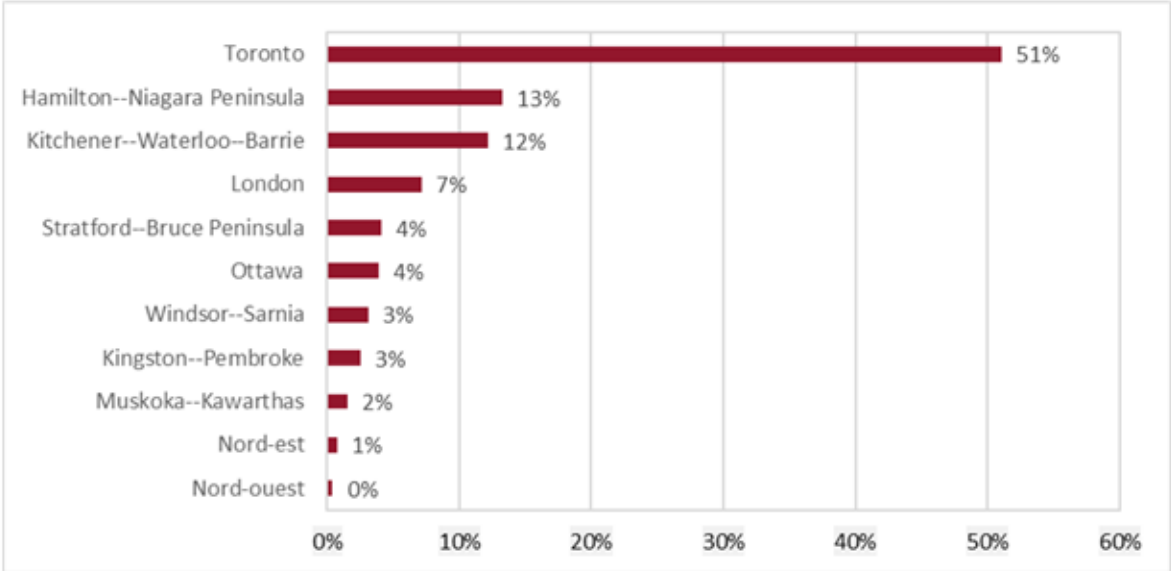
The GTA's food and beverage manufacturing sector employs approximately 65,000 people, making it the second largest manufacturing sector in the region, next to automotive, and the largest manufacturing sector in the City of Toronto. There are over 1,000 food and beverage manufacturing companies in the Toronto CMA alone. This makes it a much more diverse manufacturing sector than automotive. In addition, it

<sup>7</sup> <http://tasteyourfuture.ca/>



should be noted that the Food and Beverage Sector has not experienced the same type of economic downturns faced by the automotive industry over a significant period of time. In fact, the food and beverage manufacturing sector has seen steady growth, in excess of 5% per annum, over the past 5 years.

## **EMPLOYEE DISTRIBUTION, FOOD & BEVERAGE, ONTARIO'S ECONOMIC REGIONS (2016)**



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In February of 2017 the Federal Government's Advisory Council on Economic Growth released its report on the future of Canada's economy. The primary finding was that Canada must significantly strengthen its innovative capacity, specifically by providing stronger support for the commercialization of new ideas and facilitating the "scale-up" required to fully capitalize on them. From the report:

**“In todays and tomorrows knowledge-driven economy it is not enough to have a great idea; that idea must also be brought quickly to the broader global marketplace. While entrepreneurs and globally competitive companies are the best sources of these job-generating innovations, their prospects can be enhanced by a stronger, more supportive innovation "ecosystem.”**

<sup>8</sup> <http://tasteyourfuture.ca/>



In a subsequent Globe and Mail article in 2017 Dominic Barton, one of the authors of the above report, said, when asked about which sector showed the most potential for economic growth:

**"We're picking one in particular which is agriculture and food, because it can employ a lot of people, there's a lot of innovation technology around it and huge demand. There's going to be a massive demand for food, for protein, over the next 10 to 20 years. It's also a big employment provider, and we could generate even more employment - and high-skilled employment - because of technology."**

## Purpose

In 2002 the City of Toronto's Economic Development Division and the Ontario Ministry of Agriculture and Food collaborated on the development of a report entitled 'Food Industry Outlook' A Study of Food Industry Growth Trends in Toronto. Subsequently in 2010 there was a follow up report entitled "2010 Food Sector Up-date'. This was the last food manufacturing sector strategy completed for the City.

The purpose of this current initiative was to take the pulse of the food and beverage manufacturing sector in Toronto today and look forward at the next 10 years: how the sector is anticipated to grow and change over that period of time and what challenges and opportunities it will face. **The focus was on those issues that the City of Toronto, within its various divisions, have a direct effect on the food and beverage businesses within the City.**

Of paramount importance was that the industry should provide the facts, and hence direction, rather than government. However, in order to provide a starting point, issues that had been raised by the industry over the previous four or five years were put forward as possible areas for comment upon. These included:

- Space required for food companies to expand or grow their operations and the municipal regulatory issues that they face when they do so
- An ageing and retiring labour force and the issues facing food and beverage companies with all aspects of attracting and training a younger workforce, and engaging post- secondary institutions in Toronto to help fill an anticipated labour shortage
- Utility costs and infrastructure
- Regulatory compliance for food and beverage companies to meet municipal regulations
- Distribution and logistics that hamper the movement of food and beverage products across the City



