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The University of Guelph's Submission to the Standing Committee on Agriculture and Agri-Food Regarding its Study of Processing Capacity

The University of Guelph (U of G) would like to thank members of the Standing Committee on Agriculture and Agri-Food for inviting Malcolm Campbell, Vice-President Research, and Rene Van Acker, Dean of the Ontario Agricultural College, to appear before the committee and provide testimony related to the study on processing capacity in Canada's agri-food sector. U of G believes that Canada's food and beverage processing sector has strong growth potential, specifically with interprovincial and international exports. By investing in research and development and in training highly qualified personnel, the Government of Canada can help drive the sector's growth.

Access to research, development and innovation is crucial for companies that comprise Canada's food and beverage processing sector, specifically those smaller scale companies. Looking forward, technological trends such as block chain and big data will be critical in the food and beverage processing sector. Value chains based on real-time information technology will help us deliver and manage resources more efficiently, producing more food and reducing our environmental footprint. Importantly, advanced technology, including automation, provides an opportunity to create highly skilled positions and new areas of economic growth in Canada. U of G also uniquely understands the growing labour market demand that exists in the sector. Highly qualified professionals across the value chain are in demand, from food scientists to experts in food quality assurance. Currently, there are four jobs in Ontario for every one U of G agriculture and food graduate. Investments in agri-food research at universities like U of G become investments in the capacity to teach and train highly qualified students. Access to skilled talent is essential for the sector to grow their productivity and support innovation and trade.

In response to a committee member's request, U of G is pleased to provide the following information and recommendations regarding interprovincial trade barriers and their impact on Canada's food and beverage processing sector. Important to note, interprovincial trade barriers disproportionately impact Canada's agri-food sector more than other economic sectors. With food and beverage products, common and agreed upon standards are crucial as they ensure health and safety approval and boost consumer trust and confidence. Currently, there are differences across provinces regarding regulations and standards for agri-food products including labeling and certification requirements which cause a barrier to interprovincial trade. A recent U of G academic publication titled 'Exporter Productivity Premium in Canadian Food Manufacturing' suggests that barriers to interprovincial exports are as significant as those for international exports. To alleviate these barriers, the federal government should coordinate the harmonization of agri-food standards and regulations across Canada. Recently, there has been progress to address these trade barriers as part of the Canadian Free Trade Agreement. However, more standardization is required including a regulatory framework specifically for the purchase and transportation of agri-food products that accounts for Canada's geographic size and unique logistical transportation challenges, including costs associated with refrigeration and perishability.