

2018-2019 Strategic Issues Survey of Food and Beverage Processors (Wave II)

Final Report

Prepared for Agriculture and Agri-food Canada

Supplier Name: Phoenix SPI
Contract Number: 01B68-190514/001/CY
Contract Value: \$82,630.12 (including HST)
Award Date: 2018-10-01
Delivery Date: 2019-04-29

Registration Number: POR 053-18

For more information on this report, please contact the department at: aaafc.por-rop.aac@canada.ca

Ce rapport est aussi disponible en français.

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Supplier name: Phoenix Strategic Perspectives Inc.
February 2019

This public opinion research report presents the results of a telephone survey of 400 food and beverage processors conducted November 19 to December 18, 2018.

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Catalogue Number:
A22-625/1-2019E-PDF

International Standard Book Number (ISBN):
978-0-660-30941-5

Agriculture and Agri-food Canada Number:
12911E

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1. Executive Summary

Phoenix Strategic Perspectives (Phoenix SPI) was commissioned by the Department of Agriculture and Agri-food Canada (AAFC) to conduct quantitative research with representatives of the food and beverage processing industry in Canada.

1.1. Background

The food and beverage processing industry is the second largest manufacturing industry in Canada and is one of AAFC's key stakeholder groups. Overall, this sector accounts for 2% of the national Gross Domestic Product (GDP), providing employment to almost 250,000 Canadians.

AAFC has been conducting the Strategic Issues Survey, a survey of producers, since 2007 to gain critical insights on the opinions, issues and challenges facing agricultural producers in Canada. In its last iteration in 2017, the scope was broadened to capture the views of food and beverage processors in Canada. Given the different methodological challenges reaching these two audiences, the Survey of Food and Beverage Processors was conducted separately from the producer survey as of 2016-2017.

This iteration was the second wave of AAFC's Survey of Food and Beverage Processors. It was designed to build on the data collected in the previous wave and to gain feedback on new and emerging issues. The findings will be used to support the development of policies, programs and initiatives, to improve communications with the industry, and to better serve clients.

1.2. Objectives

The purpose of the quantitative research was to collect data that would provide AAFC with critical insights on the opinions, issues, and challenges facing the food processing sector in Canada, including the impact of trade agreements and evolving consumer preferences. Specific objectives of the survey included:

- Views on trade agreements;
- Perceived benefits and challenges of trade agreements;
- Awareness of AAFC initiatives;
- Public trust;
- Emergency management; and
- Communication preferences.

In addition to providing AAFC with current insights from the sector, this survey allows for the tracking of opinions and issues over time. In particular, this year's research was designed to establish benchmarks for the department's new multi-year agricultural policy framework—the Canadian Agricultural Partnership—that can be tracked over the next five years.

1.3. Methodology

A telephone survey was conducted with 400 representatives of food and beverage processors headquartered in Canada. The sample was purchased from Dun & Bradstreet Canada, and the survey averaged 18.5 minutes. Based on a sample of this size, the overall

results can be considered accurate to within $\pm 4.9\%$, 19 times out of 20. The fieldwork was conducted from November 19 to December 18, 2018, and the results were weighted to reflect the actual distribution of businesses operating in this sector in Canada. More information on the methodology can be found in the Appendix: [Technical Specifications of Research](#).

1.4. Key Findings

International Trade

Fewer food and beverage processors surveyed are exporting this year: 28% versus 34% in 2017.

- Companies that currently export were most likely to export to the United States (77%; down from 93% in Wave I).
- Nearly two-thirds of companies that export to countries other than the United States expect that the volume of exports to such countries will increase somewhat (43%) or significantly (20%) over the next two years.
- More than half (57%) the exporting companies surveyed have no plans to expand into the European market. In contrast, 24% have made changes in order to expand into this market and 19% are planning to make such changes.

Representatives of exporting companies were most likely to be aware of the Canada-United States-Mexico Agreement (CUSMA) (89%).

- Comparatively fewer were aware of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) (60%) and the Comprehensive Economic and Trade Agreement (CETA) (51%).
- The perceived impact of these trade agreements was mixed. In each case, the largest single proportion anticipated benefits to emerge: 38% in the case of CUSMA and 43% in the case of CETA and CPTPP.

AAFC Initiatives

Among food and beverage processors surveyed, there was fairly low awareness of AAFC initiatives.

- One-quarter (26%) said they had seen, heard or read something about the Canadian Agricultural Partnership (the Partnership).
 - Those aware of the Partnership were most likely to have learned of it through the Internet/a website banner (22%), followed by word-of-mouth (19%), and television or newspapers (17% each).
 - Two-thirds of respondents agreed that the Partnership will help the sector to grow trade and expand markets (67%) and to advance science and innovation (66%).
 - Compared to non-exporters, those planning to or currently exporting were more likely to be familiar with the Partnership programs and services. In addition, the likelihood of being familiar with these programs and services was higher among companies headquartered in the Prairies than those based in Quebec and British Columbia.

