



Food & Beverage Processing Industry Growth Pathways to 2020: Report Highlights

>> This applied research project answers a simple question: “How big will the Manitoba food and beverage processing industry be in 2020?”

Manitoba’s food and beverage processing (FBP) industry sales were \$4.7billion in 2011, making a major contribution to the economy:

- 28% of all manufacturing revenue
- 15% of exports
- More than 12,000 employees

Manitoba contributes 5% of sales to Canada’s food and beverage processing and 7% of international exports.

Available statistics were limited for the FBP industry; as a result the 2011 industry profile (pie chart) and future (2020) sales estimates were confirmed or revised by 25 industry opinion leaders from a wide range of sectors.

INDUSTRY PROFILE

The food and beverage processing industry is made up of 10 NAICS¹ sectors.

The 3 largest industries (Pork, Canola & Potatoes)

- Account for 55% of annual sales
- 5250 employees
- Export more than 50% of sales
- Mainly driven by availability and low cost of raw product.

Other Companies:

- Account for 45% of annual sales
- 6800 employees
- Export about 20% of production
- Mainly driven by the need to serve the Manitoba market

¹NAICS is the North American Industry Classification System which assigns each firm to a sub-sector based on the major product being produced.

RURAL DEVELOPMENT INSTITUTE PROJECT TEAM

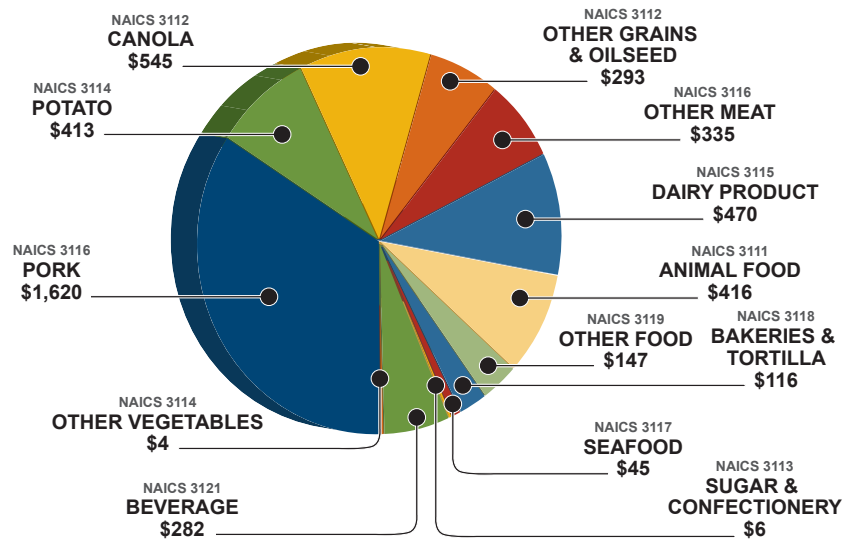
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THANKS

To all the industry stakeholders who participated in this research

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Estimates of 2011 Manitoba food & beverage processing sales (\$2012 million)



>> Two scenarios for growth to 2020 are presented:

Both scenarios reflect growth in canola processing and other sub-sectors. The pork and potato sub-sectors are dominant in explaining the differences in the projected annual sales for the FBP industry.

SCENARIO A: “Business as Usual” shrinks the FBP industry from \$4.7b in 2011 to \$4.6b in 2020, a reduction of \$100m.

SCENARIO B: “Effective Action Taken” grows the industry from \$4.7b to \$5.4b in 2020, an increase of \$700m.

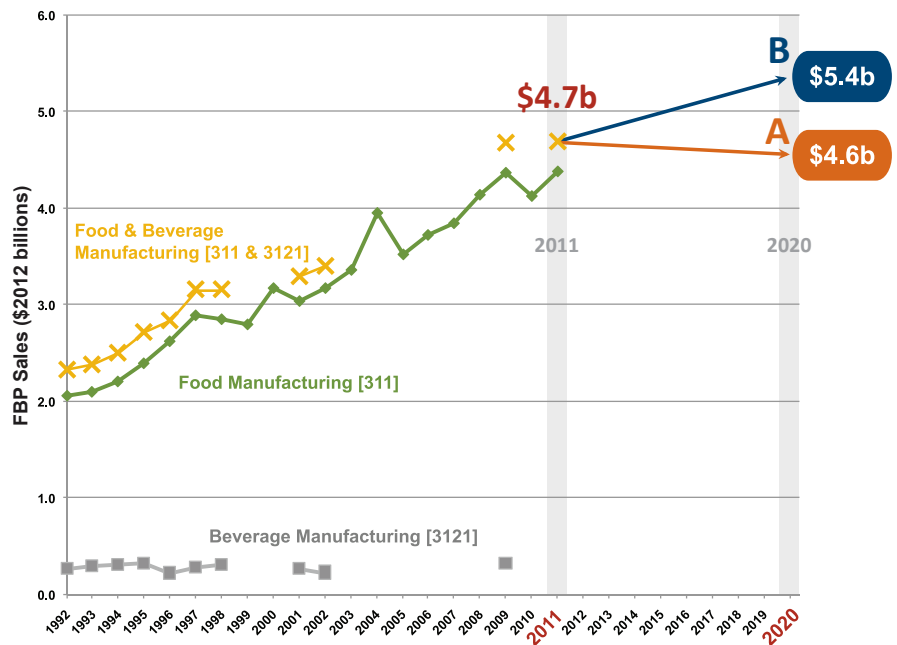
FOOD AND BEVERAGE PROCESSING: PATHWAYS TO GROWTH

The FBP industry in Manitoba is strong and diverse, from small bakeries to multi-national, billion dollar companies. The province produces high quality agricultural products; has strong research institutions and central geographic location in the continent. Continued healthy growth in the processing sector depends on taking advantage of these strengths, with industry and government both taking effective action to retain and expand the industry.

Pathways to growth result from effective actions by industry and government.

- Taking collaborative action with the pork and potato processing sectors;
- Jointly-developing a strategic plan that provides a common vision, gives direction, and aims to improve the investment climate for the entire sector;
- Emphasize Manitoba’s primary processing of raw agricultural products for bulk ingredients, which has significant export growth potential; and
- Strive to realize growth potential in niche and specialty products for exports, in addition to serving the Manitoba market.

2020 Scenarios for Food and Beverage Industry in Manitoba



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