



सत्यमेव जयते

High Commission of India in Canada  
Ottawa

# F&B Market in Canada

*SOME KEY INSIGHTS*

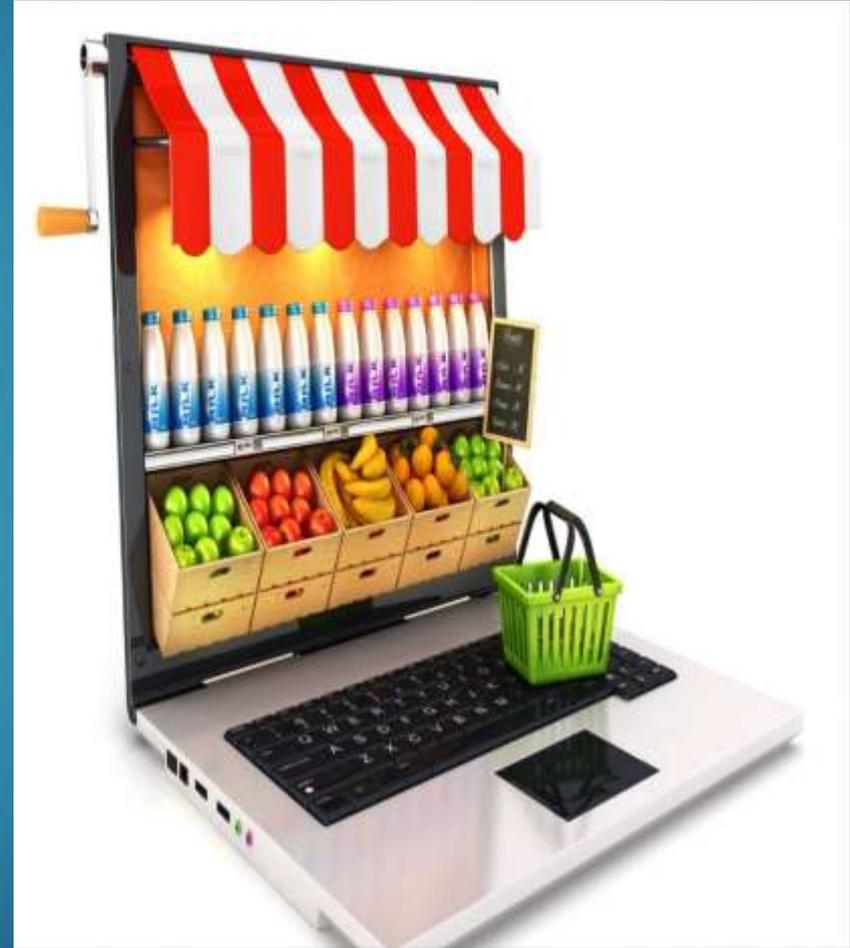


# Market Highlights

- ▶ Population of 37 million limits the market size
- ▶ Agriculture and Agro-processing are important components in Canada
- ▶ Canada is a major food producer and exporter
- ▶ Canadian F&B Retail market was worth \$ 120 billion in 2020
- ▶ F&B imports over \$ 36 billion
- ▶ Large immigrant population
  - ▶ Diversity of food choices
  - ▶ Ethnic Foods are a growing segment
- ▶ Sophisticated Market
  - ▶ Quality Conscious and regulated
  - ▶ High Awareness
- ▶ Canadian food processors rely on imported raw, semi-processed, and processed ingredients
- ▶ A strong 'buy local' ethos
- ▶ Major Multi-national brands are well-established in Canada
- ▶ 99% of the 6,500 F&B processing units in Canada are MSMEs
- ▶ Demand for Healthy Foods
- ▶ E-Commerce is growing
- ▶ Import of food items from India is growing

# Post-Pandemic Picture

- ▶ E-commerce is here to stay
- ▶ 93% of Canadians plan to either do more online shopping or the same amount post-pandemic.
- ▶ Rising food costs will affect consumer behavior in terms of what – and where – they purchase food.
- ▶ Interest in vegan products continues to climb.
- ▶ At the same time, 78% of Canadians are yearning for comfort food after pandemic stress.
- ▶ The health and wellness trend has shifted from niche to mainstream.