- Few (13%) had seen, heard or read anything about the Economic Strategy Table of Agri-food.
 - Half (51%) of those aware of it pointed to a labour force with the skills and experiences required for sector growth as a top priority.

Public Trust

A greater proportion of food and beverage processors have taken actions to manage public trust compared to 2017.

- More than nine in 10 respondents (96%) said their company has implemented better labour practices to manage public trust.
- Following this, three-quarters (75%) have introduced enhanced nutritional content or healthy ingredients, and approximately two-thirds (64%) have implemented changes to their animal welfare practices.

This year, more food and beverage processors attributed importance to the various reasons why a company might implement measures designed to enhance public trust.

- Topping the list of reasons was “because it’s the right thing to do” (93%), to respond to consumer demands/public pressure (88%), to maintain market access (88%), and to respond to demands from businesses (87%).

Emergency Management

The type of emergency respondents were most likely to identify as a concern to them in terms of impacting their business was food safety breakdowns (44%).

- This was followed at a distance by animal/plant disease outbreaks and natural catastrophes (22% each).
- Three in 10 companies (31%) have taken no actions to manage emergency risks.
 - Companies that have taken action mentioned implementing a traceability system (10%), environmental and sustainability measures (8%), and a food safety protocol (7%).
- Just over half the respondents (52%) said that there is an emergency management plan in place for their company.

Communications Preferences

Facebook led the way when it came to social media used for business purposes.

- Facebook was identified by two-thirds of respondents (65%). This was followed by LinkedIn (31%) and Twitter (29%).
- Just over one-quarter (26%) said they do not use social media for business purposes.

Nine in 10 would prefer to be informed about the latest agricultural news and developments from AAFC by email.

- Just over two-thirds (68%) preferred Agri-info, AAFC’s quarterly newsletter, and over half said through AAFC’s website (61%)

- Fewer than half, but a substantial minority nonetheless (42%), expressed a preference for receiving updates from AAFC via social media.

1.5. Notes to Reader

- All results in the report are expressed as a percentage, unless otherwise noted.
 - Throughout the report, percentages may not always add to 100 due to rounding and/or multiple responses being offered by respondents.
 - The number of respondents changes throughout the report because questions were asked of sub-samples of survey respondents. Readers should be aware of this and exercise caution when interpreting results based on smaller numbers of respondents.
 - Unless otherwise noted, the response options, “don’t know” and “no response”, have been removed from the frequencies presented in the graphs.
 - Only subgroup differences that are statistically significant at the 95% confidence level and pertain to a subgroup of at least n=20 are described in the report. Results were analyzed by location of headquarters, company size, length of time operating, and exporting status. Responses from the Territories are grouped with responses from British Columbia.
 - Tracking data are presented where available. In Wave I (2017), companies with headquarters outside of Canada were included in the survey sample. In Wave II (2018), only companies with headquarters in Canada were eligible to complete the survey. To ensure the results are comparable, the 2017 results only include companies headquartered in Canada for tracking over time.
 - The survey questionnaire is appended to the report.
 - A full set of tabulated data is available under separate cover.
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The contract value was \$82,630.12 (including HST).

I hereby certify as a Senior Officer of Phoenix Strategic Perspectives that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Policy on Communications and Federal Identity of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not contain any reference to electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leader.



