



Welcome to the July/August 2014 edition of the Food and Beverage E-Newsletter. This publication has been developed to keep industry stakeholders up-to-date on trade shows, trade missions, training sessions, and news that affect the sector. For more information on any of these topics, please email [Deborah Guillemette](mailto:Deborah.Guillemette@nl.ca), Economic Development Officer at the Department of Innovation, Business and Rural Development or call (709) 729-1943.

Alberta Foodservice Show 2014

Calgary, Alberta

September 28 – 29, 2014

The Department of Innovation, Business and Rural Development is in the recruitment stage for a Newfoundland and Labrador Pavilion at the [Alberta Foodservice Expo](#) in Calgary, September 28 – 29, 2014. The pavilion will host four or five local food and beverage companies and allow them to market their products while being easily identified as from Newfoundland and Labrador.

The department is currently accepting applications from food and beverage companies who want to exhibit at the show or walk the show to learn more about the market and industry trends. Travel assistance may be available and space is limited. For more information or to request an application, please contact [Deborah Guillemette](mailto:Deborah.Guillemette@nl.ca) at (709) 729-1943.

CanGift Fair

Toronto, ON

January 2015

The Department of Innovation, Business and Rural Development would like to determine if there is interest from shelf stable, gourmet food and beverage manufacturers to exhibit at the Winter 2015 [CanGift Fair](#) Show, formerly known as the Canadian Gift and Tableware Association (CGTA) Show.

Throughout 1.2 million square feet of display space, the Toronto CanGift Fair is Canada's largest temporary trade gift show. With over 900 exhibitors each year and nearly 26,000 qualified retail buyers annually from across Canada, it's Canada's largest one-stop shopping/buying venue. Look for innovative tabletop, housewares, gourmet food, garden accessories, collectibles, handmade, stationery, home décor, bath, bed and linen products and much more. Owned and managed by the Canadian Gift Association, the show is located only minutes from Pearson International Airport and major highways. It provides gift retailers with a unique, professional buying experience at Toronto's two most convenient venues.

Financial assistance may be available. Space will be limited and preference will be given to new exhibitors to this show/market. To express your interest or for more information please contact [Deborah Guillemette](mailto:Deborah.Guillemette@nl.ca) at (709) 729-1943.

Packex 2014

Montreal, PQ

November 19 – 20, 2014

The Department of Innovation, Business and Rural Development would like to determine interest from companies in the Food and Beverage sector to participate in a reconnaissance mission to the Packex Show in Montreal, Quebec from November 19 – 20, 2014.

This show, co-located with five others, will help companies that are looking to source new packaging equipment, processes and materials for their products.

Financial assistance may be available. For more information on this show please visit [Packex 2014](#). To express your interest or for more information please contact [Deborah Guillemette](#) at (709) 729-1943.

Other events that you might be interested in....

Grocery Innovations Canada

Toronto, ON

September 29-30, 2014

The Canadian Federation of Independent Grocers is proud to present Grocery Innovations Canada 2014. Grocery Innovations Canada (GIC) is the premier event developed by our industry for our industry. Invest in yourself, your people and your organization. GIC is the only event in Canada that delivers TWO full days of grocery-specific conference and trade show and provides exceptional networking opportunities with forward-thinking innovators. GIC has been designed with you in mind so that you can maximize your time and improve your operations – get the information you want today, while learning tips that you can put into action tomorrow. GIC is at the forefront of innovation – you will find products and services at our trade show that will keep you on the cutting edge. For more information please visit www.groceryinnovations.com

Funding Program

Agriculture and Agri-Food Canada has launched a program to support agriculture, agri-food, fish and seafood companies to expand their **export markets**. The program can support Small and Medium Sized Enterprises (SMEs) in implementing their international market export plans by providing up to \$50,000 non-repayable contribution. A full program guide for the Small and Medium-sized Enterprise (SME) component of the [AgriMarketing Program's Market Development](#) provides information on how to apply.

Eligible Applicants include SMEs operating in the agriculture, agri-food, and fish and seafood sectors who have fewer than 250 employees and annual sales not exceeding \$50 million. Eligible Applicants must be legal entities capable of entering into legally binding agreements.

Applications will be accepted on a continuous basis for activities to be undertaken and completed within the current fiscal year (April 2014-March 2015).

Activities in Canada or the United States are not eligible under this program. For additional information please call 1-877-246-4682.

Available Reports

The following are the latest global market reports prepared by the International Markets Bureau of Agriculture and Agri-Food Canada (AAFC):

- [Business Environment - United Kingdom](#)
- [Consumer Profile - United Kingdom](#)
- [Market Overview - United Kingdom](#)

- [Market Overview - Japan](#)
- [Business Environment - Japan](#)
- [The Specialty Food Market in North America](#)
- [Consumer and Retail Trends in China](#)
- [Agri-Food & Seafood Sector Profile – Reykjavik, Iceland](#)
- [Doing Business in Brazil](#)
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Food in the News

Food manufacturing looking up for 2014

By David Sherman (Canadian Grocer) April 17, 2014

The food manufacturing industry can look forward to an improved 2014, says a report from the Conference Board of Canada.

The report predicts increases over the previous year in revenues, profits and profit margins, and employment levels.

