2010 Toronto Food Sector Update

Prepared for

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Economic Development & Culture

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EXECUTIVE SUMMARY

The food and beverage cluster is the second largest employment sector in Toronto, the largest sector of its kind in Canada and one of the largest in Canada or the U.S., rivalling Chicago and Los Angeles as a major continental centre for the industry. This report is a follow-up on the 2002 *Food Industry Outlook* published by Toronto's Economic Development and Culture Division, in collaboration with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). It aims to:

1) Update selected portions of the *Outlook* report including a statistical review of growth and developments in the sector; as well as a snapshot of how businesses in Toronto's food sector are responding to the challenges and opportunities discussed in the earlier publication
2) Explore emerging trends in consumer preferences and demands that are actively transforming product and service offerings as well as processing operations.

The information presented in the document was derived from existing literature and reports related to the food sector in Ontario and Toronto. Semi-structured interviews, with researchers in the field as well as industry interviews with executive leadership of a small sample of firms in Toronto, informed the bulk of this report. Additionally, a statistical review of the sector was provided utilizing data from Statistics Canada (Labour Force Survey and Business Data Register); as well as US Census and County Business data for comparisons with Toronto and similar US jurisdictions.

Major trends in the industry were identified from interviews with the food sector. The demand for local food has emerged as one of the leading trends and achieved traction among food processors in Toronto. Additionally, consumer interest in speciality and ethnic foods has become a growth driver in the industry.

Small and medium-sized food businesses continue to experience challenges in securing capital for business expansion and growth. Industry respondents have indicated that networking and information sharing opportunities with other local companies would provide greater opportunities for economic development.

Additionally, the food industry is highly regulated at all scales of government. While this is important for ensuring high quality and safe foods for Ontarians, stringent policy administration and application has constrained innovation and the ability of the food sector to have some flexibility in meeting market demands. Furthermore, opportunities are missed for appropriate co-ordination between policy-generators – such as the Toronto Public Health Division and Toronto Environment Office – and key players in the food sector.

<u>Based on key industry informants, Toronto maintains a "value-effective" environment for businesses.</u> The benefits of locating in Toronto considerably outweigh the costs. Benefits include: access to a vibrant and dense market-base, access to a large pool of low to medium skilled labour, an extensive highway network facilitating a smooth flow of goods to their respective markets and suitable infrastructure for food processing. Still, challenges with sourcing highly-skilled labour, peak-hour traffic congestion and navigating the dense policy environment prove to be continued hindrances to business operations.

To address these challenges and opportunities, we recommend three strategies to be taken up by the Toronto Economic Development and Culture Division. Our recommended strategies include:

1. Mapping Toronto's food processing sector to raise awareness of the industry and help food businesses establish partnerships and build connections with one another.

2. Establishing a food industry council to advocate for the sector, market and promote local industry both internally and to the larger business community (including through the selection of an industry "champion"); as well as to partner with colleges to promote food job training and opportunities

3. Facilitating partnerships with education and culture institutions to spark an interest in youth about how food is produced, develop an appreciation for the food sector as well as food job opportunities

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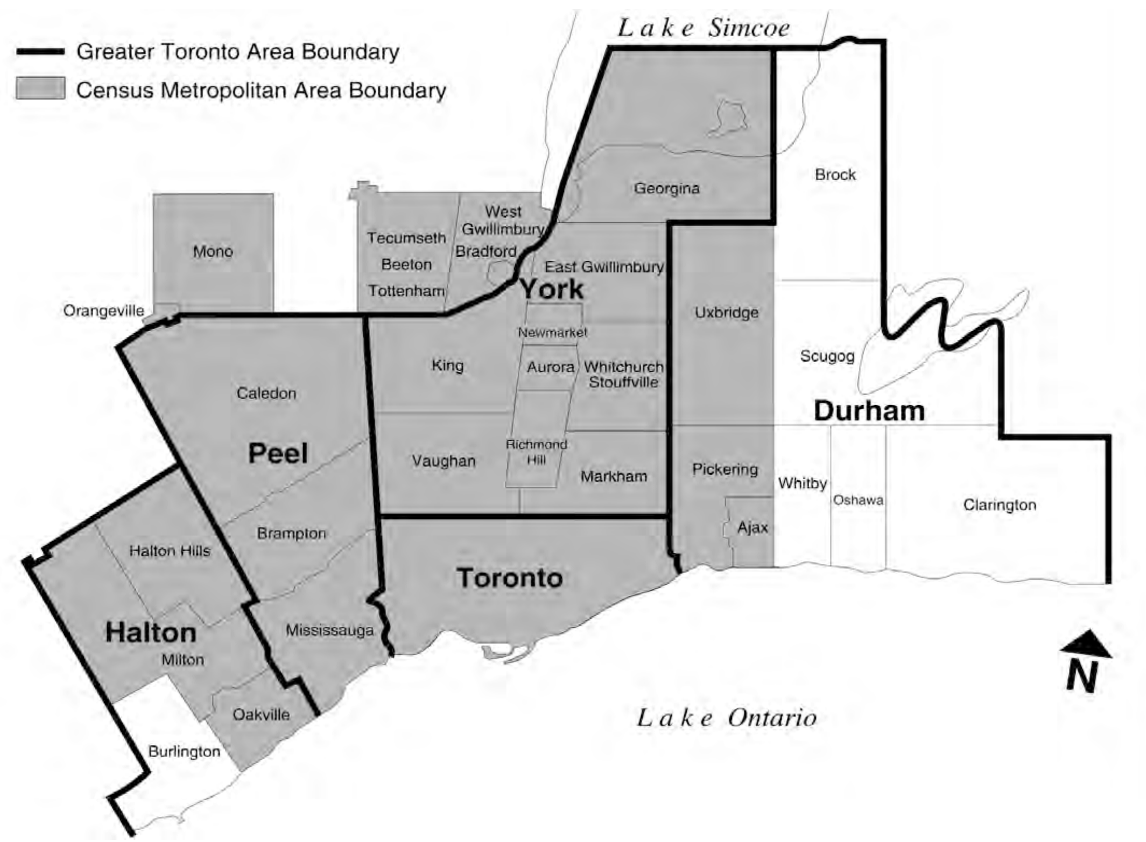
INTRODUCTION

The food and beverage cluster has long been a major component of Toronto's economy. It is the second largest employment sector in the city. With over 700 businesses in Toronto and 1500 in the Census Metropolitan Area (CMA, see Figure 1 below)[1] and nearly 60,000 employees in the CMA[2], Toronto's cluster is also one of the largest in Canada or the U.S., rivalling Chicago and Los Angeles as a major continental centre for the industry. Toronto's food cluster is characterized by a preponderance of SMEs (small and medium size enterprises) with nearly four fifths of firms having fewer than 50 employees.[3]

Figure 1: Greater Toronto Area and Census Metropolitan Area[4]



Toronto's Economic Development and Culture Division, in collaboration with OMAFRA (the Ontario Ministry of Agriculture, Food and Rural Affairs) published a key report on the food and beverage processing industry in 2002, the *Food Industry Outlook.* This report provided a broad evaluation of the sector in the

[1] Statistics Canada (2008a), "December 2008 Establishment Counts by PROV/CD, Industry Groups & Employment Size Ranges", Statistics Canada. and Statistics Canada (2008b), "December 2008 Establishment Counts by CMA, Industry Groups & Employment Size Ranges", Statistics Canada.

[2] Toronto (2009), *TORONTO CMA 2009 INDUSTRY PROFILES: City of Toronto Economic Development & Culture based on Statistics Canada Labour Force Survey data*, City of Toronto.

[3] Statistics Canada (2008a, 2008b)

[4] Prepared by: Toronto Urban Planning and Development Services, Presentation Graphics 1997.

Greater Toronto Area, with a focus on future space and facilities requirements for expansion and growth in the industry; as well as on the need to address infrastructural, regulatory and fiscal challenges related to doing business in Toronto.

This report is being prepared for Toronto's Economic Development and Culture Division and has two key objectives:

1) Provide an update to selected portions of the *Outlook* report including a statistical review of growth and developments in the sector; as well as a snapshot of how businesses in Toronto's food sector are responding to the challenges and opportunities discussed in the earlier publication and

2) Explore new and emerging trends in consumer preferences and demand that are actively transforming product and service offerings as well as processing operations. Through a series of interviews with a selection of the city's food industry companies, the data collected makes a case for Toronto as a "value-effective"[5] environment for businesses.

[5] The *Food Industry Outlook* recommended that "efforts to promote retention and growth in the medium and large firms should ...[demonstrate] that Toronto is a 'value-effective' jurisdiction. That is, the benefits of a Toronto location outweigh the costs."

METHODOLOGY

This report aims to present a primarily qualitative analysis of the food sector in Toronto. As such, most of the empirical data are collected in the form of semi-structured interviews (the sourcing of statistical data is explained in the Context section). To provide up to date information on Toronto's food sector we focus on the current state of the industry by interviewing executive leadership within a sampling of firms in Toronto. These industry interviews were guided by background interviews with four experts and leading consultants in the field. These participants were identified in consultation with Toronto's Economic Development and Culture Division (ED&C) and included some of those scholars who contributed to the reports which formed our literature review.

The interview guide was based on issues which arose in the original 2002 *Food Industry Outlook* report, as well as on subsequent reports by various levels of government. Additionally, a statistical review of the food sector in the Toronto Metropolitan Area was carried out to provide context. Statistical summaries were sourced from Statistics Canada (Labour Force Survey and Business Data Register) to give broad context on employment and revenue; as well as US Census and County Business data for comparisons with similar US jurisdictions.

Literature Review

While industry interviews form the bulk of the research, a literature review was conducted to provide background and facilitate a preliminary investigation. This took place through an examination of the small, but focused existing literature and reports related to the food sector in Ontario, and in Toronto specifically. Some of the literature was selected based on meetings with ED&C to determine which reports were well known and accepted by the Toronto business and administration community, and which others would also provide useful context.

Industry Interview Participant Selection

Twenty-four firms were asked by the Economic Development and Culture Division (through Michael Wolfson, Food and Beverage Sector Specialist) to participate in this study. Of these, 13 were put in contact with our team. Each of the potential participants was followed up with an average of two emails and one phone call. They were provided with a summary of our project and the objectives of the requested interview. Four were unavailable, and nine were successfully interviewed in October and November 2010. Our recommendations are therefore specific and directed at particular challenges and opportunities revealed by these respondents.

Given the small sample size, and the fact that these participant firms were not selected randomly, our findings cannot be considered statistically representative of the industry. Rather than perform statistical evaluation of the findings, we sought in-depth feedback on how firms are engaging the City of Toronto and its business climate within their particular constraints. The current study's goal is to identify some common trends, to provide an outline of where the industry is heading and the impact of changes in the social, economic and regulatory forces affecting the sector. Additionally, the results might also point out key areas for future research and focus.

Industry Interview Participants

The participating firms form a cross-section of multiple sectors, varying in size (small, medium and large) and geographic location. Firm size has been determined by an estimate of the number of employees and the quantity of product output. The firms are ranked in size relative to each other. The geographical spread includes west, east and north Toronto as well as downtown. The participant firms are characterized in table below:

Table 1: Industry interview participants by sector

Participant by Sector	Small	Medium	Large
Food Processors			
Weston Bakery			X
Campbell's			X
Lassonde Beverages			X
Grain Process Enterprises			X
Tea Aura	X		
ShaSha Bread Co.		X	
Food Service			
Real Food for Real Kids		X	
Food Retailer / Service			
Pusateri's	X		
Food Distributor			
Ontario Natural Food Co-op	X		

Interview Format

Interviews took place over the course of six weeks, through a mix of phone and in-person meetings with company management. The participants were asked to discuss the challenges and opportunities present in Toronto for their companies, as well as any factors influencing their ability to grow or expand. The participants were given the opportunity to comment on the impacts of relevant geographic, demographic and regulatory aspects of the business context in Toronto. The responses and comments of a few participants have been made anonymous to protect their confidentiality. All respondents signed an interview consent form indicating their rights to withdrawal allowing them to select from several levels of confidentiality (see Appendix C). The interview questions were sensitive to the competitive nature of the food business and avoided probing trade secrets. The interview technique recognizes that participants representing food sector management "will tend to give broad based, high level information that cannot be used by competitors".[6] For this reason data on financial accounts and particulars on company performance were excluded from the interview questions.