Alethea Woods
President
Phoenix SPI

2. Detailed Findings

2.1 Profile of Food and Beverage Processors Surveyed

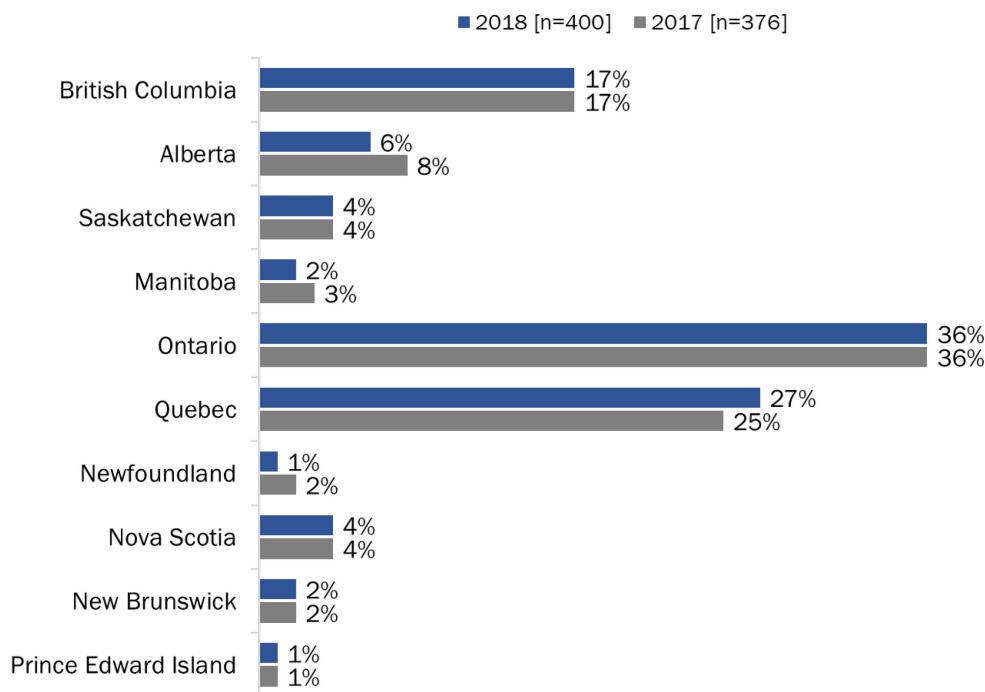
Headquarters location

Per the research design, all food and beverage processors surveyed are headquartered in Canada. Wave I (2017) included companies with headquarters outside of Canada as well: 93% were headquartered in Canada and 7% outside of Canada. When comparing this year's data (Wave II; 2018) to that of Wave I to assess year-over-year changes in the sector, only companies with headquarters in Canada are included in the 2017 data.

In terms of where food and beverage processors are located, in 2018 nearly two-thirds (63%) of respondents represented companies headquartered in Ontario and Quebec. Specifically, just over one-third (36%) represented companies headquartered in Ontario, and just over one-quarter (27%) represented companies headquartered in Quebec. Following this, three in 10 (29%) said their company has its headquarters in Western Canada, primarily in British Columbia (17%), with smaller proportions located in Alberta (6%), Saskatchewan (4%), and Manitoba (2%). In all, 8% of respondents represented companies headquartered in Atlantic Canada.

Among those surveyed, the location of the headquarters of food and beverage processors in Canada is virtually unchanged since 2017.

Figure 1: Location of headquarters



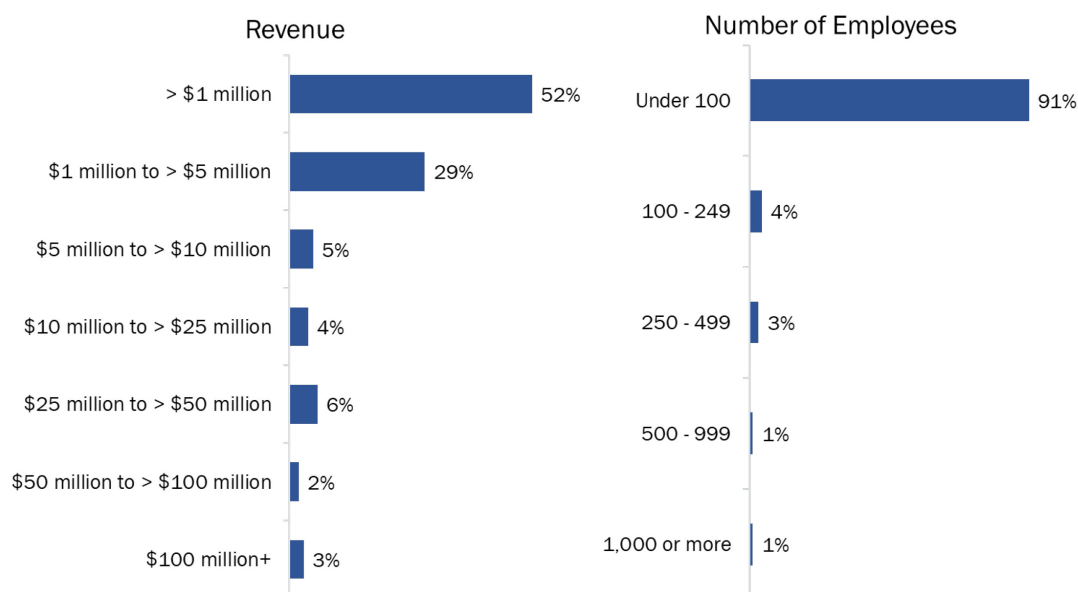
Q5. In which province or territory is your firm's headquarters located? Base: all respondents.

Company revenues and number of employees

Just over half the respondents (52%) represented companies with total annual revenues in the last fiscal year amounting to less than \$1 million. Most of the rest (29%) represented firms with total annual revenues in the last fiscal year somewhere between \$1 million to just under \$5 million. One in five respondents represented firms with total annual revenues in the last fiscal year in excess of \$5 million.

In terms of number of employees working in Canada, the vast majority of respondents (91%) represented firms with fewer than 100 employees (with part-time employees included as full-time equivalents).

Figure 2: Business Size



Q7. [Revenue] In your last fiscal year, what were your company's total revenues? Base: n=400; all respondents. [Dk/nr (7%) removed]

Q6. [Number of Employees] How many employees work for your company in Canada? Base: n=400; all respondents. [Dk/nr (1%) removed]

The profile of food and beverage processors in Canada in terms of revenue and number of employees is very similar to that recorded in 2017.