- Assistance with food and beverage start-ups and ensuring that the sector has new blood coming on stream with a focus on innovation and growth for the sector
- Assistance with export opportunities in new emerging markets for Toronto based food and beverage companies with the help of municipal government officials that can assist to open doors in these markets
- Awareness of the value of the food and beverage sector to the economy of the City of Toronto with both public officials and the public in general so that the appropriate investments can be made in the sector
- Assisting companies to collaborate in the food and beverage sector in Toronto creating a stronger voice with all levels of government
- Reduction of food and packaging waste in Toronto with an emphasis on work being undertaken by the City of Toronto Solid Waste Management division towards developing a circular economy

This strategy also articulates the Vision for Toronto's Food & Beverage Cluster and outlines the proposed action items that should be executed to realize the vision, including recommendations for potential partners and collaborators. The outcome is a series of actionable recommendations to be presented to the Economic Development and Culture (EDC) Committee. These recommendations take into account what City Staff can help to implement in both the long and short term to help grow the sector for the next 10 years.



# Methodology

The emphasis throughout the information gathering was to understand the root causes of the issues brought forward and to then develop as many potential solutions as possible. From these the "most actionable" recommendations were selected. Potentially, these actions would be directed not only towards the City but also industry, academia and senior levels of government. **The intent is not to propose dramatic change but to best position the City and Stakeholder partners as catalysts and agents for change in their respective organizations that best meet the myriad challenges.**

Learnings and possible implications for the City of Toronto are summarised below in each of the following sections. These, in turn, lead to the recommendations in Section 7 of this report.

**In section 4, a review of three other significant international food and beverage clusters that are comparable in size to Toronto's, focusing on the policies and programs that they have in place to drive the economies of the cluster. Toronto may be able to learn from the challenges faced and opportunities developed by these clusters.**

- **Food Valley**, in the eastern Netherlands is an excellent example of a cluster that developed around an academic institution, which provided the research, technical expertise and innovative climate enabling the collaboration of existing industry players, small start-up firms, academia and government.
- **The City of Los Angeles** food manufacturing industry stretches from salsa to sodas, from beer to bread, and includes hundreds of specialty processors that locate near each other to swap freshly prepared ingredients. The local industry benefits from a large concentration of suppliers, distributors, local agriculture and fresh ingredients, national distribution centers and a high level of experienced workers whose creativity brings great products to market. Processed food is the ninth largest traded industry cluster in Los Angeles County and ranks by employment as the largest food and beverage manufacturing cluster in North America.
- **The City of Chicago** also ranks in the top 5 food and beverage manufacturing clusters in North America by employment. It once had one of the largest and most diverse and thriving food sectors, which suffered when firms began to move out to surrounding jurisdictions. To a large extent, this has been remedied through a highly collaborative, networked approach between all industry players, facilitated by the efforts of the Chicagoland Food and Beverage Network.





## **In section 5, consultations with food and beverage stakeholders in Toronto and Greater Toronto Area**

The consultation focus was designed around the feedback of Economic Development Officers (EDOs) knowledgeable on the issues that the industry is facing which have hampered their current growth and the strategic direction for their next 10 years of operation, the main categories were:

- Distribution, Transportation & Retail
- Costs of Doing Business & Real Estate
- Workforce & Innovation
- International Trade, Exporting & Access to Capital

Two consultation formats were used. First, a roundtable workshop, to which over 100 stakeholders were invited from industry, academia and government. Second, to enable those who could not participate in the workshop a means by which to contribute their thoughts, a dedicated website was developed and maintained for the duration of the project. All inputs were collected and collated for both the challenge areas described and potential solutions offered.

## **In section 6, an in-depth review of three specific Toronto “cases” in order to illustrate some of the issues**

City of Toronto Economic Development Officers with in-depth knowledge of specific food processors were interviewed in order to provide a history of issues facing specific companies in their geographic regions of Toronto. The identities of the companies are not revealed in this report.



# International Food and Beverage Cluster Review

From Cluster Mapping: <sup>9</sup>

**A cluster is a regional concentration of related industries in a particular location. Clusters are a striking feature of economies, making regions uniquely competitive for jobs and private investment. They consist of companies, suppliers, and service providers, as well as government agencies and other institutions that provide specialized training and education, information, research, and technical support.**

The intent of the review is to understand the challenges and solutions, as well as opportunities in these international food and beverage clusters, and to extrapolate from these experiences to benefit Toronto.

## Food Valley, Wageningen, Netherlands<sup>10</sup>

Food Valley is located in Wageningen, a municipality in central-east Netherlands. Formed around Wageningen University and Research Centre (WURC), Food Valley is a collaboration between all critical aspects of a food industry cluster. It comprises the university, private research laboratories, large food companies with organic research facilities, start-up companies, incubators, pilot plants and related academic institutions. Food Valley is regarded as the largest food & nutrition Research and Development cluster in the world.

The core objective of Food Valley is to connect all of the players to facilitate collaboration and realise synergies that are beneficial to these players. Due to the highly variable needs of large-scale firms and start-up enterprises, there is no single “recipe” employed to create beneficial outcomes. In fact, the process is driven by the participants in a non-formal fashion, sometimes without significant outcomes, but on many occasions with new ideas and breakthroughs being developed. Ongoing ties and partnerships also emerge. Outcomes benefit the entire food industry in the Netherlands.

WURC is a life-sciences university with an emphasis on healthy eating. Of the some 40,000 residents of Wageningen, 25% are employed in the university, related academic institutions and private research laboratories. Further, thousands of students from over 150 countries constitute a large non-resident population.