The interview guide is included in the appendix.

[6] George Schrijver, WCM Consulting, personal interview, October 18, 2010.

CONTEXT

Size and composition of the Toronto food processing industry

The data in this section are drawn primarily from Business Register Data compiled by Statistics Canada. The most recent records available are for 2008, which allows for some of the data presented in the *Food Industry Outlook* to be updated. In all cases the Food and Beverage sector defined using the North American Industry Classification System (NAICS) which employed by federal statistical agencies in Canada, the United States and Mexico. The Sector includes Food Manufacturing (NAICS code 311) and Beverage Manufacturing (NAICS 3121).

According to Statistics Canada figures, there are more than 700 food processing operations in the city. These numbers are roughly in line with what would be expected in comparison to the CMA and the Province as a whole, as seen in Table 2, based on Toronto's share of the population. The distribution of firms by size (in this case represented by the number of employees) is also fairly consistent at all three levels albeit with a slightly higher concentration of large enterprises in the city. As noted earlier, the food processing industry in Toronto remains characterized by a large number of small firms and relatively few larger plants.

Table 2: Food processing firms by number of employees in Toronto and Ontario, 2008[7, 8]

	Population	Total	Small (1-49)	Medium (50-199)	Large (200+)
Toronto	2,652,011	728	78%	14%	8%
Toronto CMA	5,531,263	1552	81%	14%	6%
Ontario	12,928,996	3236	80%	14%	6%

Changes to the sector since 2002

A key task of the report is to compare the current state of the Food and Beverage processing sector in Toronto (and to a lesser extent the Census Metropolitan Area) to the state of the sector in 2002. The methodology used for collecting data for the 2002 *Food Industry Outlook* can not readily be replicated, as the consultants undertook an extensive survey with the City of Toronto requiring participation from businesses and the revelation of revenue, growth, employment and space data. Since similar data cannot be collected, changes in the industry are tracked in this section based on Statistics Canada's Business Register Data and the Labour Force Survey for the Toronto CMA. It is also important to note that as Labour Force Survey data is not readily available at the level of the City, the comparisons to other jurisdictions or between industries are conducted at the CMA level.

[7] Statistics Canada (2008a, 2008b).
[8] Statistics Canada (2009a), "Annual population estimates by sex for July 1, 1996 to 2008, census divisions, Canada", Statistics Canada., Statistics Canada (2009b), "Annual population estimates by sex for July 1, 1996 to 2008, census metropolitan areas, Canada", Statistics Canada., and Statistics Canada (2009c), "Annual population estimates for July 1, 1971 to 2008, Canada, provinces and territories", Statistics Canada.

Table 2 presents the changes in the number of firms at different sizes (by employees) in the City of Toronto since 1999. It is immediately obvious that the sector has lost a significant number of firms with fewer than 50 employees, and to a lesser extent lost some medium sized firms (50-199 employees). However, while a reduced number of firms may mean slightly less diversity and competition in the sector, it does not necessarily follow that the sector is any less viable or a less important part of the Toronto economy. It is also apparent that there are more large firms than in the past and some of loss of small and medium enterprises (SMEs) may be due to their movement into the larger size ranges or due to mergers and acquisitions.

Table 3: Changes in the number of firms in the City of Toronto food and beverage sector, 1999-2008[9]

Year	Population	Total Firms	Small*	Medium*	Large*
1999	**2,529,762**	**913**	**748**	**117**	**48**
Change 1999-2002		-42 (-4.6%)	-46 (-6.1%)	1(.85%)	3(6.3%)
2002	**2,604,031**	**871**	**702**	**118**	**51**
Change 2002-2005		-74 (-8.5%)	-81 (-12%)	0	6(12%)
2005	**2,598,043**	**797**	**621**	**118**	**57**
Change 2005-2008		-69 (-8.7%)	-51 (-8.2%)	-16 (-14%)	-1 (1.8%)
2008	**2,652,011**	**728**	**570**	**102**	**56**
Change 1999-2008		-185 (-20%)	-178 (-23%)	-15 (-13%)	8 (17%)
Change 2002-2008		-143 (16%)	-132 (-19%)	-16 (-14%)	5 (9.8%)

*Note that number of firms in each size category have been adjusted to incorporate firms of indeterminate size on a proportional basis.

At the level of the CMA, as outlined in Table 4, there has been a similar net decline in the number of SMEs, particularly over the 2002-2008 period, and again it has been accompanied by small gains in the number of large firms. The main difference between the City of Toronto and the CMA is that the CMA experienced a peak in the number of firms in 2002 followed by a decline, whereas the number of small firms in the City of Toronto has declined relatively steadily. Notwithstanding this decline, the sector is still dominated by small firms, with four fifths of the total firms having fewer than 50 employees.

[9] Statistics Canada (2008, 2005, 2002, 1999), "December 2008, 2005, 2002, 1999 Establishment Counts by PROV/CD, Industry Groups & Employment Size Ranges", Statistics Canada.
Statistics Canada (2009), "Annual population estimates by sex for July 1, 1996 to 2008, census divisions, Canada", Statistics Canada.

Table 4: Changes in the number of firms in the Toronto CMA food and beverage sector, 1999-2008[10]

Year	Population	Total Firms	Small*	Medium*	Large*
1999	**4,662,416**	**1,649**	**1,373**	**209**	**67**
Change 1999-2002		78 (4.7%)	4 (0.3%)	59 (28%)	15 (22%)
2002	**5,008,885**	**1,727**	**1,377**	**268**	**82**
Change 2002-2005		-56 (-3.2%)	-63 (-4.6%)	-87 (-32%)	14 (17%)
2005	**5,250,163**	**1,671**	**1,314**	**181**	**96**
Change 2005-2008		-119 (-7.1%)	-67 (-5.1%)	37 (20%)	-9 (-9.4)
2008	**5,531,263**	**1,552**	**1,247**	**218**	**87**
Change 1999-2008		-97 (-6.3%)	-126 (-9.2%)	9 (4.3%)	20 (30%)
Change 2002-2008		-175 (10%)	-130 (-9.4%)	-50 (-19%)	5 (6.1%)

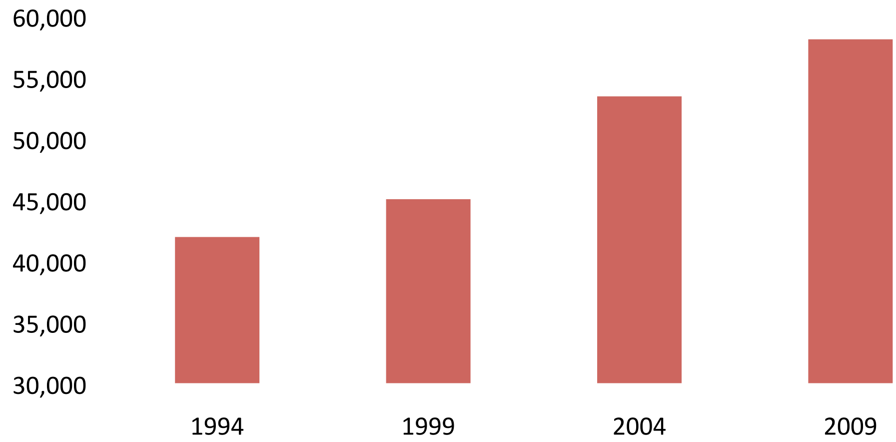
*Note that number of firms in each size category have adjusted to incorporate firms of indeterminate size on a proportional basis.

While the firm counts suggest that the food and beverage sector in the CMA is in decline, as in the city, the Labour Force Survey tells a different story. As illustrated by Figure 2, employment in the sector has grown fairly consistently over the last 15 years, with the workforce increasing from roughly 45,000 in 1999 to over 58,000 in 2008. In 2009, the sector in the CMA employed 50.7% of the provincial employment in the sector (58,090 of 114,550 employees). Likewise, based on the figures in the Labour Force survey, it was determined that the annual payroll of the industry in the CMA has grown from $1.8 billion to well over $2 billion, reaching about $2.3 billion in 2008.[11] It would appear that though the number of firms is decreasing, this has had a negligible impact on employment growth and is likely due to consolidation within the industry.

[10] Statistics Canada (2008, 2005, 2003, 1999), "December 2008, 2005, 2002, 1999 Establishment Counts by CMA, Industry Groups & Employment Size Ranges", Statistics Canada.
Statistics Canada (2009), "Annual population estimates by sex for July 1, 1996 to 2008, census metropolitan areas, Canada", Statistics Canada.

[11] Calculated using employment and salary figures from: Toronto (2009), *TORONTO CMA 2009 INDUSTRY PROFILES: City of Toronto Economic Development & Culture based on Statistics Canada Labour Force Survey data*, City of Toronto.

Figure 2: Food and Beverage Sector employment in the Toronto CMA, 1994-2009[12]



Comparison to other sectors

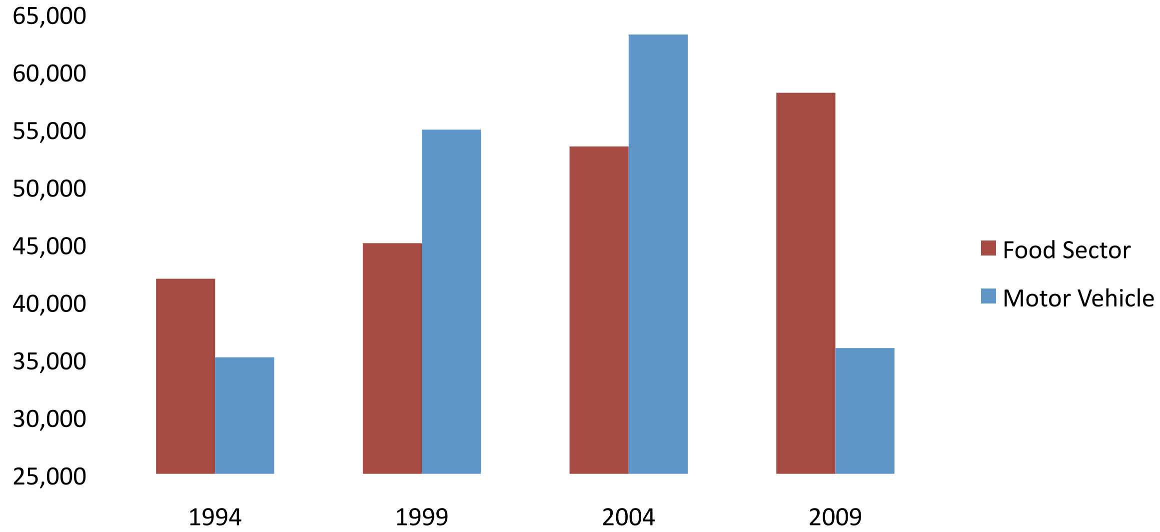
Despite its size the Food and Beverage Sector has a low profile. In Ontario, the Automotive Sector has a considerably higher profile and yet, as Table 5 reveals as of 2008 the Food and beverage employs more people than the Motor Vehicle Body, Trailer and Parts Manufacturing industries combined (NAICS codes 3361-3363), and has a higher overall payroll. The Auto sector which is generally considered to be a well paying sector does have higher wages per employee than the Food and Beverage Sector though not by a large margin. Average wages for the CMA in the Food and Beverage sector were $20.59 per hour (91% of the CMA inter-industry average) versus $23.00 (102% of the CMA average) in the Motor Vehicle sector in 2008. Finally, Figure 3 makes clear the contrast between the two sectors, with the Motor vehicle sector having been much more volatile during the both its growth period from 1994-2004 and the period of dramatic decline between 2004 and 2009. Over this period the Food and Beverage sector has had steady employment growth to the point where it surpassed the size the Motor vehicle sector.