Figure 3: Business Size – 2018 vs. 2017

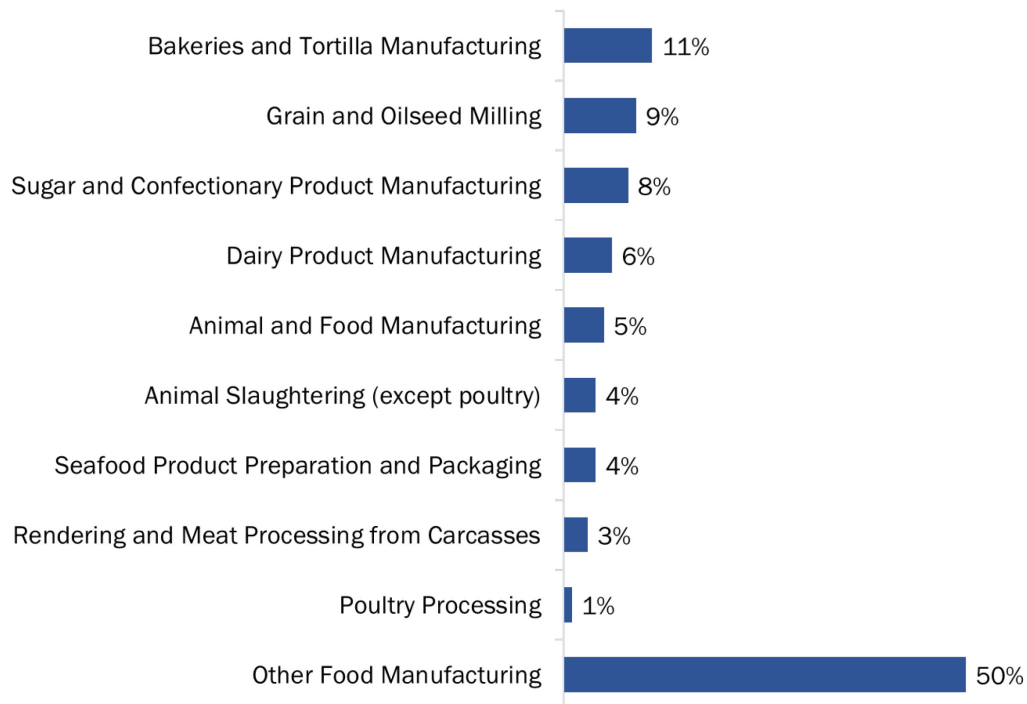
	2018	2017
Revenues		
Less than \$10 million	86%	82%
\$10 million or more	15%	19%
Number of Employees		
Under 100	91%	90%
100 or more	9%	10%

Note: percentages do not add to 100 due to rounding.

Type of food processing facility

As the accompanying graph shows, businesses represented in the survey operate in a wide variety of processing activities, none of which dominates. Respondents were not asked to specify other types of food manufacturing.

Figure 4: Type of food processing facility

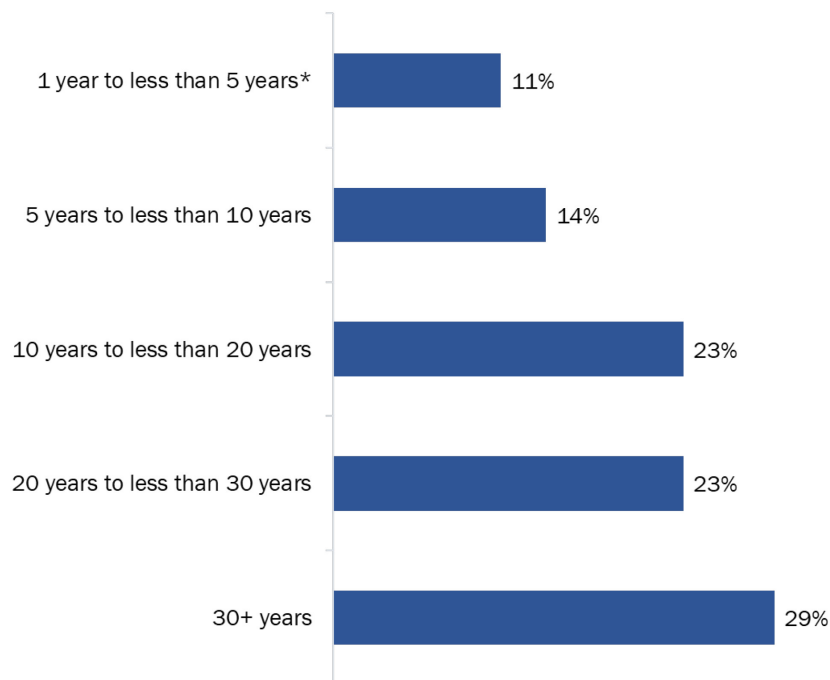


Q9. What type of processing facility does your company operate? Base: n=400; all respondents. [Dk/nr (3%) removed]

Length of time in food processing business

The length of time companies represented in this study have been involved in the food processing business varies. Just over half have been involved for at least 20 years, with the largest single proportion (29%) involved for over 30 years. Nearly one-quarter (23%) represented companies that have been involved in food processing for between 10 and 19 years. One-quarter represented firms involved for less than 10 years.