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<sup>9</sup> <http://www.clustermapping.us/content/clusters-101>

<sup>10</sup> <https://www.foodvalley.nl/>



Seed funding was provided by the provincial government (of Gelderland) and, over time, private sector investment was attracted. As is often the case, once a critical mass of related knowledge-based organizations emerged the industry as a whole became part of this growing cluster. Food Valley is evolving and growing continuously. The Food Valley Society, formed from over 50 food sector companies, exists to promote the exchange of ideas, foster collaboration and create an environment wherein innovation is most likely to take place. All aspects and facets of the food industry are represented from genome research through food service innovations, and everything in between. Investment and companies from many parts of the world have come to Food Valley due to the mass of innovative companies and support industries.

Several factors are regarded as being crucial to the development and success of Food Valley.

1. A small, highly innovative and flexible set of “founders” to develop and promote the creation of Food Valley. These were the regional Development Agency of the East Netherlands, the Wageningen Foundation City of Life Sciences and the Province of Gelderland.
2. After the initial concepts and terms of reference were developed, multiple key potential participants from all disciplines in the food industry were drawn in to take the concept through every stage, driven by the needs of these participants. There were no preconceptions; simply evolution.
3. Despite being concentrated in one region of the country, Food Valley deliberately set out to create benefits for the industry in the Netherlands as a whole.
4. The initiative timing fit hand-in-glove with the Province of Gelderland Knowledge Cluster Policy. National level support followed, with innovation funding from European institutions also assisting.
5. The initiative caught the imagination of the press and this was exploited to create a positive environment of support.
6. Developing Food Valley with the strong participation of the food industry based upon their actual needs was crucial.
7. Incubator and pilot facilities was a key factor in attracting newer, innovative firms. In turn these “innovators” are excellent collaboration targets for the larger established companies looking for new ideas and talent.
8. Highly effective conferences focused on uncovering the benefits of Food Valley







## **Changing nature of food and beverage retail**

Online ordering and fulfilment are changing the food retail landscape. Some geographical areas of Los Angeles are thriving with no lack of conventional stores while others are seeing small declines. A new phenomenon is the “pop-up store”: vacant retail spaces are leased by niche, innovative brands with product marketing driven almost exclusively by social media. When the market appears to be exhausted they close or move on. Potentially this could represent an opportunity for Toronto.

## **Planning and zoning**

Planning and zoning issues are no different than in other major international jurisdictions. In Los Angeles, one City councillor has taken on the challenge of finding ways through the “bureaucratic red tape” in order to navigate through the system and expedite the issuance of permits. Recently the Province of Ontario has initiated a thrust (the Red Tape Challenge) designed to remove similar impediments and the City should work towards a collaborative effort to do the same.

## **Residential encroachment**

While residential encroachment is a factor, complaints regarding odour and noise are similarly confined to the small, ethnic food processor. The latter must bear the cost of the remedies. As in most other clusters the burden of meeting regulatory requirements are significant for all start-up enterprises; no solution was offered.

## **Location costs inside and outside of the City of Los Angeles**

The food processing industry in the Los Angeles area had started largely outside of the City proper and remains there today. The exception is the small, often ethnic, food processor that is often coupled with an eating establishment as well as deliveries of meals and partially prepared food. Thus, for the most part, any difference in location costs between the City and the surrounding regions does not come to bear on the industry.

## **Workforce challenges**

A high proportion of food sector employees in the City of Los Angeles are in the food service arm of the industry rather than in the large scale manufacturing of food. Worker retention is a chronic issue (it is a low wage environment) with the constant need for training in the specifics of good food service practice. The City of Los Angeles currently relies on undocumented workers to fill their pipeline supply of entry-level trainees.

## **Innovation challenged**

Innovation is a challenge for the smaller enterprises; time and a lack of capital are key barriers. A lack of accessible, affordable food laboratories is a major factor.



## **Market focus**

Area food processors are focused on the southern California market region with little emphasis on exports. California-based companies do export but such operations are to be found mostly in the north of the state.

## **Workforce education and development**

Community colleges collaborate with economic development offices to develop career pathways for the food industry and lobby governments for additional education and training funding.

## **Los Angeles's approach to driving food and beverage growth**

To address many of the above issues, the industry joined forces to create the Food Industry Business Roundtable (FIBR)<sup>11</sup>, a non-profit business association dedicated to promoting the growth of the food processing industry in Southern California. FIBR was incorporated in 1996 as part of the Rebuild L.A. (RLA) manufacturing networks initiative and continued under the Community Development Technologies Center (CDTech)'s Los Angeles Manufacturing Networks Initiative (LAMNI). FIBR have particular emphases on building connections between food companies, education and training of all types, most especially in the support of smaller ethnic food companies.

## **City of Chicago**

The correspondent from Chicagoland Food and Beverage Network (CFBN)<sup>12</sup> provided the following information:

CFBN was launched in 2017 to bring industry players together, to provide a forum for collaboration and support, and to better connect the companies in the industry across Chicagoland to drive innovation and growth in the region.

According to Industry Week (April 2017) the Chicago region has 4,500 companies in food and beverage manufacturing, packaging, wholesale and distribution; food-related equipment, tools and machinery; and farm product wholesalers. The industry employs 130,000 workers, and brings in \$32 billion in annual sales.

CFBN works with municipal economic development groups but is an independent trade association focused on understanding industry needs and delivering these where possible. CFBN does not lobby but works with lobbying firms as required. It does not receive dollar funding from the City but enjoys in-kind support as part of their public-private partnership.