Table 5: The Food and Beverage and Motor Vehicle sectors in the Toronto CMA, 2008[13]

Industry Sector	Employees	Payroll ($1000s CAD)	Firms	Small (1-49)	Medium (50-199)	Large (200+)
Food Sector	58,460	$2,342,870	1,552	81%	14%	6%
Motor Vehicle Sector	45,830	$2,031,906	394	62%	21%	17%

[12] Toronto (2009), *TORONTO CMA 2009 INDUSTRY PROFILES: City of Toronto Economic Development & Culture based on Statistics Canada Labour Force Survey data*, City of Toronto.
[13] Ibid.

Figure 3: Employment in the Food and Beverage and Motor Vehicle sectors Toronto CMA, 1994-2009[14]



The food and beverage manufacturing sector also has a significantly smaller profile than the agricultural sector in the province despite employing more people (114,550 as compared with 93,770 in agriculture).[15] Both industries contribute to the provincial economy beyond their direct production. Based on input-output (IO) analysis conducted by Statistics Canada at the provincial level the sectoral multiplier for agriculture in Ontario is 2.70 which indicates that for every $1 of additional output from the agricultural sector a further $1.70 is added the provincial economy. Similar analysis for the Food and beverage sector provides us with a sectoral multiplier for the sector 2.83.[16]

Food and Beverage sector composition

Returning to the level of the City of Toronto level, Figure 5 breaks down the food and beverage production cluster in the City of Toronto by sub-sector. Compared to the 2002 Statistics Canada data, as seen in Figure 4, the composition of the sector has remained very stable with only a small amount of change in share for some sub-sectors. As was the case in the 2002 report, bakeries are the most dominant sub-sector, likely owing to the fact that they benefit greatly from being in close proximity to their markets and have a greater proportion of firms that conduct direct retail than other sub-sectors (the subsector's share of the overall number of firms has dropped from 48% in 2002 to 45% in 2008). One sub-sector which has seen a notable increase in its share of the number of firms in Toronto (from 13% to 16%) is the non-descript "Other" sector, composed of firms which produce seasonings and dressings, a range of snack foods (not baked or confectionaries), coffee and tea, flavouring and concentrates and roasted nuts and nut butters.

[14] Toronto (2009)

[15] Toronto (2009)

[16] Statistics Canada (2006) "Provincial Input-Output Multipliers, 2006P" Industry Accounts Division / System of National Accounts, Statistics Canada.

Figure 4: Composition of the Toronto food and beverage processing industry by sub-sector, 2002[17]

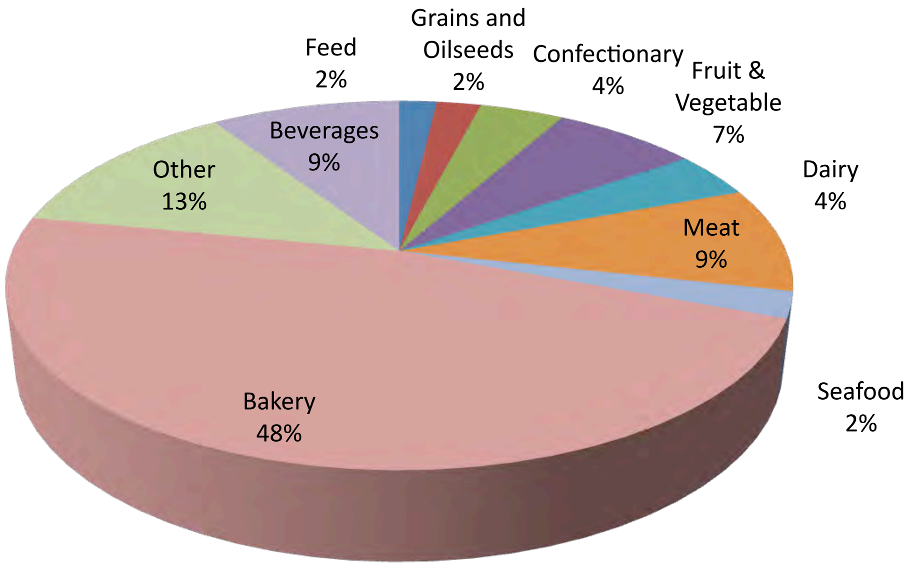
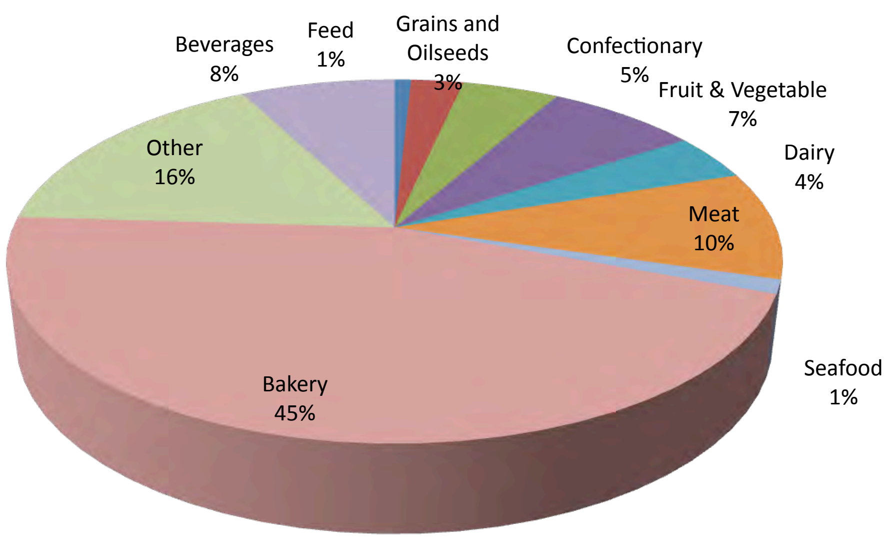


Figure 5: Composition of the Toronto food and beverage processing industry by sub-sector, 2008[18]



Comparison to other jurisdictions

As noted earlier, Toronto's food and beverage processing industry is not only a significant employer at the local level, but it is also one of the largest food clusters in North America. Figure 6 compares sector employment in the Toronto CMA to the top ten U.S. Metropolitan Statistical Areas (MSA) for employment in the sector in 2008. In terms of employment, at 58,000 employees, it can be seen that the Toronto region is the second largest in Canada and the United States, after Los Angeles. It is also interesting to note that the industry is not exclusively centred in large Metropolitan areas. In fact the Fayetteville-Springdale-Rogers, MSA

[17] Statistics Canada (2002a).

[18] Statistics Canada (2008a).

in Arkansas and Missouri is home to the greatest single concentration of very large firms in the U.S. (with five firms each with over 1000 employees).[19]

Figure 6: Food and Beverage employment by metropolitan area, 2008[20]

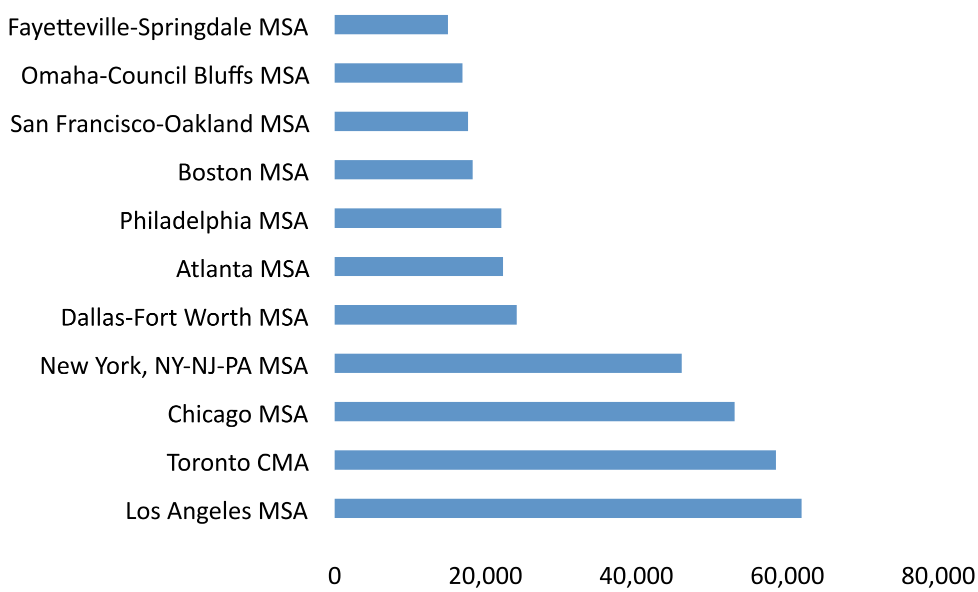


Table 6 provides the relative scale of the food industry in the New York, Los Angeles and Chicago Metropolitan Statistical Areas (this comparison is possible as both Canada and the U.S. use NAICS to categorise their industry). While the different size of the medium firm category in Canadian and American data impedes comprehensive comparisons, the Toronto CMA is only surpassed by New York when it comes to the number of firms while the distribution firms by size is more similar to Chicago (regarding the proportion of large firms) and LA (regarding the proportion of small firms). Payroll is not exactly comparable as the figures are in local 2008 currency. That said the economic impact of the sector's employment in the Toronto region is clearly on the same scale as that in Los Angeles or Chicago. Finally, the size of the industry as compared to these other major centres is all the more significant in light of the smaller population of the Toronto CMA.

[19] U.S. Census Bureau (2008). "2008 MSA Business Patterns (NAICS)", < http://censtats.census.gov/cgi-bin/msanaic/msasect.pl?&Path=censtat>, Accessed October 20, 2010, U.S. Census Bureau.
[20] Ibid.

Table 6: Top food processing metropolitan areas with composition by number of employees, 2008[21]

Metropolitan Areas	Population	Employees	Firms	Payroll ($1000s U.S.)	Small (1-49)	Medium (50-249)	Large (250+)
New York MSA	19,069,796	45,979	2,132	$1,597,189	90%	9%	1%
Los Angeles MSA	12,874,797	61,857	1,454	$2,067,118	83%	14%	3%
Chicago MSA	9,580,567	52,985	913	$2,253,867	76%	18%	6%
Metropolitan Areas	**Population**	**Employees**	**Firms**	**Payroll ($1000s CAD)**	**Small (1-49)**	**Medium (50-199)**	**Large (200+)**
Toronto CMA	5,531,263	58,460	1,552	$2,342,870	81%	14%	6%

*Note: As the U.S. Medium category may include additional companies, those with 200-249 employees, this table may overestimate the proportion of large firms in the Toronto CMA relative to U.S. counterparts.

In Summary, despite a significant decrease in the number of small firms in Toronto and the CMA over the last decade, the food and processing industry remains diverse. Further, the sector has had strong and steady employment growth over the last 15 years. The sector is of great importance to the region, and along with Los Angeles and Chicago is one of the largest food and beverage clusters on the continent.

[21] U.S. Census Bureau (2008).

EMERGING TRENDS

Since the *Food Industry Outlook* was published, an emerging "new food economy"[22] – characterized by new consumer demands such as that for local food, and by an increased prevalence of small and medium sized companies focusing on responding to such demands, particularly in Ontario and more specifically Toronto – has been examined by a number of academic researchers.[23] Their work emphasizes the continued importance of Toronto's food cluster – which includes businesses involved in food processing, service (e.g. catering companies), distribution and retail -- and the need to consider urban trends, markets, and businesses as central to the regional food economy. Increasingly, consumers are driving Toronto's food market, indicating rising preferences for new kinds of products. A 2008 report by the Canadian federal government[24] discusses such national trends as: the Buy/Eat Local movement, the proliferation of ethnic foods as immigration rises, the burgeoning demand for kosher and especially Halal foods, and the push for organic food and sustainable practices.[25] Other consumption trends include increased preference for ready-made or ready-to-cook foods by working families and aging adults, and foods that meet dietary restrictions (e.g. dairy-free, nut-free and gluten-free).[26] Food safety standards have tightened in recent years, making food safety an increasingly significant issue.