Figure 5: Length of time in food processing business



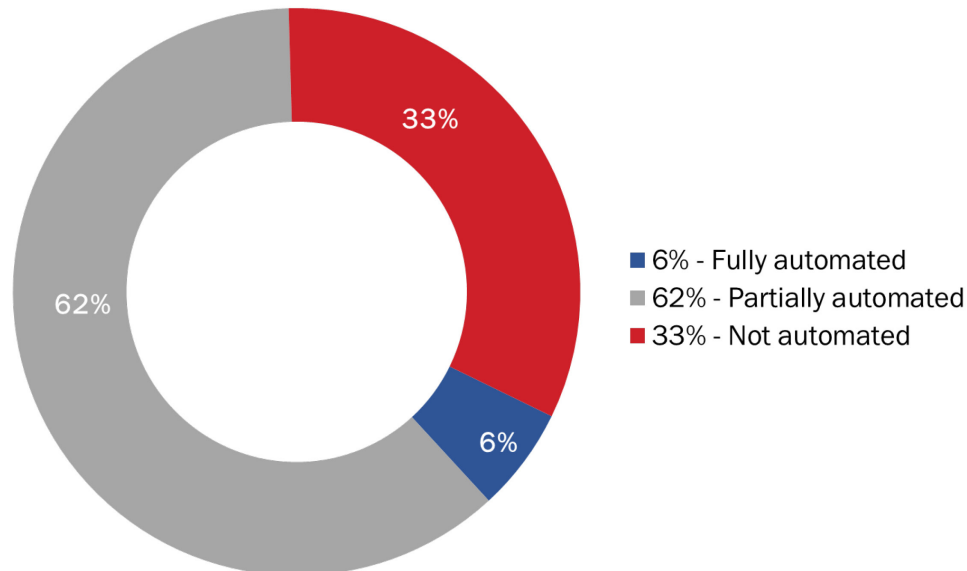
*2 establishments have been in business for less than 1 year.

Q8. Approximately how long has your company been in the food processing business? Base: n=400; all respondents. [Dk/nr (1%) removed]

Level of automation

When it came to the level of automation of firms represented in the survey, a majority of respondents (62%) described their companies as partially automated. Most of the rest, one-third, described their company as not automated. Few (6%) described their company as fully automated.

Figure 6: Level of automation



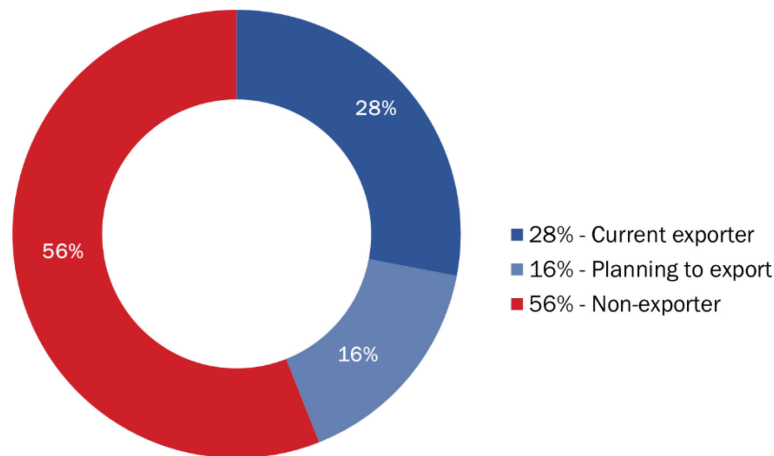
Q10. How would you describe your company's manufacturing in terms of the current level of automation? Base: n=400; all respondents. [Dk/nr (2%) removed]

2.2 International Trade

Majority of companies do not export at this time

The majority of respondents indicated that their company does not currently export. Conversely, just over one-quarter (28%) said their company currently exports and 16% said their company plans to export.