# Market Break-up

| Description  | Imports from World |
|--|--------------------|
| Food Preparations & Misc. Bev. *                                   | \$4.1 B            |
| Misc. edible preparations  | \$2.8 B            |
| Other processed food, ingredients & beverage bases                 | \$1.4 B            |
| Baking Inputs, mixes and doughs                                    | \$656 m            |
| Pasta, cooked or not cooked or stuffed                             | \$377 m            |
| Mixes and doughs for preparation                                   | \$222 m            |
| Fresh fruit  | \$3.6 B            |
| Fresh vegetables   | \$2.6 B            |
| Preparations of vegetables, fruit, nuts, and other parts of plants | \$2.3 B.           |
| Vegetable oils   | \$724 m            |
| Essential oils   | \$587 m            |

Except Fresh Fruits and Vegetable Oils, United States has more than 60% share in all categories

# Major Canadian Players

(Revenues reflect 2018 figures)

## Top 10 Canadian Food and Beverage Manufacturers

| Company                             | Annual Revenues (CAD) | Number of Employees in Canada | Product Category      |
|-------------------------------------|-----------------------|-------------------------------|-----------------------|
| <a href="#">Saputo Inc.</a>         | \$11.6 B              | 12,800                        | Dairy products        |
| <a href="#">McCain Foods Ltd.</a>   | \$8.5 B               | 19,000                        | Packaged goods        |
| <a href="#">Agropur Cooperative</a> | \$6.4 B               | 8,300                         | Dairy products        |
| <a href="#">Maple Leaf Foods</a>    | \$3.4 B               | 11,200                        | Packaged & Meat       |
| <a href="#">Cott Corporation</a>    | \$3.0 B               | 200                           | Beverage              |
| <a href="#">Kraft Canada Inc</a>    | \$3.0 B               | 500                           | Packaged              |
| <a href="#">Pepsico Canada</a>      | \$2.7 B               | 10,699                        | Packaged and Beverage |
| <a href="#">Nestle Canada</a>       | \$2.6 B               | 3,700                         | Packaged              |
| <a href="#">Parmalat Canada</a>     | \$2.5 B               | 2,900                         | Dairy products        |
| <a href="#">Weston Foods</a>        | \$2.0 B               | 5,000                         | Baked goods           |

# Top 10 Canadian Grocery Retailers

(by Market Share)

 Loblaws

 Sobeys

 metro

 COSTCO  
WHOLESALE

 SAFEWAY

 WAL★MART

- 1) Loblaws/Shoppers Drug Mart (29%)
- 2) Sobeys/Safeway (21%)
- 3) Costco (11%)
- 4) Metro (10.8%)
- 5) Walmart (7.5%)
- 6) Co-ops (3.5%)
- 7) Overwaitea Food Group (3%)
- 8) Couch-Tard (1.4 %)
- 9) North West Company Inc. (1%)
- 10) Dollarama (0.5%)

# Leading Regional Retailers

- ▶ 1) Longo Brothers / Grocery Gateway (ON)
- ▶ 2) Buy-Low Foods (AB & BC)
- ▶ 3) Rabba Fine Foods (ON)
- ▶ 4) Kitchen Food Fair (ON)
- ▶ 5) H.Y. Louie Co., Ltd. (BC)
- ▶ 6) Farm Boy (ON)
- ▶ 7) Kin's Farm Market (BC)
- ▶ 8) Whole Foods / Amazon (BC & ON)
- ▶ 9) Kitchen Food Fair (ON)
- ▶ 10) North West Company(rural Canada)

# Advantages and Challenges

| Advantages  | Challenges   |
|---|--|
| <b>Proximity and Integration with North American market</b><br>(Addendum to exports to US market) | <b>Geographical Distance makes exports expensive</b>   |
| <b>Similarity with US and EU markets</b>  | <b>Differences in shopping patterns and culinary tastes from India</b><br><i>(Except for Diaspora and Indian population)</i> |
| <b>Short Canadian growing season for fresh produce</b>  | <b>Demand for Very High Quality</b>  |
| <b>Consumer willingness to pay more for higher quality</b>  | <b>Higher standards of approved chemicals and residue tolerances</b>   |

