Enabling Food Innovation in Ontario

OMAFRA
PRODUCT DEVELOPMENT RESEARCH DAY
March 21, 2016
Guelph, Ontario

Research Sponsorship:
Food and Beverage Ontario

Report:
IFAB Engineering Partners LP
Ontario Knows Food

Food Manufacturing GDP by Province (2014)
Source: Statistics Canada, Gross Domestic Products by Province: 2010-2014

41.26%

Legend:
- Alberta
- British Columbia
- Manitoba
- New Brunswick
- Nunavut
- Ontario
- Northwest Territories
- Nova Scotia
- Prince Edward Island
- Quebec
- Saskatchewan
- Yukon Territory
“Food is the new oil”

There are several benefits of innovation at home:

- Access to local primary resources
- Reduce imports; maximize exports
- Jobs – both directly and in support industries
- Decrease long distance transportation costs, with corresponding potential benefits to the environmental
- Increased self-sufficiency
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Looking for Innovation

INNOVATION
The process of translating an idea into a replicable good or service that creates value, or for which customers will pay.

- Health & Nutrition
- Diversity of Ethnic Populations
- Culinary Tourism
- Trends, Fad Diets
- Local Products
- Technology
- Sustainable Food Chain
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Innovation Enablers

Where can an entrepreneur find assistance to validate a new food product?

- **Private Ventures**
  - Maple Leaf Foods ThinkFOOD! Centre
  - Sobeys Test Kitchen
  - President’s Choice “Recipe to Riches”
  - NSF-GFTC

- **Publicly Funded Innovation Centres**
  - Colleges & Universities
  - Standalone Innovation Centres
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Provincially Funded Innovation Centres

- Food Starter (Toronto)
- NSF-GFTC (Guelph)
- The University of Guelph
- Craig Richardson Institute for Food Processing Technology (Conestoga College)
- Food Innovation & Research Studio (George Brown College)
- Ontario Agri-Food Venture Centre (Northumberland)
- Canadian Food & Wine Innovation Centre (Niagara College)
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### Inventory Results – Capabilities

<table>
<thead>
<tr>
<th></th>
<th>Ontario</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CFWII</td>
</tr>
<tr>
<td><strong>Type of Facility</strong></td>
<td>institute</td>
</tr>
<tr>
<td><strong>Size</strong></td>
<td>14,000 sq ft</td>
</tr>
<tr>
<td><strong>Commercialized Product?</strong></td>
<td>beer &amp; wine</td>
</tr>
</tbody>
</table>

### Sectors

- **Animal Food**: ◊
- **Bakery & Snack Food**: ✓
- **Beverage**: ✓
- **Sugar & Confectionery**: ✓
- **Dairy**: ✓*
- **Fruits & Vegetables**: ✓
- **Grain & Oilseed Milling**: **
- **Packaging**: ◊
- **Protein (primary)**: ✓
- **Protein (secondary)**: ◊
- **Spices & Powders**: ✓
- **Value Added Products**: ✓

### Notes:

- ◊ = capable, but no clients
- ✓ = completed projects
- *Dairy capabilities only in accelerator spaces
- *butter products
- **quinoa
The report identified challenges for food start-up companies:

1. **Barriers to Entry**
   - Rules & Regulations
   - Cost of Hygienically Designed Production Environment
   - Federal Registration
   - Business Training

2. **Current focus on proof of concept / start-up versus scale up**

3. **Funding equation**

4. **Finding help**

*Food and Beverage Ontario is working with local food processors, innovation centres, learning institutions, and OMAFRA to articulate recommendations.*
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## Inventory Results – Benchmark Comparison

<table>
<thead>
<tr>
<th>Province</th>
<th>Population*</th>
<th>Food Industry Revenue**</th>
<th>Government sponsored accelerator and incubator centres for commercialized products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberta</td>
<td>4,196,500</td>
<td>$2.399</td>
<td>1 – 140,000 sq ft (1984)</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>1,133,600</td>
<td>$0.924</td>
<td>1 – 35,000 sq ft (1998)</td>
</tr>
<tr>
<td>Manitoba</td>
<td>1,293,400</td>
<td>$1.232</td>
<td>1 – 60,000 sq ft (1978)</td>
</tr>
<tr>
<td>Ontario</td>
<td>13,792,100</td>
<td>$9.315</td>
<td>2 – total of &lt;35,000 sq ft Plus U of Guelph***</td>
</tr>
</tbody>
</table>

*Source population data from Stats Canada: [http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo02a-eng.htm](http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo02a-eng.htm)

**Source revenue data from Stats Canada, Gross Domestic Products by Province 2010-2014

***Total volume and experts for U of G not included, given the multiple uses of the 76,000 square feet. A potential of several hundred faculty and students could be included as participating in the expertise, yet there are no full time employees dedicated solely to the business of innovation.
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Conclusion