Figure 7: Exporting status

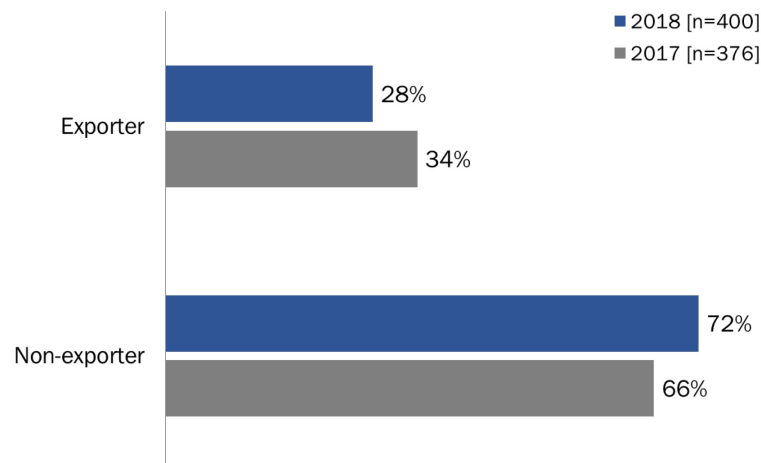


Q11. Which of the following **best** applies to your company...? Base: n=400; all respondents. [Dk/nr (1%) removed]

The likelihood of exporting was higher among food and beverage processors in Atlantic Canada compared to food and beverage processors in Quebec. No other regional differences were statistically significant. Firms with fewer than 100 employees and revenues under \$1M were less likely to be exporting than larger food and beverage processors.

In 2018, fewer food and beverage processors are exporting: 28% versus 34% in 2017.

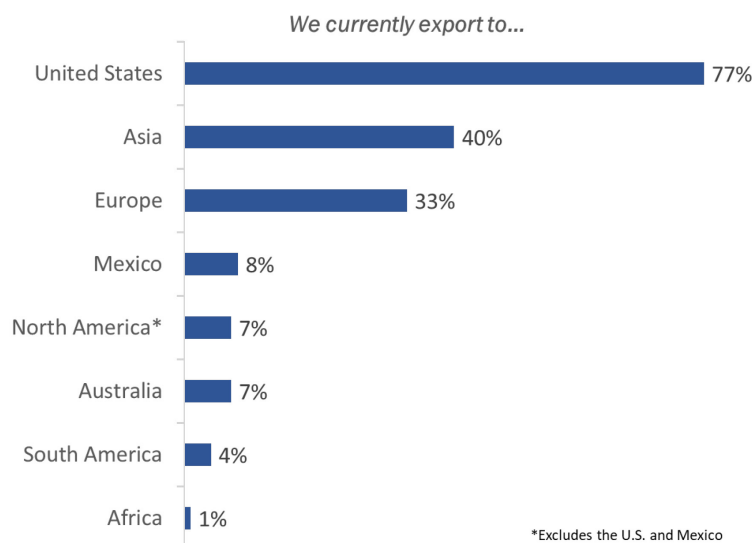
Figure 8: Exporting status: 2018 vs. 2017



Among companies that export, the United States is the top international market

Companies that currently export were most likely to export to the United States (77%; down from 93% in Wave I). This was followed at a distance by Asia (40%) and Europe (33%). Smaller proportions export to Mexico (8%), North America, excluding the United States and Mexico, and Australia (7% each), South America (4%), and Africa (1%).

Figure 9: Export markets

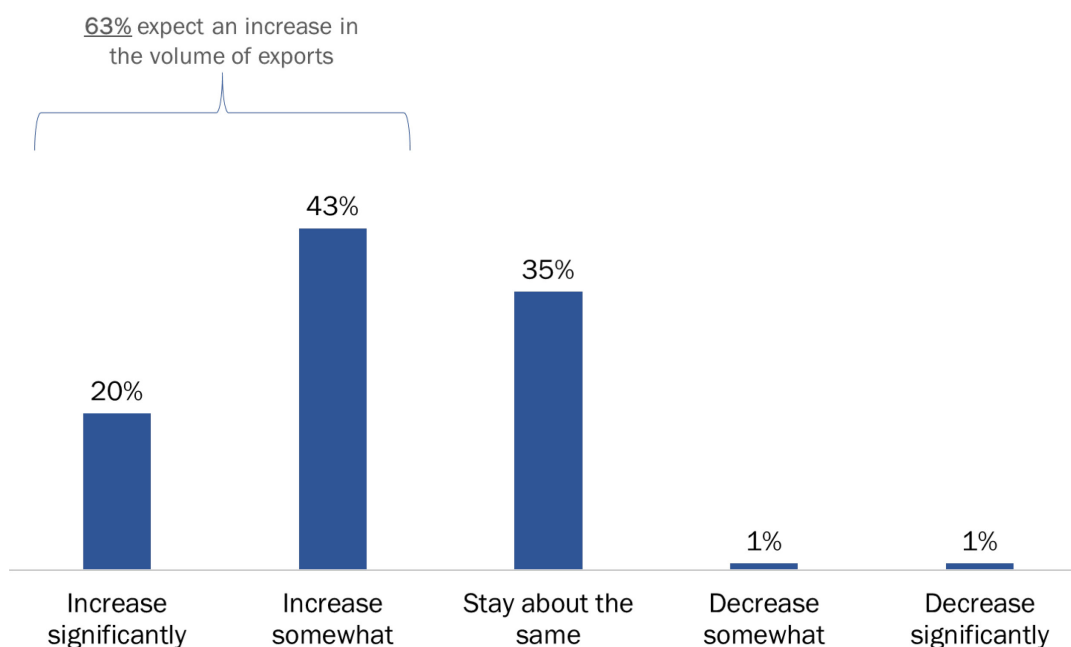


Q12. Which markets does your company currently export to? Base: n=105; those who export.