# Import Procedures



- ▶ Indian exporters must understand the Canadian import regulations and standards
- ▶ Canadian Food Inspection Agency (CFIA) provides extensive information including a [Guide to Importing Food Products Commercially](#)
- ▶ CFIA [Automated Import Reference System \(AIRS\)](#) provides specific import requirements for food items by the Harmonized System (HS) classification
- ▶ Do note that the [Safe Food for Canadian Regulations \(SFCR\)](#) came into effect on January 15, 2019 whereby 14 sets of existing regulations were consolidated. Much of the regulations directly impact the Canadian food importers
- ▶ Some of these measures have assumed greater significance in post COVID-19 scenario

# Food Exporters need to be aware of

- ▶ **Traceability**- Rules for tracking the movement of food in the supply chain.
- ▶ **Food packing**-How to make sure food stays safe during packaging.
- ▶ **Labeling Requirements**- The labelling requirements for consumer packaging and foods
- ▶ **Safety standards and guidelines**- Guidance by food type, additives, maximum residue limits.
- ▶ **Safety investigation and recall process**-Triggers for an investigation which could lead to a recall.
- ▶ **Testing bulletins**- Results of sampling and testing to detect food safety risks.
- ▶ **Food incident response process**- Process for food incidents and foodborne illness outbreaks.
- ▶ **Foodborne Illness Outbreak Response Protocol (FIORP)**-Working together during large foodborne illness outbreaks.



- Check out the Canadian Government's [Tool Kit for Food Importers](#)
- Also refer to the [Safe Food for Canadians Act \(SFCA\)](#) and [Safe Food for Canadians Regulations \(SFCR\)](#).
- Food exports must meet applicable requirements of the [Food and Drugs Act](#) and [Food and Drug Regulations](#).
  - Provincial and territorial regulations may also apply

# Additional Government Regulation

- ▶ New regulatory initiatives have come into effect from December 2021.
- ▶ Require consumer-packaged foods high in sodium, sugar, and/or saturated fats to carry front-of-package labels
- ▶ Requirement also to display Serving Size, Percentage daily value calculations, Vitamins A & C removed, Amount in mg for potassium, calcium & iron etc.
- ▶ Requirement for record of traceability of all food imported into Canada
- ▶ For more information, please refer to the [Food Imports Guide website](#) of Government of Canada

# New Labeling Requirements

**ORIGINAL**

| <b>Nutrition Facts</b>                         |                                       |
|--|---------------------------------------|
| <b>Valeur nutritive</b>                        |                                       |
| Per 250 mL / par 250 mL                        |                                       |
| Amount<br>Tenour                               | % Daily Value<br>% valeur quotidienne |
| <b>Calories / Calories 110</b>                 |                                       |
| Fat / Lipides 0 g                              | 0 %                                   |
| Saturated / saturés 0 g<br>+ Trans / trans 0 g | 0 %                                   |
| Cholesterol / Cholestérol 0 mg                 |                                       |
| Sodium / Sodium 0 mg                           | 0 %                                   |
| Carbohydrate / Glucides 26 g                   | 9 %                                   |
| Fibre / Fibres 0 g                             | 0 %                                   |
| Sugars / Sucres 22 g                           |                                       |
| Protein / Protéines 2 g                        |                                       |
| Vitamin A / Vitamine A                         | 0 %                                   |
| Vitamin C / Vitamine C                         | 120 %                                 |
| Calcium / Calcium                              | 2 %                                   |
| Iron / Fer                                     | 0 %                                   |

**NEW**

| <b>Nutrition Facts</b>                         |  |
|--|--|
| <b>Valeur nutritive</b>                        |  |
| Per 1 cup (250 mL)<br>pour 1 tasse (250 mL)    |  |
| Amount<br>Tenour                               | % Daily Value<br>% valeur quotidienne* |
| <b>Calories 110</b>                            |  |
| Fat / Lipides 0 g                              | 0 %                                    |
| Saturated / saturés 0 g<br>+ Trans / trans 0 g | 0 %                                    |
| Carbohydrate / Glucides 26 g                   |  |
| Fibre / Fibres 0 g                             | 0 %                                    |
| Sugars / Sucres 22 g                           | 22 %                                   |
| Protein / Protéines 2 g                        |  |
| Cholesterol / Cholestérol 0 mg                 |  |
| Sodium 0 mg                                    | 0 %                                    |
| Potassium 450 mg                               | 10 %                                   |
| Calcium 30 mg                                  | 2 %                                    |
| Iron / Fer 0 mg                                | 0 %                                    |