Local Food

This trend is evidenced by the proliferation of local farmers' markets, "100 Mile Diet" cookbooks, and restaurant menus featuring local food. Corporate responses have included Walmart's 2010 announcement that it will commit to stocking 30% local produce in Ontario stores. Institutional responses include *Local Food for Health Care,* a 3-year study currently underway, funded by OMAFRA, being undertaken by the Coalition of Green Health Care, in partnership with My Sustainable Canada, and researchers at the University of Guelph and Wilfred Laurier University. This project is examining the feasibility of switching to local sourcing for most Ontario hospital food.[27,28]

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[22] a term used frequently in the literature, such as in Blay-Palmer, A. and Donald, B. (2006) "A tale of three tomatoes: the new food economy in Toronto, Canada", *Economic Geography,* Vol. 82, Issue 4, 383-399

[23] See: Donald, B. (2009), "From Kraft to Craft: innovation and creativity in Ontario's Food Economy", *Martin Prosperity Institute;* also Blay-Palmer, A. and Donald, B. (2006).

[24] Agriculture and Agri-Food Canada (2008), *Ethnic and Specialty Food Expo 2008: Key Industry Trends*

[25] www.agr.gc.ca, *Consumption Trends.* See also:
Serecon Managemen Consulting Inc. (for Agriculture and Agri-Food Canada)(2005), *Canadian Food Trends to 2020: a long-range consumer outlook*.

[26] ibid

[27] Alison Blay-Palmer, personal interview, October 18, 2010

The current level of consumer demand for local food is not so great that retailers or manufacturers have been forced to strengthen supply chains with growers. [29] Yet Lauren Baker, Chief Executive Officer of Sustain Ontario, argues that this demand will strengthen as consumers become increasingly aware of the importance of buying local.[30]

The priority placed on local sourcing varies among the companies interviewed, but all indicate that rising consumer demand for local food is at least being considered. Pusateri's Fine Foods' Mastroianni notes that at several points in the company's 45-year history, consumer preferences have undergone changes, and that contemporary consumers are much more discerning, increasingly interested in reading labels and knowing the source of food.

Complete local sourcing is not always possible (e.g. for ingredients such as sugar, spices, and tea). However, companies are generally attempting to reduce their carbon footprints in order to enhance their brands' appeal in an increasingly eco-minded marketplace. Daniel Marcoux, Plant Manager for Lassondes Beverages (which manufactures fruit juices under such labels as "Fairlee" and "Everfresh"), describes how the company's major clientele, such as large retailers, are now more interested in locally-sourced products. "Eating Local" has become a central guiding principle for some companies such as Real Food for Real Kids (RFRK), whose central mandate, and self-proclaimed "mission", is to supply children with locally-sourced, healthful food. Co-founder David Farnell maintains that it can ultimately be more cost-effective to use local ingredients, as long as reliable supply chains can be set up, and this may be difficult for smaller businesses scattered throughout the city. Still, Randy Whitteker of the Ontario Natural Food Co-op (ONFC) points out that the biggest challenge in promoting local food lies in a consumer mindset that equates cheap products with value, sometimes neglecting to consider the health and environmental costs of choosing foreign over local sources.

Toronto's Local Food Procurement Policy (enacted in 2009, and governing city-run daycares), has worked very well as a "dating service" between farmers and companies, yet RFRK still hires extra staff to co-ordinate the sourcing of local products, which are often not available in grocery stores. Farnell also points out that companies need to reach a certain size threshold in order to buy efficiently from local farms. In its early days, RFRK was able to establish direct relationships with local farmers, but often had to go through the Ontario Food Terminal to buy produce from them. Now that the company has grown, its orders are much larger so farmers can deliver directly. Says Farnell:

> ***"All our beef comes locally, from one small farm. He makes such a big sale to us now that he can drop things off to us. Similarly, Norfolk County Growers can deliver 150 cases of apples at a time."*** **-David Farnell, RKFK**

For individual households, affordability may trump local sourcing as Randy Whitteker points out. However, larger corporate consumers, such as RFRK or the City of Toronto, may be able to overcome this challenge more consistently, with certain changes to the city's food system in place.

[28] My Sustainable Canada, at http://www.mysustainablecanada.org/projects/sustainable-consumption/61-assessing-the-capacity-for-local-food-in-hospitals-st-marys-hospital-case-study.html

[29] Margaret Walton, Planscape, personal interview, October 8, 2010

[30] Lauren Baker, SustainOntario, personal interview, October 14, 2010

Food manufacturers, or service firms such as RFRK, often need to buy produce that is "value-added" or partially processed, such as chopped onions. It is not possible for relatively small companies to peel and chop the volume of onions they use themselves, since the pungent oils released necessitate special washing and drying lines. Similarly, making beef hot-dogs requires separate spaces for storing raw and cooked meats. It is much more difficult to ensure that these semi-processed foods are entirely locally-sourced. The companies doing this basic processing may buy some of their onions, for instance, from local farmers, but may need to also turn to imported ingredients since the narrow profit margin of such businesses depends on ensuring that their equipment lines are always up and running.[31] Thus there is a need for local food aggregators – co-op-like central facilities, perhaps near the city's outskirts, which can meet the *collective* local-food needs of small food manufacturers or service companies. RFRK's Farnell calls this "the missing link between local manufacturing and local eating." Aggregators would also help small food businesses – and small farms – to grow incrementally.

Branding and local food

Companies ideally will be able to expand sales into markets outside Toronto (such as the North-eastern US). The ability to establish a brand in the home market of Toronto in the first place can be enhanced by local sourcing. Susan Ho of Tea Aura Cookies points out that although it is difficult to be certified as an *organic* producer, retailers know that their customers might well choose "local" products as a safe (traceable) and environmentally-conscious option. Ho recalls seeing a non-local competitor's product on a Toronto retailer's shelves, then pitching her similar, local product as a better choice.

> ***"He didn't realize there was something local available. So he dropped the other company, who is much bigger than we are!"*** **–Susan Ho, Tea Aura Cookies**

Ethnic / Culturally Appropriate Food

As Toronto continues to embrace new immigrants from a wide range of ethnic backgrounds, the food market becomes increasingly dynamic and diverse. Toronto's groundbreaking Food Charter enshrines the right of its residents to "culturally appropriate food". Nationwide, there has been a virtual explosion of consumer demand for international cuisines including Latin American, African, South American and Korean foods.[32] This demand has come not just from immigrant populations but from the wider consumer base. This trend is evidenced by the success of Asian-food supermarket chain T&T, whose first branches were in Toronto suburbs with concentrated populations of Asian immigrants, but which expanded and established a downtown store on Cherry Street in the City's waterfront area. Religious practices are also an increasing source of demand for special products. Halal meats, for instance, were not on the radar at the time of the 2002 publication of the *Food Industry Outlook*, yet are becoming a significant factor in the Toronto market.

Food businesses in Toronto are responding to these demand trends in various ways. Smaller companies may come into being initially to make and market a specific niche ethnic product. Large producers are developing new products to meet the specific demands of minority ethnic groups. One such producer recently developed a new line of chicken broth specifically for the recipes of the Chinese community. Another

[31] David Farnell, RFRK, personal interview, November 4, 2010

[32] Serecon Managemen Consulting Inc. (for Agriculture and Agri-Food Canada)(2005), *Canadian Food Trends to 2020: a long-range consumer outlook*

has introduced new lines of product specifically aimed at Ghanaian, Nigerian and Indian populations. This respondent noted a dramatic increase in the number of Ethiopians locating in Toronto since 2000, and developed products for use in their traditional food preparation. Similarly, large producers are becoming increasingly sensitive to demand for special preparation processes to meet religious requirements. Halal and kosher foods are increasingly making their way into mainstream product lines.[33]

Specialty Food

This subsector includes high-end foods (such as wild salmon and expensive olive oils), allergen-free foods (e.g. nut-free, wheat-free, dairy-free) and organics. The ballooning demand from consumers[34] requires response from all segments of Toronto's food industry: producers, distributors, food service companies, and retail firms. As with the market appeal of ethnic foods extending to the broader population, the demand for specialty foods started with smaller niche markets, but has become wider due to health awareness movements. New items and categories of food are entering the diets of Torontonians. One large food producer provided goji berries and chia seeds as examples of products entering the mainstream of consumer demand within the past decade. This respondent noted that Toronto's population is becoming increasingly aware of what is available, and interested in consuming healthier foods.

Another producer describes the allergy-safe food market as the most significant growth area in his business. He indicates that the market will continue to expand as schools, airlines and other public domains become less welcoming to foods with allergy potential. Additionally, gluten-free products for those with celiac disease and others with specific ingredient sensitivities have gained prominence and are on the radar of even the larger food producers. Similarly, the Ontario Natural Food Co-op's Whitteker indicated that interest in health-conscious foods has outstripped even demand for vegetarian and vegan, helped in large part by increased demand for allergy-free foods.

Consumer demand for organic certified foods has likewise been increasing in the past decade. While the total demand is growing, the market continues to expand primarily at the upper price points. This is in part due to the "lifestyle" affiliation with organic labelled food. One respondent notes that for their customers, purchasing organic foods is an important part of maintaining a specific lifestyle. This same respondent suggests that an increase in the number of organic food-producing firms in Toronto would bring organics prices down to the mid-market level for consumers through the increased collective output of producers. As organic goods become more accessible, the market will expand and more people would be able to consume organics as a part of their regular lifestyle.

There is evidence to suggest that this is becoming the case. One respondent's company has introduced organic foods into its regular product lines. This has be a slow processes however, since the market, though growing rapidly, still remains relatively small. While large food producers have been able to capitalize on the demand for organic foods, this trend has not significantly altered the product lines of non-specialized food producers.[35]

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[33] Key informant interviews, November 2010
[34] Serecon Managemen Consulting Inc. (for Agriculture and Agri-Food Canada)(2005).
[35] Key informant interview, November 2010

Prepared foods

While some firms have seen a decline in the demand for prepared foods since the economic downturn of 2008, others note that the busy lifestyles of Torontonians support a generally expanding market for convenient meals. One food producer has slackened some product lines which require more consumer preparation time, in favour of those which can be consumed directly out of the package. Producers with greater flexibility and more diverse product lines will be better positioned to adjust to the uneven but growing demand for ready-to-cook foods.[36]

Sustainability

Practices in food manufacturing and consumption are a major arena for sustainability issues. At present, environmental issues certainly affect the bottom-line of Toronto's food industry companies. The relatively high weight-to-value ratio of food and especially beverage products means that the costs (both monetary and environmental) of transportation are a serious concern. The recent Toronto requirement for a 5 cent charge for plastic grocery bags is also an example of a sustainability initiative which affects the city's food industry. Our respondents mainly commented on efforts to reduce packaging, indicating that actually switching to new more sustainable packaging materials has not been a major trend. Canning, for example, continues to be regarded as a sustainable method, and the moisture-barrier qualities of plastic continue to appeal. [37]

However, there are signs that new practices may become necessary for Toronto's food firms. For instance, Wilfred Laurier University professor and food industry researcher Alison Blay-Palmer is currently developing a "Sustainability Report Card" for Canadian food systems. This SSHRC (Social Sciences and Humanities Research Council) project draws on the notion that "what gets measured gets managed". The goal is to provide consumers with a user-friendly labelling system revealing the sustainability practices of everything they buy. Toronto food industry firms will thus, in time, find that their environmental standards will receive even wider scrutiny than that faced under present regulations. Environmentally-conscious practices – and proof of them – will be increasingly demanded by consumers.