Almost two-thirds expect volume of exports to increase

Excluding companies that export only to the United States, nearly two-thirds of respondents representing companies that export expect the volume of exports to regions and countries other than the United States will increase somewhat (43%) or significantly (20%) over the next two years. Most of the rest (35%) expect such exports to stay about the same, while few (2%) expect them to decrease.

Figure 10: Anticipated volume of exports

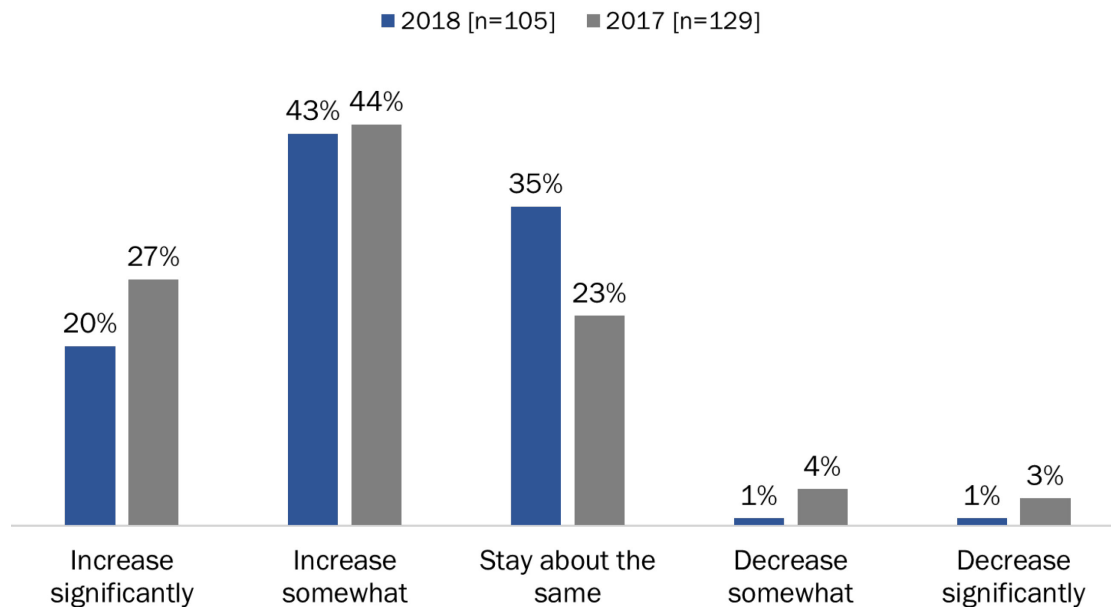


Q13. Over the next two years, do you expect that your volume of exports to regions and countries other than the United States will ... Base: n=105; those who export. [Dk/nr (3%) and volunteered option: "Only exporting in the U.S." (7%) removed]

The likelihood of anticipating an increase in the volume of their non-United States exports was higher among larger companies.

The outlook for exports to non-United States markets remains positive year-over-year, although the proportion of food and beverage processors that expect a significant increase has dropped seven percentage points. In contrast, more exporting companies said their volume of exports will remain about the same over the next two years (35% versus 23% in 2017).