\*5% or less is a little, 15% or more is a lot  
\*5% ou moins c'est peu, 15% ou plus c'est beaucoup

**Annotations:**

- Calories is larger and stands out more with bold line below
- Serving size stands out more and is more similar on similar foods
- Daily Values updated
- New % Daily Value for total sugars
- Updated list of minerals of public health concern
- mg amounts are shown
- New % Daily Value footnote

Requirement to have Bi-lingual labeling in English and French

# Distribution Channels

- ▶ Large multinationals leverage vendors that are part of their global supply chain logistics
- ▶ Small- to medium-sized Canadian manufacturers source their ingredients from specialized Canadian food ingredient brokers or distributors.
- ▶ If their volumes are high enough, some Canadian processors may import directly from India
- ▶ Indian exporters may benefit by partnering with a Canadian ingredient broker or distributor
- ▶ Food distributor would import, take title of, and warehouse the product.
- ▶ Most distributors are not inclined to pioneering products or finding new manufacturing or industrial accounts
- ▶ Ingredient brokers generally take a percentage of the ingredient product sales revenue, ranging from three to six percent. 'Commission' rate depends on;
  - ▶ Type of product, Category, Market niche potential, Expected sales volume, Any additional services
  - ▶ May also demand retainer fees
  - ▶ Negotiate to get best bargains
- ▶ Indian firms and trade bodies need to advertise and market their goods better
- ▶ E-Commerce makes it possible to sell directly to consumers



# Competition and Market Restrictions

- ▶ Market dominated by United States- 60% of Canadian market (by value)
- ▶ China, France, and India are next with less than 7% of import share
- ▶ Strong 'buy local' movement drives Canadian consumers and food processors to source locally produced ingredients
- ▶ Dairy and Poultry sectors are heavily protected and regulated to benefit local producers
- ▶ Certification of Organic Foods
- ▶ Certification of Marine Foods



# Consumer Tastes and Choices

- ▶ Canada's consumer [Food Guide](#) reinforces these trends
- ▶ Growth in demand for plant-protein-based meat alternatives (8% increase in sales last year)
- ▶ Ethically conscious with acute awareness of climate change
  - ▶ Demand for companies to reduce waste and environmental impact
  - ▶ Reduction of plastic packaging
  - ▶ Enhanced animal welfare
  - ▶ Reduced utilization of antibiotics and hormones in animal agriculture
  - ▶ Environmental sustainability of agricultural production



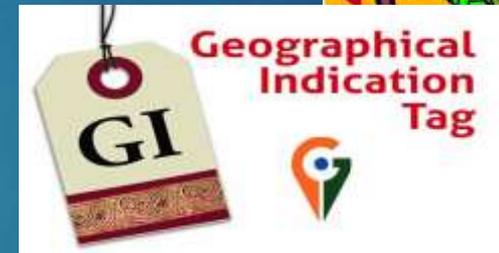
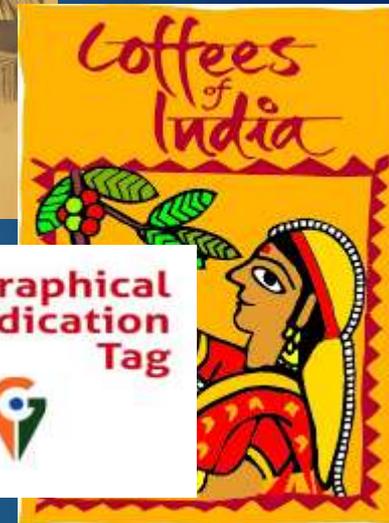
# Consumer Values

- ▶ **Consumer values-** such as halal, kosher, vegetarian, organic, fair trade, and non-GMO
- ▶ **Healthy Life Style Choices-** (Low Fat, Low Sodium, Natural foods, Low glycemic, Diabetes friendly);
- ▶ **Environmental awareness-** (Standards such as FairWild Standard, Marine Stewardship Council Standards, Carbon Trust Standard)
- ▶ **Animal welfare-** such as free range, cage-free, and international "Dolphin Safe" standards.