A major factor here is the ongoing need for professional talent in the food industry. There has developed a deep food industry knowledge within the large

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<sup>11</sup> <https://www.fibr.info/>

<sup>12</sup> <https://www.chicagolandfood.org/>



companies, such as in food science, process control and food business experience. Further the many universities and community colleges provide an ongoing supply of fresh graduates. “Millennials live in the City and will not commute to the suburbs” and this same phenomenon is very apparent in Toronto. This need for talent supersedes any benefits of lower costs in the regions surrounding Chicago and companies in other industries are also recognising the need to locate where the talent resides.

CFBN is not an incubator but they work with such entities; for example, the “Hatchery”. As has been heard elsewhere, the larger established companies want to meet and interact with start-up firms in order to have a transfusion of ideas and, potentially, to recruit new talent. Connecting firms of all sizes is one of the major activities of CFBN and CFBN breakfasts/cocktail hours are well attended due to the reputation gained for a worthwhile investment of time. CFBN has over 100 corporate members, of which 25% are start-ups.

Food distribution within the City of Chicago is becoming a problem; there are more vehicles delivering product than ever before including non-traditional services such as Amazon and Uber. Parking for deliveries is becoming increasingly difficult.

The food processing manufacturing base is still at risk of departure for lower cost jurisdictions in the surrounding area. However, Chicago is home to many headquarters of large multi-national firms and these are solidly rooted.

Retail food sales are experiencing change due to on-line ordering/order fulfilment. Retail stores are being challenged and some are closing or relocating into more lucrative neighbourhoods. As a result, some areas are underserved (known colloquially as “food deserts”) while others have an excess of retail stores.

Start-up companies and microenterprises are challenged to meet regulatory requirements. While the industry does not dispute the importance of these regulations, the problem is, nevertheless, very real. The correspondent suggests that hiring qualified food safety consultants is a worthwhile investment but only if the company then adheres to the food safety processes developed.

Residential encroachment on food processing industry sites creates a growing number of complaints regarding odour. “Offending” companies are forced to remedy these issues at their own costs.

The food industry in Chicago does not have a very good reputation as a working place and parental aspirations contribute to a “you can do better than that” attitude. In the manufacturing plants expectations of new workers are not always realistic; bakeries can be hot places in which to work whereas vegetable and meat processing

Toronto Employment and Social Services (TESS) is working to address food sector labour force issues. Programs such as “Youth into Food Processing” and “Entry Level to Food Processing” had over 90% placement success but have recently lost their Provincial funding.



facilities are colder and damper than anticipated. This leads to a high turnover of production line staff, especially when coupled with short interval, repetitive work at a relatively low wage.

Anecdotally only 3% of new hires remain on the job after three months. The work ethic of the younger generation is also questioned. Excellent human resource practices and thorough training can remedy this to some extent but such practices are less common in the smaller firms and improvement is needed in this area.

Although not an issue for the larger companies in Chicago, smaller food processors operating on tight margins lack access to affordable food laboratories in which they can develop new and innovative food products. Partnerships with larger ones are one way to overcome this but the larger entity has to see a high probability of mutual gain from such an investment.

Barriers surrounding international trade are no surprise: overcoming the up-front cost risks and developing the market sufficiently to achieve a worthwhile return on that investment. Once more, lack of capital in the smaller entities is the barrier. When exporting, there are the usual challenges of timely shipping and efficient cross-border transportation.

In 1991 the Province of Ontario created an export capacity loans program to provide financial assistance to growing companies; this produced good results for the industry and, reportedly, with very few bad loans borne by the Province.

As in most regions, start-up firms have difficulty accessing capital. There are few, if any, public sector loans and grants. Family contributions and home mortgages are common sources of risk capital.

## **Key learnings from the International Food and Beverage Cluster Review**

The challenges facing the Toronto F&B sectors are not unique.

It is evident that close collaborations between all stakeholders in the sector are vital: industry, academia and government. Both the Los Angeles and Chicago clusters have come together to form collaborations (industry associations) to act as a focal point for common issues and opportunities, as well as acting as a voice for the industry. While such associations across many industries have met with varying degrees of success, Chicagoland Food and Beverage Network and the Food Industry Business Roundtable in Los Angeles appear to be well supported and effective in their focused mandates.

It is noteworthy that in the Chicago, the approach of CFBN was neither lobbying nor any attempt to artificially induce cooperation. Rather, the strategy was to create opportunities for cooperation powered by the benefits that can accrue to the players. Events and similar forums were created to facilitate discussion, allowing natural, rather



than forced, collaboration to take place, founded in the self-evident benefits to the participants.

A similar approach might benefit the stability and subsequent growth of the food and beverage sector in Toronto. The Food Starter, food incubator and accelerator initiative in Toronto was one foray into this arena and met with some success by bringing together start-ups and larger CPG firms in a non-formal basis in order to discuss innovation. In early 2019 the Food Starter<sup>13</sup> program was transferred to the ownership of District Ventures Kitchen (DVK), in a Public Private partnership.

Connecting larger and smaller food companies may create synergies, transferring innovative ideas to the former while providing financial support for the smaller enterprises to develop.

Industry reputation as a workplace and worker retention are common problems in the Los Angeles and Chicago clusters; superior human resource practices are considered to be the best solution. In both of these clusters community colleges have a key role to play in all aspects of the workforce and new programs are coming on-stream at colleges focused on food and beverage manufacturing.

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<sup>13</sup> <https://districtventureskitchen.com/>



# Toronto Food and Beverage Industry Case Studies

City of Toronto Economic Development Officers provided details of companies of which they have in-depth knowledge and which exemplified important challenges facing the sector in Toronto.

## Case #1

A long-established processor in the mid-west part of the City supplies local and domestic markets, as well as exporting to three different continents. Employing over 500 people they are a major player in the Toronto food industry.