Food Safety

Food safety standards are becoming more stringent in the wake of, for instance, the Walkerton water-supply tragedy (2000), and the Mad Cow disease outbreak (2006). After the 2008 listeria outbreak crisis in Ontario, which saw a large-scale recall of Maple Leaf Meats products, the federal government commissioned the 2009 Weatherill Report on food safety issues. This report has resulted in an increase in the number of inspectors for meat plants, among other changes, and the Canadian Food Inspection Agency will, in 2011, issue a report documenting the efficiency of such measures.[38]

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[36] Key informant interview, November 2010

[37] Key informant interviews, November 2010

[38] Canada Food Inspection Agency, *Progress on Food Safety as of October 2010,* at http://www.inspection.gc.ca/english/fssa/transp/prog/prog1010e.shtml

While new more demanding regulations around food safety will in some cases be challenging for Toronto's food business firms, they will also provide opportunity for the City to attract businesses eager to make and market products in a location with a growing reputation for safety and traceability. (The 2008 tainted baby formula scandal in China, for instance, has contributed to food safety being on the global agenda.)

FINANCING AND PARTNERSHIPS IN THE FOOD SECTOR

Financing Growth

Smaller companies have often been at the forefront of embracing new trends that have the potential to strengthen and expand Toronto's food cluster. The city's Food Business Incubator (TFBI), launched in 2007, assists entrepreneurs in establishing their businesses, providing networking and financial advice as well as rental of a commercial-scale kitchen facility.

However, when smaller companies are ready to expand their operations, they find that funding for capital expansion, or acquisition, is difficult to obtain. Susan Ho is President of Tea Aura Cookies, a Toronto company established in 2008, which produces tea-infused shortbread cookies. Ms. Ho is a small-business entrepreneur (her company has 2 full-time and a handful of part-time employees) currently seeking to "graduate" from the Food Business Incubator to her own facility, but realizes that it is unlikely she will find a "move-in-ready" space, and will have to make a considerable and risky investment in refurbishing and equipment. She notes that help with such capital investment tends to be easier to come by outside of the Toronto area: "Eastern Ontario has amazing funds in terms of starting a manufacturing business. They're out there at all the trade shows, aggressively 'surfing' for businesses to locate there."

Real Food for Real Kids (RFRK) is a Toronto catering service which began operation in 2004, providing meals to daycares and schools. The company already has its own kitchen in the downtown area, but is planning to find or build a larger kitchen in the next two years. Co-founder David Farnell notes that while RFRK shares the passion and philosophy of not-for-profits dedicated to healthy and sustainable eating (such as FoodShare), for-profit companies lack the same opportunity for grants and other financial support. John Mastroianni, General Manager of Pusateri's Fine Foods (a Toronto 3-store chain of specialty high-end groceries) concurs that the City of Toronto could / should play a role in encouraging wider access to grants and subsidies. The stakes, he says, are high: "Can you imagine a world where all you would see is just the chain stores, and nothing but?"

In addition, says Farnell, "We can get some investment now (from banks), because we've got five solid profitable years under our belts. What would help us going forward would be some (additional) assistance on capital expenditures." According to Farnell, it is imperative to establish more systemic financial support for buying *more durable* (and expensive) equipment up-front, which doesn't have to be replaced later as a company grows. While an increase in the amount of early investment increases the risk, he sees this as a less-wasteful, and more cost-efficient, route compared to the more common practice of choosing price-point over durability. RFRK has successfully employed this strategy from its outset, if only because of the founders taking on personal financial risk; equipment purchased in the company's early days will be suitable for the envisioned larger kitchen. Just as the City of Toronto's TIEG (Tax Increment Equivalent Grants) system sees the city willing to forego short-term revenue for the sake of encouraging the long-term growth of local industry, similarly, banks risking higher loan amounts would ideally result in more sustainable businesses, which are well-positioned to expand in time, since they will not need to replace all their equipment as they move to higher production levels. And certainly this concept is more in keeping with sustainability goals.

Toronto's Economic Development and Culture Division could play a crucial role in educating not only food firms, but lenders, in the need to take short-term risks in order to engender an ever larger and more profitable food sector in the city.

Recently, there has been a slight decrease in the proportion of Toronto's food businesses in the small-to-medium employer category (under 200 employees), and a slight increase in the largest companies. Some of this may be due to new generations choosing not to continue running family businesses.[39] But another factor is that as small companies reach a certain critical mass, they may have trouble financing expansion, and be forced to join a larger company. One example is a local brewery Creemore Springs' sale to Molson's Breweries in 2005. Walter Kraus, the company's Senior Director of Environmental Affairs, predicts "we're going to see more of these pocket acquisitions." Rather than fully folding Ace Bakery, a newly-acquired business, into its overall brand, Weston's will operate the company as a somewhat separate entity, as the Ace brand is associated with a more homespun "craft" product, and has been very successful with consumers such as restaurants.

While huge companies such as Weston's do recognize the value of the creativity, and "craft"-scale branding/practices that small independent firms bring to the marketplace, it remains important that there is an opportunity for small enterprises to become "medium sized" so that this creativity and trend-responsiveness can eventually take advantage of economies of scale.

Networks and Linkages

The City of Toronto has already recognized the importance of investing in established clusters such as food processing, through the City's *Agenda for Prosperity,* its 2008 policy document on economic development.[40] Similarly, this document's associated *Creative City Planning Framework* notes the significance of the concept of industry clusters as developed by Michael Porter, the Univeristy of Toronto's Meric Gertler and others: "Economic success depends on geographic concentrations of interconnected companies, suppliers and research infrastructure".[41] Such Creative City thinking does not apply only to cultural or "creative" industries.

Firms in the food sector benefit from their proximity to each other by forming connections, sharing information and networking.[42] The larger companies are particularly reliant on networks of suppliers and contractors with specific skills and technologies to meet special jobs and help in expansion and development.

[39]Walter Kraus, personal interview, November 10, 2010

[40] City of Toronto (2008), *Agenda for Prosperity*, p. 26.

[41] City of Toronto (2008), *Creative City Planning Framework,* p. 21.

[42] Key informant interviews, November 9, 2010.

A representative of a large food producer in Toronto indicates that contractors working with newer technologies can be difficult to find, and that "stimulating innovation in the food industry would require helping some companies know what other companies are capable of and helping them get together." Another large Toronto producer describes trade shows as the only significant interaction point with other firms, mentioning a lack of information-sharing on capabilities and potential partnerships. In contrast, small start-up companies may find the necessity of asking for help and advice actually makes networking more likely at this stage. Tea Aura's Susan Ho concurs that "everybody goes to the trade shows, and that's where you meet a lot of people". She finds that the City of Toronto offers distinct opportunities for networking, given the plethora of businesses located here. She notes that "most companies started off, one day, as a small business. So people are very willing to help each other out." And certainly, the Food Business Incubator is a place and program where newer entrepreneurs exchange ideas and share space.

Another benefit of food industry networks is the ability to band together to address specific issues. Weston's Kraus is on the Board of *Partners in Project Green,* an "eco-business zone" of 12,500 businesses located in a 12,000-hectare area around Pearson International Airport. Food processors are prominent in this group of companies.[43] This group works towards pooling resources and knowledge in order to address challenges with bureaucracy in environmental issues, such as complying with green standards. Kraus notes that it can be "difficult to establish partnerships because the food business is scattered geographically around the city." Randy Whitteker, General Manager of the Ontario Natural Food Co-op (ONFC), echoes this idea that linkages between food sector businesses can and should provide more than a means to exchange knowledge about consumer preferences and innovations. He asserts that the creative benefits of the ONFC business cluster must extend to increasing the overall perception of the value of (in this case) natural foods, which will lead to greater market penetration and thus economic growth.

There is evidence that the isolation of food sector firms is declining. There are various organizations, often at the subsector level, which function as gathering points for businesses looking to share information and build connections. Recognizing that collective benefits are possible through partnerships, one respondent states that "we group up together and make decisions that are good for all of us."[44]

The City's Economic Development and Culture Division (ED&C) has an opportunity to strengthen the food sector's economic growth by facilitating collaboration among firms. There are many sub-sector membership organizations, such as the ONFC (Ontario Natural Food Cooperative), the Ontario Dairy Council, the Ontario Independent Meat Processors, and the Canadian Council of Grocery Distributors, and the Canadian Federation of Independent Grocers, which examine and publicize matters affecting individual subsectors. The Ontario Food Processors Alliance's website provides a forum for information and discussion of important issues in the industry, yet it does not focus on the Toronto agglomeration of firms which represents such a significant feature of this industry in Ontario (and indeed in the country.) However, as described above, success in harnessing a sector's strength, and in guiding it to an even greater contribution to a local or regional economy, depends on recognizing its concentration in physical space, which provides the setting for co-operation, knowledge exchange, and "buzz". Thus one of the key steps ED&C can take is to rally the diverse firms in Toronto's food cluster to work and strategize *together*.

[43] Partners in Project Green website, http://www.partnersinprojectgreen.com
[44] Key informant interview, November 9, 2010.

REGULATORY CHALLENGES IN THE FOOD SECTOR

The *Food Industry Outlook* also called for a streamlining of the regulatory environment, especially given the prevalence of small and medium companies with fewer resources to navigate this system. For good reasons, the food industry is highly regulated at all scales of government. Detailed labelling is required (nutrition labelling became mandatory for all pre-packaged foods on December 12, 2007[45]), plants and stores are inspected, and meticulous paperwork is necessary. However a key theme that emerges is the need for appropriate co-ordination between regulators. This applies across a broad spectrum of issues.

For instance, in order to comply with the Province's Day Nursery Act, RFRK must post menus at least one week in advance and strictly adhere to them.[46] However, ensuring that as much local food as possible is included in these menus (as outlined in the City's own Local Food Procurement policy) might mean that if local apples for the posted "apple crisp" are in short supply in a given week, the best alternative is to substitute *local pears* rather than *imported apples*. A reasonable degree of flexibility needs to be written into laws in order to avoid unintended effects. In fact, RFRK's Farnell suggests that a general tendency towards a lack of flexibility in food legislation means that ideas forwarded by sustainable-food advocates may not be supported by food processing companies. Clearly, there is a missed opportunity for various parts of Toronto's food system (industry, and NGO's, e.g.) to work more closely together in advising legislators.

In fact, environmental regulations sometimes clash with health/safety requirements or goals (as when RFRK opts to sanitize with hot water rather than bleach – see discussion under "Water" below). Weston's Kraus says of the City's green roofs by-law: "Food facilities would not want to put in a vegetative roof, when they're already doing everything they can to keep out pests." Again, flexibility is key in such policies.

Food industry regulations at higher scales of government can also impede growth in the sector. For instance, under Canadian Law (s. 5-1 of the *Food and Drugs Act)*[47], label claims for probiotics or other "healthy" ingredients are more difficult to make, says a local manufacturer, given the strict requirement for supporting research. This can make it difficult for Canadian products to compete with those imported from the U.S., where certain ingredients have already been approved and labelling claims established. Of course, this legislation (along with Canada Food Inspection Agency or CFIA regulations) is set by the federal government rather than at the municipal level. Most companies interviewed for this study report that they

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[45] Health Canada, retrieved from www.hc-sc.gc.ca/fn-an/label

[46] Ontario Day Nurseries Act, S. 41 (2), retrieved from http://www.e-laws.gov.on.ca/html/regs/english/elaws_regs_900262_e.htm

[47] Canada Food and Drug Act, retrieved from http://www.hc-sc.gc.ca/fn-an/label-etiquet/claims-reclam/probiotics_qa-qr_probiotiques-eng.php

welcome Canada's clear, though stringent, labelling and safety requirements, since it allows them to market their products with confidence. However, a unified stance would help Toronto's food sector to advise governments about the delicate balance between labelling requirements and local sector competitiveness.