# Advertising and Branding

- ▶ **Canada is a competitive market-** Branding is important. Information needs to reach audience through traditional media relations targeting media lists, press kits, crisis management, outreach, radio, TV, newspapers and more
- ▶ **Promotional Campaigns-** Shaping audience behavior
- ▶ **Digital Campaigns -** With a strategic digital campaign approach, brands can reach the right audience at the right moment. Social Media, Food Blogs, Lifestyle Influencers
- ▶ **Video & Radio-** Messaging needs to be heard loud and clear.
- ▶ **Industry and Lifestyle publications-**
- ▶ **In-Store Advertising-** Designed to catch the consumer's attention. Driving interest at point-of-sale through striking design and clear messaging.



# Branding

- Sponsorship of events
- Celebrity endorsements
- Contests and sales promotions
- Social media

Facebook, Twitter, Pinterest, Snapchat, Instagram

- Commercials

TV, Radio, Internet, Movies

- Product placement

TV shows, Movies

- Targeted marketing

Age and gender, Purchasing history, Web browsing history



# Consumer trends motivating Canadian F&B market

Consumer  
demand for  
healthy eating

Reducing  
waste in  
operations  
and  
packaging

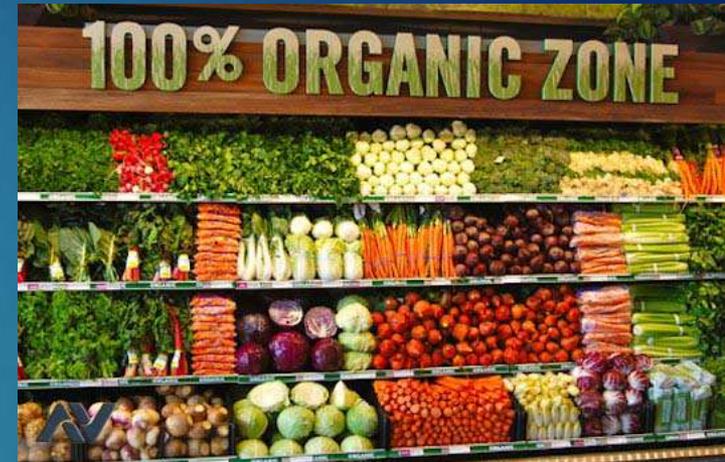
Ethical  
manufacturing  
reputation

Demand for  
Organic and  
Natural  
Products

Regulations for  
Quality, Origin,  
Ingredients  
and Labelling

# Growth Sectors

- ▶ Canada is a major per capita consumer of citrus juices
  - ▶ US dominates fruit and vegetable juices
  - ▶ Brazil (frozen orange juice concentrate)
  - ▶ China (88% of apple juice concentrate)
- ▶ Dairy, Poultry & Egg markets operate under “supply management” system- restricts imports to control supply & maintain artificially high prices
- ▶ Growth in demand for plant-protein-based meat alternatives
  - ▶ 8% increase in sales last year
- ▶ Ethnic Foods
  - ▶ Ethnic foods market in Canada estimated to be over \$7 billion (2020)
  - ▶ Growth nearly at 13-14% YoY
  - ▶ Forecast to reach \$14 billion in five years.
- ▶ Organic foods are in great demand
  - ▶ Organic food market valued at over \$3.5 billion per year
  - ▶ Organic whole foods outperform packaged, prepared and snack food categories
  - ▶ Fruit and vegetables categories lead with over 40% of total sales
- ▶ Rice consumption is growing