The company is located in an urban environment within close proximity to residences and have been the target of complaints regarding traffic and process odours. Each of these complaints requires that the company prepare a report in response, which is a time consuming and expensive process that distracts from their business activities. There is concern that some of these complaints may be frivolous and “nuisance” in character.

The company cannot expand on their existing site so they have acquired non-adjacent land for expansion. The intended business operation has met all City zoning requirements and could employ over 200 new workers. The purpose of this expansion is to store, package and supply products for foreign markets that will increase the export potential of the industry. However, protests at this intended use have already been lodged and the company may be considering its options: press forward or sell the land and expand outside of the urban area (and possibly outside of Toronto).

## Case #2

A food processor with three locations in the City employs close to 500 full-time, part-time and seasonal workers. The primary operation is located in an older industrial area with ageing infrastructure. One challenge was the failure of the electrical supply to meet specific processing demands, causing critical aspects of production to fail with entire batches of product lost.

Toronto Hydro were responsive and a solution was identified which provided a more reliable source of electricity, even in the high peak demand of the air conditioning season. City Economic Development staff knowing the right contact staff at Toronto Hydro contributed greatly to this rapid and effective solution.

The same company and an additional unrelated firm began to experience lower water pressure after new high density residences were built nearby. The ageing water supply infrastructure cannot cope with the increasing demands of new residences and



water supply flow can be critical to the long-established processors in the area. If a company is forced to move, there is no guarantee that they will choose, or be able, to remain in the City or even the region.

Another company in the same area, but different sector, wanted to expand production but required additional electrical supply capacity. The cost, which had to be borne by the company, was \$150,000. The business then decided to relocate where such electrical supply capacity already existed. Once more, there is no guarantee that a company will choose, or be able, to remain in the City or even the region.

### **Case #3**

A processor in the north-east of Toronto produces ethnic foods. The company exports to the U.S. and elsewhere and has distribution facilities south of the border. Approximately 150 employees work in the City.

The demand for product is growing and the company would like to hire more workers to run a third shift. Unfortunately, complaints from residents regarding spice odours have been very abrasive. These have included E-Mails with, reportedly, ethnically-based slurs. The company had installed odour-reducing equipment but resident complaints have not abated, with some complaints stating that it is worse than before. Due to this constraint the company has had to lay off some workers and, instead, is now planning to add production capacity to their major U.S. distribution facilities.

Management have been very upfront with the City regarding these challenges, one of which is the requirement that the company files a full report for every complaint received. This is time consuming and costly and it is incurred regardless of whether a regulation was broken or not.

### **Key learnings from the Toronto Food and Beverage Industry Case Studies**

Conflicts are likely to worsen as the buffer between industry and residences decreases. Industry provides employment for people in the City but perhaps not for those who live adjacent to the factory, who may see it as a nuisance. The encroachment of new residential buildings on existing industrial lands exacerbates the problem, through little fault of the businesses affected. Relocation elsewhere to less dense population centres can be a costly but yet attractive solution for the business.

It seems to some that regulations are designed to protect the public first and foremost, and with a bias that penalises industry. While this might be an understandable initial “safe” bias, mechanisms are required to rationalise unreasonable demands when they arise, and provide solutions which are fair to both sides.



Enforcement and education should go hand in hand. While regulations must be enforced, greater efforts to educate and assist companies in meeting the demands would mitigate future transgressions.

Ageing infrastructure coupled with increased demand on utilities from residential development create ongoing capacity and reliability challenges for many processors. The undesirable solution, from the perspective of the City, would see these firms relocate to areas outside of Toronto which are more conducive to their existing and expansion needs. While such a move would see more jobs created these might not be to the benefit of the Toronto workforce or tax revenue.



# Toronto Food and Beverage Industry Consultations

Industry, academia and government participated in a well-attended half day workshop. In four separate groups they were asked to identify the probable root causes of the various challenges being faced by the Toronto Food and Beverage sector today, or which it is likely to face over the coming decade.

The participants were then asked to rank each root cause as being the most important cause of the issue. For the top three causes, solutions were then brainstormed for later consideration by the City EDC Division.

Input obtained from the complementary website enhanced and amplified many of the outcomes from the consultation workshop. The most relevant aspects of these outcomes are discussed below.

Presented in the form of “learnings”, the following have been selected based upon the issues deemed most critical by the industry and, are considered “actionable”. That is, they represent a reasonable set of actions based upon an assessment of the likely benefits, likely costs, ability to act and other non-monetary considerations.

## Key learnings from the Toronto Food and Beverage Industry consultations

### Distribution and transportation difficulties

Traffic density hampers deliveries while parking restrictions cause both delays and parking fines.

### Use of vacant retail space

More and more retail space is being left vacant as food buying habits change. While this has detrimental impacts on local populations that rely upon traditional shopping modes, it may also present an opportunity if this vacant space can be utilised effectively.

### Public markets strategy

Public markets provide market access for a wide range of food vendors. They have been ever-present in continental Europe and are a growing phenomenon in North America. This trend in the future of food is likely to continue.

### Innovation

Innovation is the underpinning of a successful sector and it must be a continuous process. Often this finds its genesis in start-up and other micro-enterprises. Lack of development and commercialization capital hampers growth in these companies. At the same time, larger more established firms will often seek such smaller companies in order to create a symbiotic relationship. Connecting the two is the challenge.





## Residential encroachment

Residential encroachment often brings forth complaints regarding food processing odour, which the business must resolve at full cost, even though nothing has changed in their operations.

## Permits

Obtaining permits is often a protracted process, which may cause delays in critically important growth plans.