Toronto's Economic Development and Culture Division could/should support the sector in achieving such a unified stance, to ensure that local businesses are able to capitalize on current trends such as those in the area of sustainability.

Municipal regulations and policies, particularly those around land use, can also interfere with the operation and growth of the city's food sector. For instance, one firm representative reported considerable difficulties complying with the City's new Harmonized Zoning By-law. In general, some companies find that residential development pressure is encroaching on their ability to conduct business, particularly loading activities near residential areas, and in some cases the Harmonized By-Law is exacerbating that. For instance, Weston Foods have three facilities in the city. The oldest one is on Eastern Avenue just to the east of the downtown core. While the company has always enjoyed good relations with neighbourhood residents, they are finding that as new condominium developments are being built in the area, a different type of resident is moving in. "So we're going to be facing challenges regarding noise. The city has allowed residential development to take place around industrial facilities without any sort of corridor or buffer zone to allow both to co-exist."[48] Although Toronto's Official Plan protects industrial Employment areas, residential development is taking place right up to their edges. This of course will be an ongoing challenge in the quest to keep the City of Toronto a suitable location for industry, as opposed to becoming a "bedroom community for the 905". In fact, Weston's Kraus notes that one of the company's competitors has recently moved outside the city, finding restrictions around noise too challenging. As well, suggests Lassonde Beverages' Marcoux, the recently-introduced land transfer tax will make existing businesses consider other areas outside the city when moving or expanding their premises.

Again, Toronto's Economic Development and Culture Division could help the industry to make sure that planning decisions made by other Divisions, and by Council, take into account potential effects for the City's key industry cluster, the food business.

[48] Walter Kraus, personal interview, November 9, 2010.

BUSINESS IN TORONTO

Space

The *Food Industry Outlook* emphasized space and facilities requirements, reporting that land for industrial expansion is scarce in Toronto. In an effort to address these issues, Toronto's Employment Lands policy has been devised to enhance business clusters. Subsequent initiatives have included the introduction of TIEG's (Tax Increment Equivalent Grants) for lands purchased by the food processing industry[49]. As well, the Toronto Food Business Incubator – which is funded by the City of Toronto and the federal government – has been created to address the needs of smaller start-up companies. The program provides a commercial kitchen for rental, and financial advice and networking opportunities.

The Business Incubator - while useful – is limited in capacity. The current facility holds nine (9) businesses at a time and these enterprises only have access to the space for three years. Incubator businesses like Tea Aura still face challenges when embarking on expansion to an independent location as access to a suitable downtown location is complicated by limited access to financial resources.

This study identified differing perspectives on the space availability in the city, as responses indicate that space considerations and challenges were highly dependent on type of business. Mastroianni indicates that as a retail company, finding a location with a possible building capacity for hundreds of workers, as well as parking and delivery facilities can be particularly problematic. Still this independent company has seen considerable physical growth over the past 45 years, and now has three locations within the Toronto area – most recently its Bayview Avenue location.

On the other hand, limitations on expansion for larger processers does not necessarily equate to an inhibition of growth. The Lassonde beverage plant has continued to increase its operation through the installation of new equipment. Weston Foods has been able to acquire existing bakery companies as part of corporate growth plans. It is also important to note that peri-urban areas possess great potential for growth. Mastroianni indicates that areas surrounding the downtown core – which his company has taken advantage of – are less problematic for development.

[49] TIEGS are a planning tool whereby infrastructure investment is paid for using the expected increase in future property tax revenue from industrial development.

Labour

The 2002 report described the labour market as a key issue for the Toronto food processing industry.[50] In 2005, the City of Toronto[51] and the Province of Ontario[52] each published in-depth studies which predicted shortages of skilled labour in the food processing sector, and a workforce increasingly drawn from the pool of new immigrants. Current labour force data and responses from key informants validate this information. Respondents indicated that a large labour pool is one attractive factor for businesses to locate in the area; with employers noting that workers were talented, trainable and in most instances affordable. However, as stated by the Ontario Food Processing Research and Services Committee (OFPRSC) in 2008, there is a continued need for appropriate worker training and education.[53] Operators face labour challenges on two grounds:

1) Language barriers (given the large number of immigrant workers in the sector) and
2) Lack of trained and highly-skilled individuals.

The City is home to a culturally diverse population representing over '200 distinct ethnic origins'[54]. Marcoux indicates that of the 120 employees at the Lassondes plant, 93% are immigrants. Retailers may opt to nurture non-English speakers in back-end service activities until persons are better able to communicate with customers. However, a language barrier among tradesmen is still problematic. Larger companies find that in-house training has had to be a major initiative. The associated costs are typically absorbed by the company and are a challenge to maintain.

Lassonde in particular has embarked on e-learning programmes in areas such as general health and safety for staff. Although this program is presented in English, the material has been designed to be highly legible for employees whose first language is not English. Marcoux explains that the company has also been at the forefront of an ESL skill-based learning project, in partnership with the City's Economic Development and Culture Division and the Toronto District School Board. Within this program, the company offers onsite education and training to staff, who might otherwise be unable to pursue such training independently. Pusateri's also trains its employees. According to Mastroianni**:**

> ***"the biggest challenge in retail food businesses is that there are a lot of trades that have become dying breeds... go find a butcher... there isn't a school in Toronto that trains butchers".*** **-John Mastroianni, Pusateri's**

[50] WCM Consulting Inc. (2002), "Food Industry Outlook", Toronto Economic Development Division / Ontario Ministry of Agriculture and Food, pp.10.

[51] Toronto Public Health (2007), *The State of Toronto's Food: discussion paper for a Toronto food strategy*, p. 11; see also Toronto Economic Development (2004), *Toronto Labour Readiness Plan: the Food Processing Industry in the Toronto Region*

[52] Soucie, M. (e-conomics Consulting) and Farrar, J. (Jayeff Partners) (2005), for the Alliance of Ontario Food Producers (2005), *Workforce Ahead – Summary: a labour study of Ontario's food processing industry*

[53] Ontario Food Processing Research and Services Committee (2008), "Strategic Priorities Report 2004-2008", p. 10

[54] The City of Toronto (2010). Toronto's Racial Diversity. Retrieved on November 14, 2010 from www.toronto.ca/toronto_facts/diversity.htm

Pusateri's has placed considerable emphasis on retaining its skilled and trained workers through a comfortable work environment and competitive wages. As such, most of the company's most highly-skilled employees have been with the organization for over 20 years. Weston's faces similar challenges. As the current generation of bakery workers enters retirement, the company anticipates difficulties with the continuity of training.

The diminished base of knowledgeable food employees may in part be due to the downsizing of food programs in Toronto – both at the high school and post secondary level. As Mastroianni observes, food service or retail is hardly considered a financially appealing career path for the younger generation who seem to gear their focus to mainstream corporate employment. The lack of appreciation for food and for the art of food preparation requires an educational push to regain an interest in the food sector. Whitteker supports that rhetoric noting, "We have lost the art of cooking". He acknowledges that youth have a diminished understanding of the links between diet and health; and greater support within the education system such as grants for food education programs are required.

Mastroianni adds that gaps exist between the programs offered by local educational institutions and the skills required by the processing industry. A review of food-related college and university programming revealed a leaning toward food service (both front-line and back-end management) occupations – with the majority of courses falling under the area of Hospitality and Tourism – reflecting only a minor segment of food processing related activity. A lack of food artisan training is evident in the curriculum of institutions such as George Brown College, Ryerson University, Humber College and Niagara College. As consumer preferences for organic and naturally-processed foods continue to grow, the demand for artisanal services and tradesmen may become more relevant outside of the retail sector.

Another challenge in skilled labour availability has to do with the diverse and largely unknown needs of the processing sector[55]. While expertise in areas like sales development, plant management and food safety may be predictable; as new technologies emerge in the manufacturing process so too will the need for expertise around that technology[56]. As such, there may always be some need for onsite training[57]. In the Canadian context, considering the large dependency on immigrant labour, language-based skill training programs must be considered a priority for the City of Toronto and the Province of Ontario. Marcoux states, "The more you train people how to read and write (English), the more efficient [and] better you are going to be". This is especially crucial to improve local productivity,. Lassondes is seeking continued municipal support and investment for its ESL training pilot project so that it may be continued on a regular basis. On a provincial level, Marcoux adds that reducing the financial burden of training on manufacturers would be useful. In 1995 the Government of Quebec passed an "Act to foster the development of manpower training, known as the 1% law"[58]. Under this policy, firms with a payroll of $250,000 or more must re-invest 1% of it on staff training or

[55] New Brunswick Food and Beverage Processors Association (NBFBPA) (2005). A Vision for Future: strategies and actions to optimize food and fish processing in New Brunswick. Magis Communications. Retrieved on December 13, 2010 from http://www.atlanticfood.ca/en/industryreports.php
[56] ibid.
[57] ibid.
[58] Human Resources and Skills Development Canada (HRSDC) (2010). Quebec's Experience with the 1% law: some possible lessons for Canada? Retrieved on November 14, 2010 from www.hrsdc.gc.ca/eng/labour/employment_standards/fls/research18/page07.shtml

submit the sum to the provincial fund for workforce development.[59]

If the training expenditures of these companies fall above a certain sum, the company receives a rebate from government, if not the company receives a penalty.

[59] ibid.

Transportation

The movement of goods

Congested corridors during peak hours are not unusual to cityscapes. Whitteker asserts that Toronto "is excellent!... aside from city streets and travel (traffic congestion), it's a good place to do business." Similar sentiments were voiced by other respondents. Still, access to all the major highways, close proximity to a dense population and market base continues to make the location attractive to food processing entities – particularly due to the perishable nature of many products. This was true for all respondents. It is also of great importance to a company such as ONFC, which aims to keep its food travel miles at a minimum as a part of its environmental and sustainability goals.

The transporting of goods across national borders is a more complicated process, as goods need to be inspected before admittance into the country. Tight border controls can make the clearance of goods a time-consuming process. Mastroianni applauds the government's efforts to duly check goods for the safety of consumers, but notes it is "also important to keep the pipeline moving and hire the number of people to keep things moving". He reports that within his business, sometimes food items are at the border for days before coming into the city as a result of increased security and inspection at the border due to food safety concerns. For now, Mastroianni says his company facilitates the best possible flow of goods by maintaining both a good relationship with customs representatives, and an excellent track record for the standards of Pusateri's imported goods.

Public transit

Timely and efficient public transit for employees is often crucial to business productivity. Though most respondents indicated they had few issues with the local service, this may be largely dependent on the nature of business operations. Toronto Transit Corporation (TTC) service schedules do not always meet the dynamics of the retail industry – where workdays include early hours that extend to the weekends. "On Sunday's subways don't run till [9] a.m… try getting employees here at 7 a.m. in the morning!" says one respondent. Additionally, some companies indicated that transit was not a significant concern, as they tended to recruit workers who reside in nearby areas.

Waste, Water and Hydro

Waste disposal

Respondents to this question indicated that waste removal was not a significant concern, as businesses have private contractors responsible for disposal. Additionally, disposal is often managed in an eco-friendly and sustainable manner, whereby refuse is recycled in ways such as converting food to animal feed.

At Real Food for Real Kids, navigating waste disposal and health standards has been a challenge. Due to child health considerations, the company has refrained from using chemicals (bleach) to sanitize materials and equipment, opting for high-temperature dishwashers instead. However, the company has then had difficulty meeting local waste management regulations. Toronto's Sewers By-law (Municipal Code, Chapter

681), a 2000 amendment to the Metro Sewers Bylaw, incorporates the requirements of Pollution Prevention (P2) policy[60]; restricting trace organic discharges from waste generators such as RFRK. The company was fined as a result of its decision to steer clear of chemicals such as bleach which has resulted in unauthorized levels of bio-elements in its wastewater emissions.