# Indian Rice Exports to Canada

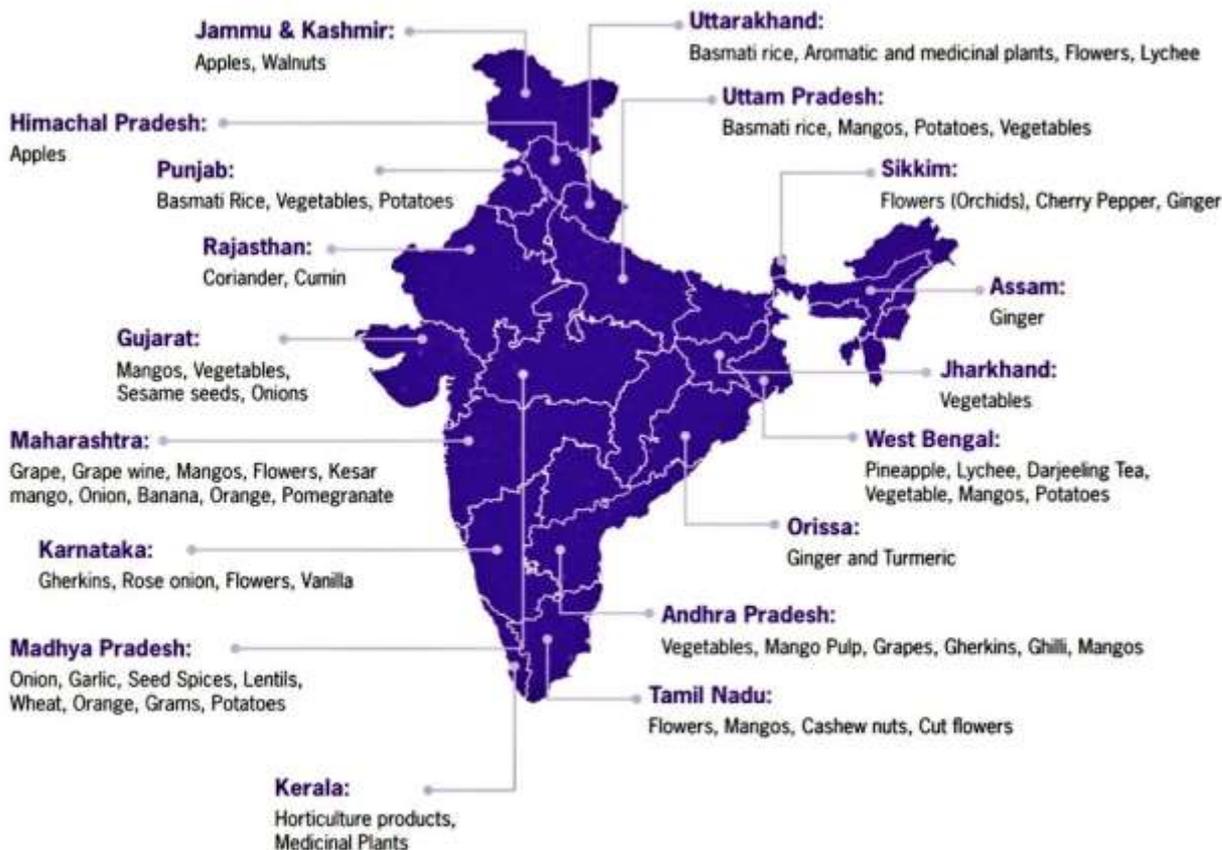


| <b>Indian Rice Exports to Canada</b>   | <b>2018</b>    | <b>2019</b>    | <b>2020</b>    | <b>2021<br/>(Jan – Aug)</b> |
|--|----------------|----------------|----------------|-----------------------------|
|  | Thousand US\$  | Thousand US\$  | Thousand US\$  | Thousand US\$               |
| <b>Canada's imports from India</b>     | <b>65,614</b>  | <b>80,335</b>  | <b>95,539</b>  | <b>51,158</b>               |
| <b>Canada's Imports from the World</b> | <b>355,879</b> | <b>412,913</b> | <b>444,706</b> | <b>253,059</b>              |

- India was the 3rd largest exporter of rice to Canada in 2020 with a share of 21.48% of the total exports
- From 2018-2020, Indian rice exports grew at ~18% CAGR
- US and Thailand held the top two positions respectively