## Assistance program awareness

With a myriad of programs available to assist firms, with a plethora of terms applicability conditions, food manufacturers are often unaware of what is available to assist them and whether they are eligible or not.

## Complying with regulatory requirements

Regulations are derived with the best of intent, based upon what is known at the time and forecasted to occur in the future. This in itself creates two challenges: first, the impacts in all possible circumstances and permutations of circumstances cannot be readily predicted and, second, future events and their impacts are at best, informed speculation. While the beneficial intent of regulations should not be compromised without purpose, a mechanism is required to mitigate the effects of unintended consequences that are unnecessarily prohibitive or punitive towards businesses.

## Workforce

Recruiting and retaining workers is a constant challenge for the Toronto food and beverage sector. This applies to the full spectrum from the unskilled entry-level worker through experienced and highly skilled staff. The work environment and sometimes less than effective human resource management are contributing factors.

## International Trade

International trade can be a key factor in the growth of small and mid-size businesses. These same businesses often do not have the skills, financial resources and time to develop these opportunities.

### Gold Star Service to Guide and Expedite Development

Through the City's Gold Star program for business, City Planning, Economic Development and Toronto Building staff help expedite eligible industrial, commercial office and institutional Planning and Building projects in Toronto.

Each project that receives this service is assigned an Economic Development Officer as part of the City Planning or Toronto Building case-managed team. The team provides customized one-on-one assistance to help businesses navigate the review and approval process.

City Staff works proactively with the applicant, other City divisions, and agencies involved in development review, to identify approval requirements, resolve issues and ensure that the Gold Star project receives prompt attention.



## Access to capital

Access to capital for start-up and micro-enterprises is a challenge with banks and other conventional lending institutions unwilling to take the perceived risk when there is little collateral beyond a “good idea”.

## Edible cannabis

What boundaries will be imposed and what opportunities emerge? Could Toronto become a Centre of Excellence for research and development in this field?



# Recommendations

The recommendations have been aligned into three over-arching strategic thrusts arising from the information obtained in this project and the subsequent learnings derived. The three strategic thrusts have been created based upon the most effective and efficient alignment of actions and who or what can best lead the efforts over time. Each of these thrusts has several objectives to be achieved.

First, the City EDC should provide a facilitated forum including other key City departments in order to discuss initiatives and changes to benefit the City food and beverage industry.

Second, in order to meet the challenges of today and the opportunities of tomorrow, the sector must act cohesively and with a set of mutual common objectives. The proposed Greater Toronto Food & Beverage Sector Advisory Group can be the focus of this thrust.

Third, over the longer term, there is a fledgling opportunity to create a true sector cluster in the Greater Toronto and Hamilton Area with the City of Toronto as the most natural focus of that cluster. This was the original goal of the Golden Horseshoe Food and Farming Alliance but it should focus additionally on food processing through the establishment of a sub-committee on food manufacturing.

## **Recommendation #1: Creation of an Internal City of Toronto Cross Divisional Working Group**

The importance of the food and beverage processing sector to the City of Toronto's economic and social growth cannot be overstated. There are over 1,000 registered companies that produce food and beverage products in Toronto.

The industry employs in excess of 65,000 direct individuals in the Census Metropolitan Area. These employees come from all walks of life. From line workers that come from other countries and find their first employment opportunities in the food and beverage sector to graduates from regional universities and colleges that create, develop, research and insure that the food products produced by companies in Toronto are the safest, most innovative and quality merchandise available for both domestic and foreign consumption. In order to insure the sustainability and growth of this sector EDC needs to help establish an inter-divisional working group within the City of Toronto that meets on a regular basis to discuss and deal with issues faced by the sector. The Toronto Food and Beverage Inter-divisional Advisory Group (FABIA) would be made up of Transportation, Toronto Employment and Social Services, Toronto Water, Toronto Hydro, Planning, Municipal Licensing, Social Development, Finance and Administration, Toronto Public Health and the Solid Waste Management Services.

This is nothing new for the City of Toronto. In 2015, at the behest of Councillor Mike Layton, the Councillor brought together other divisional representatives from the City to discuss ways to encourage the growth of the burgeoning craft beer industry in Toronto. The Toronto 'Cask Force' has been engaged over the past 4 years to address issues the companies were facing to grow this sub-sector. The conversations that have taken place have led to some loosening of red tape that has slowed the growth of this sub-sector. It is hoped that the newly formed FABIA would deal on a sector level to address the issues and needs of the entire food and beverage processing industry in Toronto.

This mechanism will require a means to review cases as they arise and to create, where possible, reasoned and justifiable exemptions, sometimes singular in occurrence, other times semi-permanent, to avoid unnecessary impacts on the same businesses which provide employment to the residents of Toronto and which also contribute to the City tax base. Such an objective is worth the investment of time and effort on the part of the City.

Initial areas of focus should be:

### **Complying with regulatory requirements**

- Assess the impact of any misalignment of Federal Provincial and Municipal regulations. How can these be aligned or the impact of discrepancies mitigated? The current provincial initiative to reduce “red tape” would meld well with such a City initiative.
- Create a task force comprising industry (especially smaller firms) and governments to examine which regulatory requirements are the most significant barriers for the start-ups and micro-enterprises. From this develop means to enable these small firms to meet requirements and, where practical, relax certain requirements.
- Consider a grant assistance program to assist companies in the hiring of food safety consultants to develop procedures customised to the particular small business

### **Utilities**

- EDC to work closely with Toronto Hydro to ensure that food processors receive priority when technical problems develop; failing this entire production runs may be lost. A quarterly meeting is recommended to review recent issues and the steps taken to mitigate and reduce reoccurrences
- Industrial water rates (Block Two) have been implemented; can the same be implemented for industrial electricity users?
- City EDC to work closely with Toronto Water to encourage the latter to not only monitor effluent and enforce regulations but to make practical recommendations



regarding meeting requirements and avoiding fines. Essentially, enforce AND educate in order to create best practices for Toronto's food and beverage processing sector.