There is a need for greater inter-departmental collaboration between Toronto's health and environmental regulators in order to discuss health priorities in food processing that (as illustrated in the case of RFRK) may conflict with local environment policies. Further research is needed to ascertain viable product and processing alternatives that are both environmentally-safe as well as food safe. As the Division overseeing the food processing sector, Economic Development and Culture can /should act as the catalyst for collaboration between other government divisions and the food-processing sector, thus harnessing a wealth of sustainability opportunities. For example, Weston's Kraus suggests that food businesses may be able to partner with city sewage plants in order to co-digest organic waste. This could create biogas for generating electricity. Several countries, through public-private partnerships or the expansion of municipal city sewage facilities, have engaged in this process of creating biogas. Germany, the world leader in this initiative, has almost 4000 biogas production plants (of varying scales) and is home to 450 biogas companies[61]. Other notable initiatives include Plan Zero in Toronto[62]. The project is a partnership between StormFisher Biogas (an Ontarian renewable energy utility) and the Ontario Association of Food Banks (OAFB) where farmers and food processors transfer food-waste to StormFisher's facilities for the production of biogas as a source of energy. A portion of the profits from energy sales for public use goes to the OAFB. This year in Vancouver, waste management company Harvest Power Incorporated has partnered with German engineering company GICON Bioenergie GmbH to build a biogas plant that is expected to process 27,000 metric tonnes of food and yard waste per annum[63].

Water

Despite occasional troubles with billing, claims one respondent, the City offers substantial water conservation incentives to local food processors under its Industrial water efficiency programs.. These incentives include:

1) A *Capacity Buyback Program*[64] that rewards businesses that implement permanent water saving processes and/or equipment in the form of a rebate.
2) Provides a reduced *Industrial Water Rate*[65] to customers that consume more than 6,000 cubic meters per year upon the submission of a water conservation plan (which if implemented would make the enterprise eligible for the Capacity Buyback Program).

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[60] City of Toronto (2010). Protecting Water Quality. Retrieved December 2010 from http://www.toronto.ca/water/protecting_quality/pollution_prevention/background.htm

[61] Effenberger, M., (2010). Biogas Production and Utilization in Germany – Status and Outlook. Bavarian State Research Center for Agriculture. http://www.innovasjonnorge.no/Landbruk_fs/Bioenergiprogrammet/Biogasstur/Effenberger%20biogass%20i%20Tyskland%20del%202.pdf

[62] Marketwire (2008). New Food Bank/Industry Partnership to Market Renewable Energy From Food Industry By-Products. Market Wire. Retrieved December 2010 from http://www.marketwire.com/mw/rel_ca_print.jsp?id=816228

[63] McGowan Sanderson, L., (2010). Press Release: Harvest Power Forms Technology Development Partnership with Germany's GICON. Retrieved December 2010 from *www.**harvestpower**.com/upload/pdf_press_2010_11_24__12_12_54.pdf*

[64] City of Toronto (2010). Water Efficiency and Rebate Programs. Retrieved December 2010 from http://www.toronto.ca/watereff/rebate_programs.htm#ici

3) Upon meeting specific water use criteria, the *Sewer Surcharge Rebate Program*[66] allows Industrial water customers to receive a rebate on "that portion of the surcharge on water rates for sewage service purposes paid by a consumer to the City in relation to the portion of the water that is not discharged by that consumer to the sanitary sewer system"[67]. "The rebate amount will be equal to the calculated percentage, multiplied by the water consumption (m3) on each water bill, multiplied by the rebate rate as determined by City Council from time to time. The rebate amount is paid in the form of a credit on the Applicant's regular water bill."[68]

On the other hand, changes in the City of Toronto water pollution control under the protocol have added some costs to doing business, states Marcoux. The City's Water Transformation Plan requires that a business such as Lassonde maintain water at a certain pH requirement. Marcoux reports that his plant has spent $120, 000 on water treatment in keeping with new regulatory standards. He is careful to note, however, that challenges with respect to periodic changes in regulation are not isolated to Toronto and in fact are quite typical in big cities.

Hydro

Over the years, there have been noticeable improvements in electricity provision. In terms of consistency in the supply of power, one respondent noted that there have been no major blackouts in a few years. Overall, he sees a reduced local burden on the system but notes that high spikes in voltage have been a problem, interfering with the company's equipment.

[65] City of Toronto (2010). Water Efficiency and Rebate Programs. Retrieved December 2010 from http://www.toronto.ca/watereff/rebate_programs.htm#ici

[66] Same as above

[67] City of Toronto (2010). Toronto Municipal Code Water and Sewage Services (Municipal Code, Chapter 849). Retrieved December 2010 from http://www.toronto.ca/water/protecting_quality/pollution_prevention/ rebate.htm

[68] City of Toronto (2010). City of Toronto Sewer Surcharge Rebate Program. Retrieved December 2010 from http://www.toronto.ca/water/protecting_quality/pollution_prevention/rebate.htm

RECOMMENDATIONS

Initiative 1: Mapping Toronto's Food Processing Sector

> ***It is "difficult to establish partnerships because the food business is scattered geographically around the city" – Walter Kraus, Weston Bakeries***

Toronto's food and beverage sector operates in locations spread throughout the city. We recommend that a map be created to visually enhance the cluster's *place* in the city.

Companies have indicated willingness and a need for greater partnerships and linkages among businesses, as a means to share knowledge and information. A better awareness of geographic co-location will promote the ability of firms to identify opportunities for inter-sectoral exchange and cooperation. Mapping is a strong communications tool, and will greatly enhance awareness, not only for food sector businesses but for government and the public at large, of the sector's presence and significance in Toronto's economy.

A well-designed mapping initiative would be flexible, user-friendly, and allow various "layers" or aspects to be highlighted, such as employment data or the location of co-packing facilities.

The City's Economic Development and Culture Division is currently compiling an up-to-date inventory of all food sector firms in Toronto. Another project underway will identify locations of food industry "corridors", including research centres, agricultural centres, NGO's, and post-secondary schools and programs. This work naturally lends itself to translation into a geographic mapping scheme.

The second phase of this initiative would call for collaboration with the City's Real Estate Division, and with the Toronto Real Estate Board, to identify and map key areas and properties for potential business development. This resource will be useful to start-up or growth-seeking firms as they navigate the challenging reals estate market.

This Mapping Initiative will help to address challenges identified in this report around the need for better networking and linkages; growing concerns about the supply of skilled labour; and the financial challenges of growth.

Initative 2: Establishing a Toronto Food Industry Council

The above mapping initiative will help emphasize the significant "place" of the food processing industry in the City's landscape. But this is only the first piece of the puzzle.

Another vital need is to more firmly establish the "face" of this key cluster. A key way to accomplish this is through the formation of a Toronto Food Industry Council. An Ontario-wide Food Processing association is already in place, as are various subsector-specific bodies such as the Canadian Meat Council and the Ontario Dairy Association. However, there is a strong need for a *Toronto-centric* industry body which will capitalize on the economic significance of the city's food and beverage cluster.

A prominent food-sector researcher has suggested that "Ontario needs a Ministry of Food, not a ministry that focuses on agricultural commodities from a strictly rural development perspective".[69] This statement indicates the current lack of focus, by higher scales of government, on the sheer size and significance of Toronto's food cluster. City government can play a vital role in establishing a body that can harness the collective presence and ideas of local food and beverage firms, and provide a more unified voice at the policy table. Such a body could potentially bring the local industry into much sharper focus, and establish a public identity for the cluster that befits its role in the local economy. Public awareness of the sector's importance will thus help the food industry to grow, and employ even more people in Toronto.

Certainly industry representatives in the present sample have indicated reasons why a Toronto Food Industry Council would be useful and welcomed. Through initiatives such as *Partners in Project Green*, the benefits of intra-industry collaboration are clearly being recognized. It would be timely to make a renewed effort to establish a formal, organized industry body that's specific to Toronto. The City's Economic Development and Culture Division could contact its new updated list of all food industry businesses with a "call for nominations", perhaps with some suggested names as to who could sit on this new board. And since the food business in Toronto exists in the context of the wider region, the City could suggest "advisor" members from different levels of government, key people in NGO or advocacy groups, educators, etc. In its earliest stages, the City could help facilitate this process of forming the Food Industry Council, arrange for meeting space if necessary, provide a broad package of policy information, have City staff address the Board if needed, and help formulate the Council's Terms of Reference. But ultimately, this Council would speak for itself and its members, and would be responsible for giving the City clear feedback on issues in the food industry as they arise.

Major roles and responsibilities for the proposed Toronto Food Industry Councils would include: advocacy, a communications plan, industry events, and collaboration with post-secondary institutions.

Advocacy

The food sector is subject to a maze of ongoing and developing regulation. Respondents have expressed grave challenges with keeping abreast of industry policy changes and standards. As well, the Council can help generate a stronger call for facilities to help the business grow, such as expansion of the Toronto

[69] Donald, B. (2009)

Food Business Incubator, and renewed support for moving forward with the proposed International Food Processing and Innovation Centre (IPFIC), which will ensure that the creative "buzz" of the food and beverage cluster will be captured and funneled into industry innovations that will bring not only profit but global recognition for Toronto's food sector.

Communications Plan

This would be the first order of business for the Council. As discussed, the industry doesn't have the profile it should. An important strategy for addressing this issue could be to identify a recognizable local figure, such as Galen Weston, or a renowned Toronto chef like Lynn Crawford, to add a "face of the industry" to go with the message, or messages. A well-designed website would also be a key component of the Communications Plan, designed to hold data, disseminate information, and to be an effective virtual hub for the industry to communicate within itself, and to the wider world. Particularly important would be outreach and hosting for potential investors and business owners visiting the city with an eye to setting up shop here.

Industry Events

The Toronto Food Industry Council could establish a prestigious Toronto-centred Awards competition and ceremony, to help the industry garner the kind of attention that fashion, design and architecture receive from government and from the public. Similarly, the Council could also work to associate itself with visiting celebrities who may be central to the notion of "food"… chefs, film-makers, authors.

Collaboration with Post-Secondary Institutions

Identifying highly-skilled labour and tradespeople continues to pose a significant challenge to the food and beverage cluster in the city. There is a problematic lack of an official standards body to certify people coming into the industry, as opposed to apprenticeship requirements for mechanics, for instance, or electricians. A co-ordinated set of education initiatives, all under the auspices of the Toronto Food Industry Council, could help to "brand" these new workers more effectively. And the opportunities in the business would be made more apparent to students entering college.