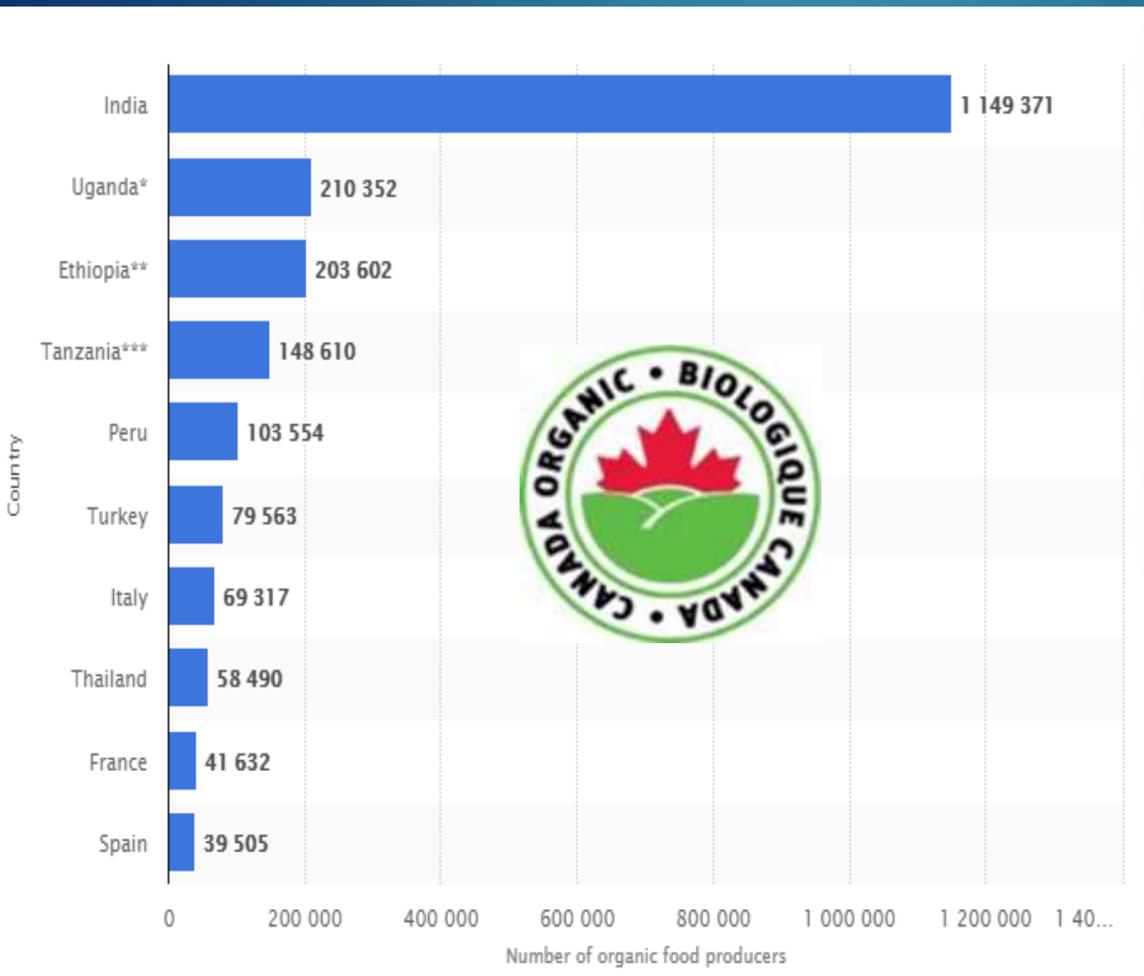
# Advantage India- Diversity of Produce

## Agri export zones in India



- ▶ Varied geography and climatic conditions
- ▶ Great Diversity of produce
- ▶ Largest producer of spices, pulses, milk, tea, cashew and jute
- ▶ Second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds.
- ▶ Fourth largest producer of agrochemicals
- ▶ Largest livestock population (535.8 million) or 31% of world's livestock

# Advantage India- Sustainable Producer



- ▶ India has the largest number of organic producers in the world
- ▶ Several Indian Organic food exporters have USFDA clearance
- ▶ We are working to get direct approval of Canadian Food Inspection Agency

# Entry Strategy

- ▶ Thoroughly research the competitive marketplace
- ▶ Wholesalers, Franchising, Direct Sales
- ▶ Locate Canadian partners to help identify Canadian opportunities
- ▶ Adhere to Canadian government standards and regulations
- ▶ For more information on these steps, please consult the FAS/Canada Exporter Guide. The best entry method depends on the specific food product and the particular sub-sector.
- ▶ We encourage Indian companies to participate in Canadian trade and consumer shows, to help them evaluate the market.
- ▶ A partial list of Canadian trade shows can be found under Local Trade Events in Canada.
- ▶ SIAL Canada is the largest food trade show in Canada which alternates between Montreal and Toronto.
- ▶ Trade associations and Chambers provide excellent networking opportunities
- ▶ Our Mission and Consulates provide export counseling and advise on organizing business trade missions, support for selected tradeshows, and identification of potential Canadian partners.



# Contact us for more information

## Commercial Wing

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