- Where there are utility capital cost charges associated with additional capacity to meet higher production demands, consider an approach similar to a tax increment equivalent grant. This would allow the business to spread the charges over several years.

### **Changing nature of food and beverage retail**

- The new phenomenon of the “pop-up store” can provide a valuable use of vacant retail space. A concerted effort to encourage such uses can be made by an effective marketing strategy aimed at small innovative retailers and the landlords of the properties.
- A City “micro-retail” strategy is called for to ensure a cohesive outcome. For example, where vacant space remains, change the zoning from retail to industrial/retail to permit manufacturing and sales in one location for small-scale businesses with a low environmental impact.
- Protocols are needed for a “food mall” in which small-scale production and retail can take place in one location. Niche and start-up enterprises can be encouraged to produce and sell products via temporary leased space.
- Closely linked to the use of vacant space, a City-wide Public Market Strategy is required to encourage and develop food start-ups and micro-enterprises by providing them with access to consumers. At the same time it is necessary to ensure that food safety, environment and similar regulations are respected.

### **Distribution and transportation difficulties**

- The creation of an Industry-City task force to review and make recommendations for solution(s) is the recommended approach. Solutions might include incentives to encourage retailers to accept deliveries outside normal working hours which would reduce congestion during the day and especially at peak traffic times. Parking ticket exemptions via City-issued parking pass would also be effective; maybe these would be exclusive to certain times of the day. ‘Loading zone’ abuse by the public is a common and time consuming nuisance, often forcing the commercial delivery to park illegally; stricter and more frequent enforcement would reduce this.

### **Fostering innovation**

- Create a forum or hub that connects the larger, well-established firms with start-ups and micro-enterprises. The District Ventures Kitchen is an example. The intent is to refresh innovation in the former and provide financial support for the latter.





- Encourage use of large firm laboratory facilities by the smaller processor and increase the awareness of Technical Advisory Centres (TAC) in the Toronto region.
- Promote “Grown in Ontario/Produced in Toronto”
- Support incubation through the development and encouragement of related services, including financial assistance where appropriate.
- Create a concierge service to connect innovators with services, government assistance programs and other firms
- Raise the profile of the City food and beverage sector in order to attract more innovative firms
- Create a task force to develop the St. Lawrence facility into a food service incubator mall, and retail sales
- EDC to maintain a central database of all food processors and include, when informed, of interests and opportunities for collaboration
- EDC to organise out-reach events to facilitate information transfer and to provide a mechanism by which to connect enterprises of all sizes

### **Residential encroachment**

- With the creation of new Council wards, and to promote Council awareness, EDC should organise area tours for Councillors and to meet with the most significant companies to hear about issues first hand. EDC to work with Provincial and Municipal legislators to come up with one set of solutions to resolve the issues that will address the multiple requests that companies receive.
- New technologies may be found that can compensate for the decreasing buffers between residents and industry. Research should be encouraged to address issues such as odour reduction and noise impacts. These enhancements would effect a “virtual buffer”.

### **Permits**

- Continue to enhance the Gold Star program to further assist manufacturers in their expansion plans.

### **Assistance program awareness**

- Expand the Gold Star program to facilitate connecting the food processor with the relevant government body with assistance programs. This requires an ongoing and detailed requirements knowledge of all such programs in order to properly direct the client company.



## Workforce

- EDC should continue to work with TESS and other employment supply organizations to address the chronic labour shortage in the industry.
- EDC to facilitate a tripartite partnership between the industry, academia and government to monitor issues and challenges as well as develop college programs to specific needs identified by the sector.
- With industry partners, EDC should determine the best means by which to encourage businesses to develop better human resource practices. Peer-to-peer experience sharing may be one approach; seminars for owners/managers may also help

Through a network of 19 offices, Toronto Employment & Social Services (TESS) manages the third largest social assistance delivery system in Canada. Under the authority of the Ontario Works (OW) Act and Regulations, TESS provides employment services, financial assistance and social supports to Toronto residents to strengthen their social and economic well-being in their communities.

## Access to capital

- EDC should explore the possibility of the City working with financial institutions to finance start-up businesses. The banks could provide the cash flow for a loan with a deficit guarantee provided by the City against the loan repayment. Any such program must be carefully designed including qualification hurdles to reduce the risk undertaken by the City.

Through its 10,000 Small Businesses Initiative, the New York City Economic Development Corporation, in cooperation with Goldman Sachs, is creating a \$10 million fund to provide loans to food entrepreneurs to grow their business in New York City. This is in response to the exceedingly difficult financing environment faced by fledgling food enterprises. Providing capital to these underserved businesses during critical growth stages is considered vital to ensure the overall success and expansion of the local industry.

## International Trade

- The Trade Accelerator Program (TAP) has been effective and should be continued.
- Consider enhancements to further assist companies that have been through the existing program
- Leverage the “Sister City” relationships that Toronto enjoys throughout the world to develop export opportunities for Toronto F&B processors.

The Trade Accelerator Program is an innovative program designed to help small- and medium-sized enterprises gain knowledge and a network of contacts to unleash their export potential. Through a series of in-depth workshop sessions with trade and industry experts, Canadian business leaders learn to overcome export barriers and reach new markets faster.