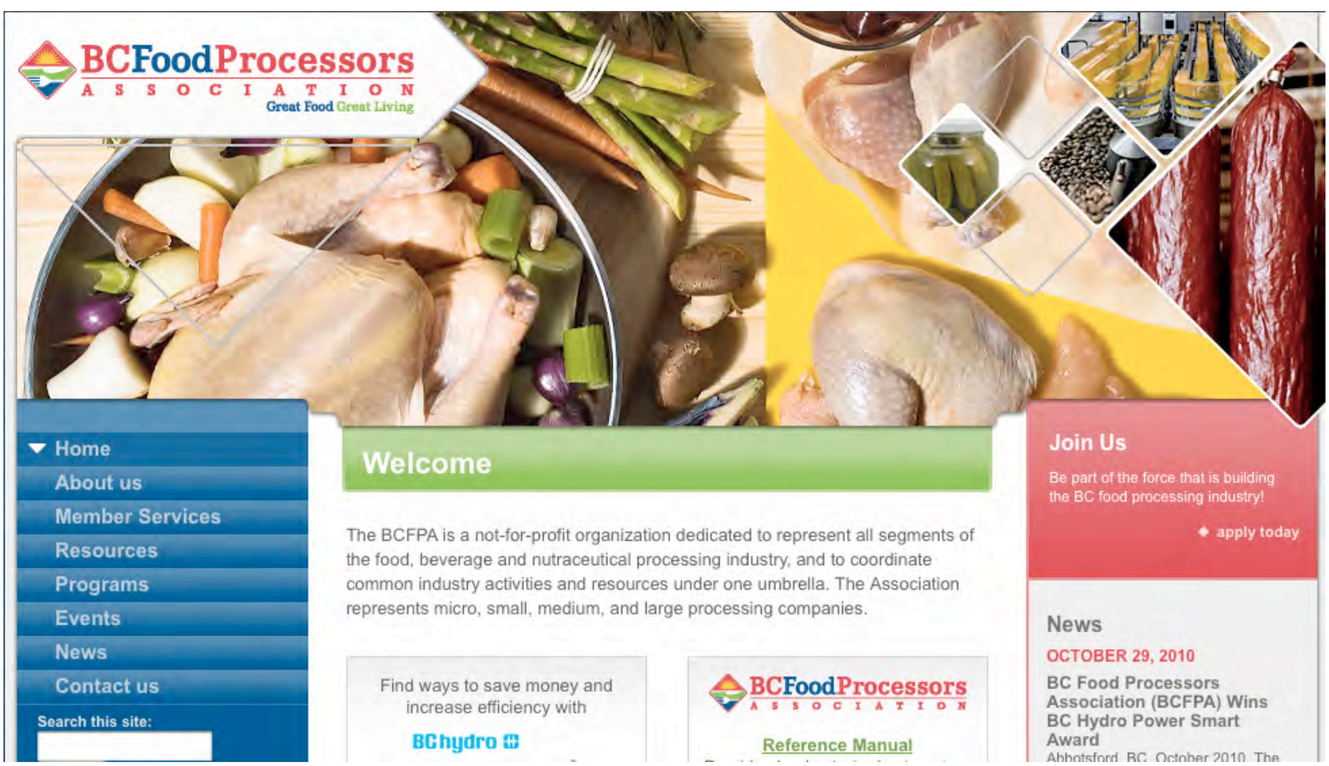
There are, as mentioned, various bodies, on the provincial and subsector-specific level, which operate as effective "voices" for their constituents. Table 7 lists key roles played by a sample of such organizations:

Table 7: A review of provincial food processing associations in Canada

	Alliance of Ontario Food Proc.	**BC Food Proc. Assoc.**	**Manitoba Food Processors Assoc.**	**Atlantic Food & Beverage Proc. Assoc.**
Mission/ Vision	Be a united advocate for the industry	*Strengthen BC's food processing industry by building their competitive advantage, and serving members as an intermediary to government.*	Assist the growth of Manitoba's food processing companies by acting as an information bank and a networking system, coordinating marketing programs and training initiatives, as well as linking members and government agencies regarding issues that impact local expansion	Aims to provide technical education and other services; acting as a communications network by marketing and promoting local industry.
Structure	• Non-profit • Board of Directors selected from member processing companies • Membership composition: processors (Voting status), associates (commercial businesses providing industry services, no voting status) • Annual membership fees differ for processors and associate members. Fees for member processors based on number of employees.	• Non-profit • Board of Directors with sub-committees. • Member include 85 processors, 54 associates • Annual membership fees differ for processors and associate members. Fees for member processors based on number of employees.	• Non-profit • Serves more than 275 member companies • Processors (full members) and associate members (limited benefits) pay differential membership fees.	• Volunteer board of directors with one full-time staff member (the Executive Director). • Operates from a business centre. Shares clerical support with other food companies at the location. • Membership fees are based on category of business (e.g. Processors, consultants). Fees for member processors are based on volume of sales.
Member services	• Business training • Information manuals (Best Management Practices, Workforce Development Fact Sheets) • Onsite training	• Group discounts on office equipment • Benefit plans: Health and risk management insurance	• Group Benefits and Insurance Programs • Special MFPA Member rate for Nutritional Labelling. • Funding assistance for domestic marketing	• Training Workshops and conferences (HACCP and Listeria Control Workshop, Competitive Intelligence Workshops etc.)
Resources	• Newsletters, industry reports • Social networking via Twitter, LinkedIn and the AOFP Blog • *Directory of Ontario Food and Beverage Processors* (Member only access)	• Web database for co-packer and commercial kitchen listings • Processing business and affiliated associations directory • Business resources (policy, finance and marketing information)	• **Publications and training manuals** • **Membership Directory and Product Guide** • Monthly newsletter	• Industry reports such as an Atlantic Canada brand implementation report • Web-based business membership list by sector • Links to educational agencies, related associations and members
Programs	• Business training • Onsite training		• Worker Recruitment • Pathfinding and Mentoring • Member Training & Professional Development	
Events	• Annual golf tournament • Business development seminars	• Summits and seminars • BC Food Processor Awards	• AGM, Networking events • Industry Excellence Awards • Golf Tournament • Annual Christmas Gala	• Training Workshops • Conferences
URL	www.aofp.ca	http://www.bcfpa.ca/	www.mfpa.mb.ca	www.atlanticfood.ca

Atlantic Food and Beverage Producers Association website

BC Food Processors Association



Initiative 3: Education and Culture

A recurring theme throughout our investigation was a pervasive lack of public nutritional knowledge and interest in food, particularly among youth. This has contributed to a diminished interest in jobs in the food sector.

The secondary curriculum in Toronto offers few food-focused courses. Under the Toronto District School Board curriculum, two courses in Health and Physical Education specifically outline a sub-focus on healthy eating[70]. Both courses – *Healthy and Active Living* for grade 10 and *Health for Life* for grade 11 are open to all students within the respective grades[71]. The TDSB has also recently collaborated with The Canadian Association of Foodservice Professionals (CAFP) in implementing a food service industry trade show to secondary school students known as *Field to Fork*[72]. At this forum, representatives from multiple sectors in the food industry (including manufacturers) share their products, experience and knowledge with students in a "career fair style" event[73]. Through demonstrations, product sampling and more, participating companies aim to spur the interest of youth in the sector. Currently, five trade shows have been held over 8 years[74].

While efforts are being made to facilitate greater food sector awareness, the curriculum is limited, as students are only required to earn anywhere from 1-2 credits (out of a total of 18 compulsory credits) from Health and Physical Education courses, of which the courses mentioned are optional[75 76]. Not only is the exposure to food and nutrition limited, but course descriptions illustrate little exposure to the importance of food with respect to greater societal well-being and career opportunities. Courses seem to value food in relation to its effect on physical health. As well, the *Field to Fork* program aims to provide a 'pathway to food service' industry[77], and does not necessarily emphasize the importance of food processing – that is, the crucial need to produce, source and protect the Canadian food supply – to the future health and wellbeing of the society.

In an effort to secure a future skilled labour force, the limitations of the secondary school curriculum with respect to food education must be addressed. A long-term goal of the Council and the Toronto Economic Development and Culture Division may be to facilitate discussion with the Toronto District School Board (TDSB) with regard to instituting a mandatory food and nutrition program in the curriculum. The Council may further collaborate with the CAFP to add greater scope to the *Field to Fork* trade show, where the dual importance and interrelation between the food processing and food service sectors may be explored. This may prove to be a cost-beneficial promotional activity, where the Council may market local industry through an already publicized and reputable event.

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[70] Toronto District School Board (TDSB) (2009). Curriculum Areas of Study. Retrieved on December 16, 2010 from http://www.tdsb.on.ca/_site/ViewItem.asp?siteid=115&menuid=381&pageid=298

[71] Same as above

[72] Field to Fork, (2010). About Field to Fork. Retrieved on December 16, 2010 from http://www.fieldtofork.org/about.php

[73] Same as above

[74] Same as above

[75] Toronto District School Board (TDSB) (2009). Choices for Nine: Transition from grade 8 to 9. Retrieved on December 16, 2010 from http://www.tdsb.on.ca/SchoolWeb/Willowdale/docs/Choice%20to%209%20PowerPoint.pdf

[76]Toronto District School Board (TDSB) (2009). Earning you Diploma (OSSD). Retrieved on December 16, 2010 from http://www.tdsb.on.ca/_site/ViewItem.asp?siteid=308&menuid=4608&pageid=3949

[77] Field to Fork, (2010). About Field to Fork. Retrieved on December 16, 2010 from http://www.fieldtofork.org/about.php

APPENDIX A: Key Informant Interviews

- **Lauren Baker**
  Executive Director
  Sustain Ontario

- **George Birinyi Jr.**
  Vice-President
  Grain Process Enterprises

- **Alison Blay-Palmer**
  Wilfred Laurier University

- **Al Brezina**
  Manager, Commercialization
  Campbell Company of Canada

- **David Farnell**
  Co-founder
  Real Food for Real Kids

- **Susan Ho**
  President, Founder
  Tea Aura Cookies

- **Walter Kraus**
  Senior Director, Environmental Affairs
  Weston's Foods
  (Loblaw Companies Ltd.; George M. Weston Ltd.

- **Daniel Marcoux**
  Plant Manager
  Lassonde Beverages Canada

- **John Mastroianni**
  General Manager
  Pusateri's

- **George Schrijver**
  WCM Consulting Inc.

- **“ShaSha” Shaun Navazesh**
  CEO/President
  ShaSha Co. Natural Artisan Bakery

- **Margaret Walton**
  Partner/Senior Planner
  Planscape

- **Randy Whitteker**
  General Manager
  Ontario Natural Food Co-op

APPENDIX B: Interview Guide for Food Sector Businesses

1. How long has your firm been operating in Toronto? Is the city a good place for this kind of business? Do you have plans to expand your business… and if so, is it likely that you will remain located in Toronto?

2. What has changed the most for your business in the past several years? Has your market or potential market changed?

3. i) Have any of these trends affected your business since 2002?
   a) Demand for local food
   b) Demand for organic food
   c) Demand for "sustainable" food / packaging
   d) Demand for specialty / allergen-free foods (peanut-free, gluten-free, vegan, etc.)
   e) Demand for ethnic / exotic food (e.g. Halal meats, prepared sauces)
   f) Demand for prepared / ready-to-cook food

   ii) Are there any other trends that have come to your attention?

4. How you would like to be supported in adapting your business to take advantage of these trends?

5. How have regulatory changes in the past decade affected your business? For example, have changing food safety standards, or Toronto's new harmonized Zoning By-law, presented any challenges or opportunities?

6. Has your business been affected by changes in the local labour pool?

7. How has your business encountered or met challenges associated with:
   a) traffic congestions / transportation
   b) waste disposal
   c) hydro service

8. What innovations is your business creating or planning to take advantage of?

9. How closely linked is your business with other food industry firms in Toronto? Are there sufficient opportunities to share resources and information?

10. What city government services has your business taken advantage of? Are there other services that the city should provide?

APPENDIX C: Interview Consent Form

UNIVERSITY OF TORONTO
Department of Geography
and Programme in Planning

100 St. George St. Room 5047
Toronto, Ontario Canada
M6G 3S3
Telephone: (416) 978 3375
Fax: (416) 946 3886

Toronto's Food Processing Sector
Course Assignment for PLA 1106 – Planning Workshop

This interview is a part of course designed to train planning students on how to conduct research and produce a professional report related to a planning topic.

There are no known risks to you for participating in this project.

Your responses will be kept confidential unless you give the students permission to quote you by name, affiliation and/or position. Only the students and professors in the course will have access to the information that you provide in confidence and this information will be stored in a secure place until the course is over, at which time it will be destroyed.

Participation in this interview is voluntary and you may refuse to answer specific questions. You are free to withdraw at any time, without negative consequences, during the interview or until December 6th when the students make their final oral presentation of the results of this study to the class and to the client. If you withdraw, any information that you have given the students will be destroyed.

.

You will be provided with a summary of the study results upon request.

Your signature below indicates that you agree to participate in this study.

I agree to be quoted by name in the final report	YES	NO
I agree to be quoted by affiliation in the final report	YES	NO
I agree to be referred to by general position (e.g. 'planner') in the final report	YES	NO
I agree to be tape recorded	YES	NO
I would like to receive a summary of the report	YES	NO

Name (please print):____

Signature: ____________________________ Date:_________________________

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