The study termed results for 2013 disappointing. Profits dropped for the third straight year to a little more than \$3.5 billion, due to production cuts combined with rising costs and weak prices.

This year, a weaker Canadian dollar will improve exports—Canadian food products will be less expensive abroad, and as a result, be more competitive. A push for more gluten-free and healthy convenience foods will also help drive food manufacturing profits.

The report cites a strong global economic recovery and stabilizing commodity prices as indicators manufacturers will have an easier time of it in 2014.

Costs in 2013 were at \$84 billion, up from \$78.2 in 2010, and are expected to keep climbing to \$87 billion this year, all the way to \$96.2 billion in 2017. This is a result of greater production—more materials and labour resulting in higher costs.

Pre-tax profits dropped to \$3.5 billion in 2013 from the preceding year when they topped \$3.7 billion and are expected to hit \$3.9 billion this year, an increase of 9.5%. The Conference Board predicts that number will top \$4 billion by 2017.

Profit margins, however, look less than robust. Though they are expected to enjoy a minimal increase to 4.3% this year from 2013's 4.1%, it is expected they will return to that level in the near future and stay there through 2017.

The Board also sees an evolution in convenience foods as well as gluten-free products.

It reports that consumers are looking for healthier options in their convenience purchases and sees expanding markets for pre-cut and pre-washed produce, marinated meats and poultry cuts and improved, resealable and easy-to-open packaging for convenience foods.

Food Industry Trends for 2014

Emerging demand from Asia, changing consumer demographics and health-conscious shoppers will shape Canadian business next year.

According to Dave Donnan, partner and leader of Global Food and Beverage Sector Practice for A. T. Kearny, 2014 could be a good year for the Canadian agri-food industry. He believes that Canada has a strong image, but there is a lot of competition. It would seem that Canada has the resource base to compete, but can we keep the cost to a point where our food is going to be competitive around the world.

Following are trends he predicts for in 2014.

SUSTAINED DEMAND FROM ASIA

Proteins - Continued demand from Asia as populations in China and India get economically better economics and the middle class grows. Global food demand, in general, is expected to rise by 35 per cent by 2025 from 2007 levels, with most demand coming from Asia. China and India alone could account for almost 60 per cent of the global increase. There will be higher demand for proteins. There will be a demand in China for pork and chicken and a greater demand for chicken in India.

Pricing pressure – There is increased demand for commodities like edible oils which may put pressure on pricing from Asia.

CONSCIOUS CONSUMERS

Supply chain awareness - Consumers will continue to focus on food safety, clean labels, organics and source of origin of foods.

Consumer health - Healthy eating will continue to be the focus for North Americans. People want to eat healthy for a variety of reasons, but they want to do so at a reasonable cost. They are looking for healthy food with value.

CONSUMER DEMOGRAPHICS

Packaging - Consumer demographics will influence the way people shop. A significant impact to change the way food is packaged is coming from the millennials and aging boomers. One and two person households now outnumber the tradition family of four. This is provoking the entire food industry to rethink the way they package products to better meet the needs of singles and couples than it has in the past.

Grab and go - The millennial and boomer generations are working and have less time to cook. There are less meals and they are smaller. They want fresh prepared meals that they can —grab and go|| with and simply go home and heat it up.

American Invaders - Canada will continue to be invaded by U.S. retailers, which could have a trickle over effect for the food industry. Canadians may be looking for more innovative retailers offer prepared meals, grab and go foods and chefs inside stores, which some American retailers provide.

Food Justice - Multi-media has made consumers more aware and they are looking at GMO's, food safety, and the ethical treatment of animals. They are paying more attention to the food they're eating and there's a lot more tension and scrutiny toward food justice.

The Little Guy - There is room for the little guy even with larger companies consolidating like Loblaws and Sobeys recently buying Shoppers Drug Mart and Safeway. Smaller companies still have the opportunity to emerge because often large companies will have gaps in their service, which could create a reappearance of competition.

Government/Industry Compliance Partnership – There is a trend towards government and industry partnering up to make sure that food is safe and regulated properly. It appears that government is dedicating less money to compliance enforcement and industry does not want to have a product on the market that's not safe. This can only work well if government and industry work together.

Resurgent Cereals and Snacks - It is predicted that there will be an increased consumption of cereal, candy, ice cream and snack food production in 2014. There is a growth in per capita disposable income. Consumers have more income and spending more on food items that they wouldn't purchase when times were tougher. This trend is growing despite the health-conscious trend. Health-conscious consumers shouldn't be ignored, the sales of sugary cereals are declining and the consumption of organic cereals is increasing and they are higher priced than the more sugar filled cereals.

Refining Products - The trend of eating organic products and gluten-free and natural food products means processors need to innovate and market and cater to consumers to develop healthier versions of existing products.

Declining Meat Sales - It is expected that meat and beef will undergo a decline in sales. There is a decline in per capita meat consumption due to the negative perceptions of red meat in diet, associated with high cholesterol and heart disease.

Source: canadianfoodinsights.com

This e-Newsletter is a bi-monthly publication from the [Department of Innovation, Business and Rural Development](#), which keeps you up-to-date on activities in the food and beverage sector.

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