## Edible cannabis

- The City should closely monitor provincial regulations as they are developed regarding all aspects of edible cannabis.

## Recommendation #2: Toronto Food and Beverage Sector Advisory Group

In the past number of years a food and beverage sector organization has been tried numerous times with very little traction. The last effort was begun by the Toronto Region Board of Trade<sup>14</sup> in 2015 and then passed on to the Food and Consumer Products of Canada (FCPC)<sup>15</sup> to grow. The GTA Food and Beverage Cluster was publicly launched in April 2015 by FCPC with the goal of bringing together business, government, academia, key stakeholders and community leaders with a vision to promote and grow the sector over the long term.

Although little has been accomplished to date the need for this collaboration has never been greater. The purpose is to develop a single unified voice to act as a coordinating force to move the sector forward. This advisory group should take on the issues and challenges of greatest importance to the largest number of sector members and work with each element of the sector to develop solutions to these challenges. At the same time, opportunities will be discovered to move the sector forward as a whole and these should also be taken under the wing of this Advisory Group. Using the Chicagoland Food and Beverage Network as a good example, this group should act as a resource for new food and beverage entrants, networking opportunity for existing companies, and a resource to draw attention to the importance of the sector to the Greater Toronto Regions economy.

The Economic Development and Culture Division within the City of Toronto can be a catalyst to create this Advisory Group. While the City and senior levels of government should play a continuous role in the Advisory Group, it will be essential that the new entity become independent as soon as possible and not require continuous intervention by government to maintain the effort. If the sector finds the Advisory Group to be beneficial then this should be a natural evolution (see Chicagoland Food and Beverage Network and the Los Angeles Food and Beverage Roundtable).

The composition of the Advisory Group should represent at least the following sector elements:

- Larger F&B processors
- Small and micro-enterprises

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<sup>14</sup> <https://www.bot.com/>

<sup>15</sup> <https://www.fcpc.ca/>



- Academia
- Senior levels of government
- Research entities
- The City of Toronto (in the form of the EDC division)

### **Recommendation #3: Creation of a Golden Horseshoe Food and Farming Alliance Food Processing Sub-committee**

Clearly the City of Toronto is the heart of the regional food and beverage industry, but there are many other firms in the surrounding jurisdictions of the GTHA which add mass and value to the overall local industry base. Collectively, this large industrial base can be the anchor for the formation of a true food and beverage cluster, with all of the attendant elements necessary to sustain and grow such a cluster.

As we have seen with Food Valley in the Netherlands clusters rarely simply “happen”; bold visioning and a concerted effort and are required to drive the initiative.

The time may be right to bring the International Food Processing Innovation and Commercialization Centre (IFPICC) concept to the fore with a view to creating a 'cluster campus' for food and beverage production in Toronto, one of the largest food and beverage cluster regions in North America.

In 2012 the Golden Horseshoe Food and Farming Alliance (GHFFA)<sup>16</sup> was formed and released its action plan. Much has been accomplished by this organization since then but many of its initiatives have been targeted to planning and zoning issues of the GGH. What is required is the establishment of a GHFFA Food Processing Sub-committee that can focus on the regional promotion and growth of the food and beverage sector within the GGH and specifically the IFPICC concept.

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<sup>16</sup> <http://www.foodandfarming.ca/>



# Conclusion

Toronto's history with Food and Beverage manufacturing is long and storied. It is one of the most crucial pieces of a strong regional economy for the Greater Toronto Area. It cannot be taken for granted as both internal and external pressures can erode our advantages overnight. Never before in our history have stars aligned to take this sector to the next level.

The over-arching conclusion of this report is that no single stakeholder in the Toronto food and beverage sector can alone ensure that this vital sector thrives and achieves its full potential. Industry, academia and government must act cohesively, each playing their part, to create a forward-thinking and nurturing environment for this sector. While food manufacturing will always be a necessity, there is a real opportunity to achieve much more and develop it into a major driver of the economy of the City. Addressing the challenges of today is the first step, followed by the creation of a true cluster of interrelated enterprises acting in a symbiotic manner.

One of the central components that was common to all of the global case studies was the value and importance of catalyzing team work to drive business growth.

The ever evolving business and regulatory environment of today is not easy to navigate. Challenges often cross divisional barriers and require a multitude of City support and coordination amongst multiple City staff stakeholders. When a food processor experiences challenges – it can often seriously impact or impede business growth. That is why it is imperative, for the City of Toronto to find ways to reduce barriers to growth, by working together to solve complex issues.

That being said, expanding economic opportunity is not only about issue resolution. It is about access to information, technologies, education and finance. It is about both the awareness and creation of opportunities that develop by partnering with other businesses, sector stakeholders such as non-profit and public institutions. In order to do this, the City can help by facilitating relationships of multiple cluster members. The Economic Development Office at the City of Toronto will strive to meet the needs of the sector stakeholders and gather commitment. What we've learned in the past, is that without stakeholder commitment, an Advisory Group is doomed to fail.

Moreover, the Toronto Region's cultural vibrancy and wealth of assets makes our region one of the strongest Food and Beverage clusters in North America. Each community within the region has its own unique characteristics, assets and attributes that enhance and contribute to this strength. What we haven't traditionally focused on is how to leverage these advantages to drive investment, talent attraction and growth. We can capitalize on the synergies between assets and resources in each community in order to enhance and build a connected Food and Beverage region.





By collaborating, we can work together to enhance pathways to innovation and growth. It has been achieved elsewhere and, with the will, it can be accomplished in the City of Toronto.



*The consultants for this project were:*



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