Figure 11: Anticipated volume of exports: 2018 vs. 2017

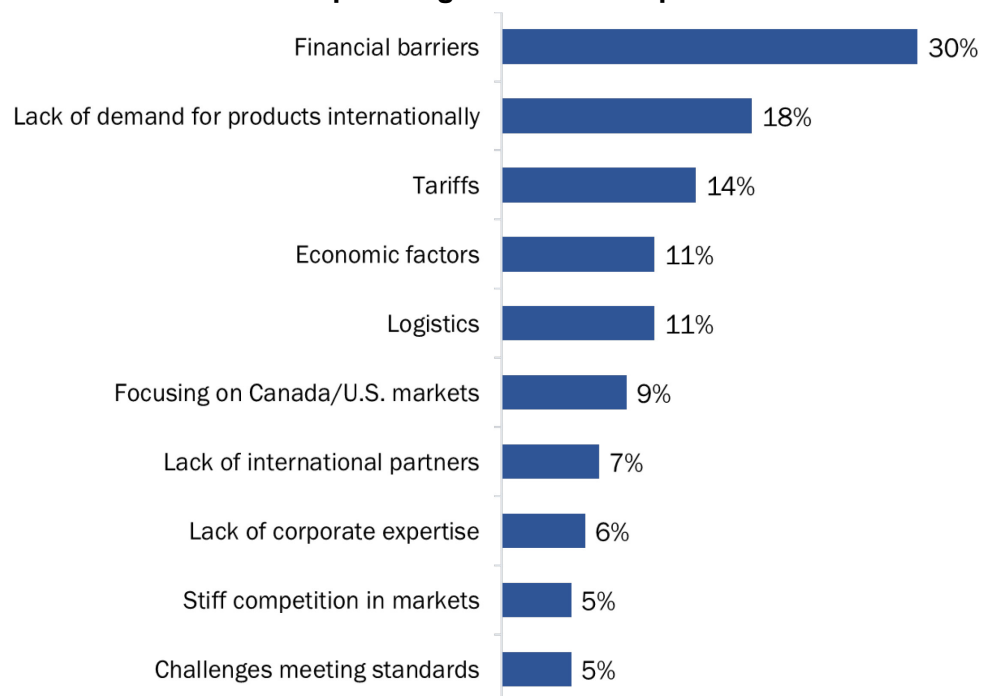


Financial issues are the top barrier to increasing non-United States exports

Respondents who indicated that their company does not expect an increase in the volume of their exports to countries other than the United States provided various reasons to explain this forecast. Topping the list was financial barriers (30%).¹ Following this, in declining order of frequency, were lack of demand for products internationally (18%), tariffs (14%), as well as economic factors and logistics (11% each). Other reasons were identified by fewer than one in 10: focusing on Canada and the United States markets, lack of international partners or corporate expertise, stiff competition, and challenges in meeting standards.

1. Caution should be exercised when interpreting these results due to the small sample size (n=36).

Figure 12: Reasons for not planning to increase exports



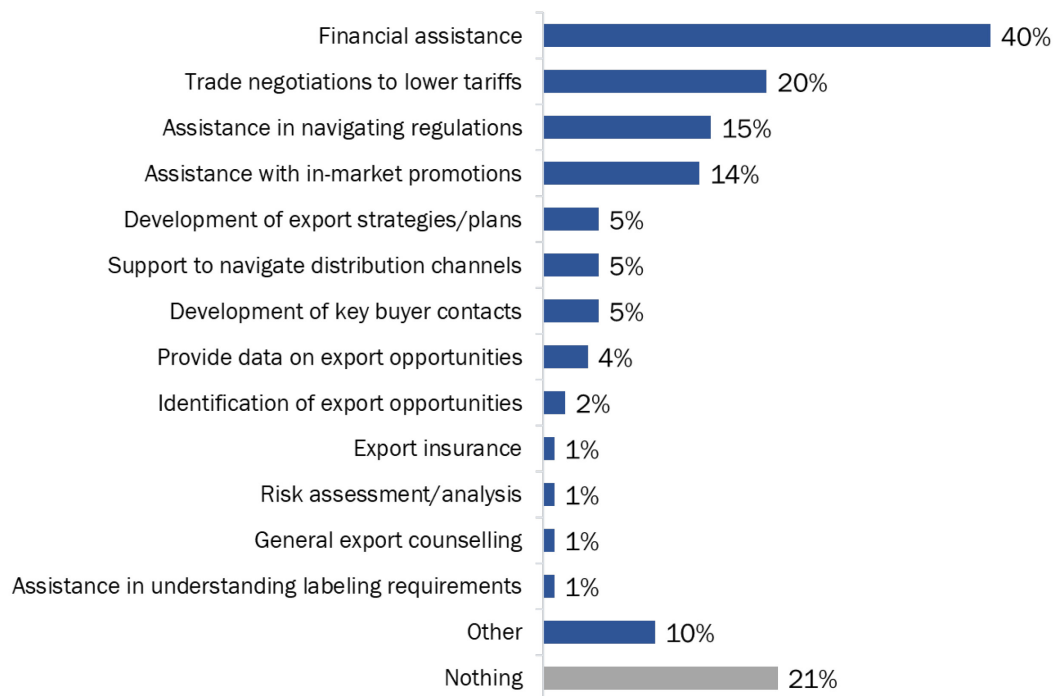
Q14. What are the main reasons why your company is not planning to increase exports to countries other than the United States? Base: n=36; those who aren't planning to increase exports. [Dk/nr (11%) removed]. (Multiple responses accepted).

A number of respondents provided reasons which did not fall within one of the themes presented in the graph. These responses were grouped in a category labelled "other" and are not presented in the bar chart.

Financial assistance most often mentioned as being needed to increase exports

Respondents representing companies currently involved in exporting most often identified financial assistance as something government could do to assist their company in increasing exports beyond the United States (40%).

Figure 13: Assistance to help increase exports



Q15. What, if anything, could government do to assist your company to increase exports beyond the United States? Base: n=105; those who export. [Dk/nr (20%) removed]. (Multiple responses accepted).

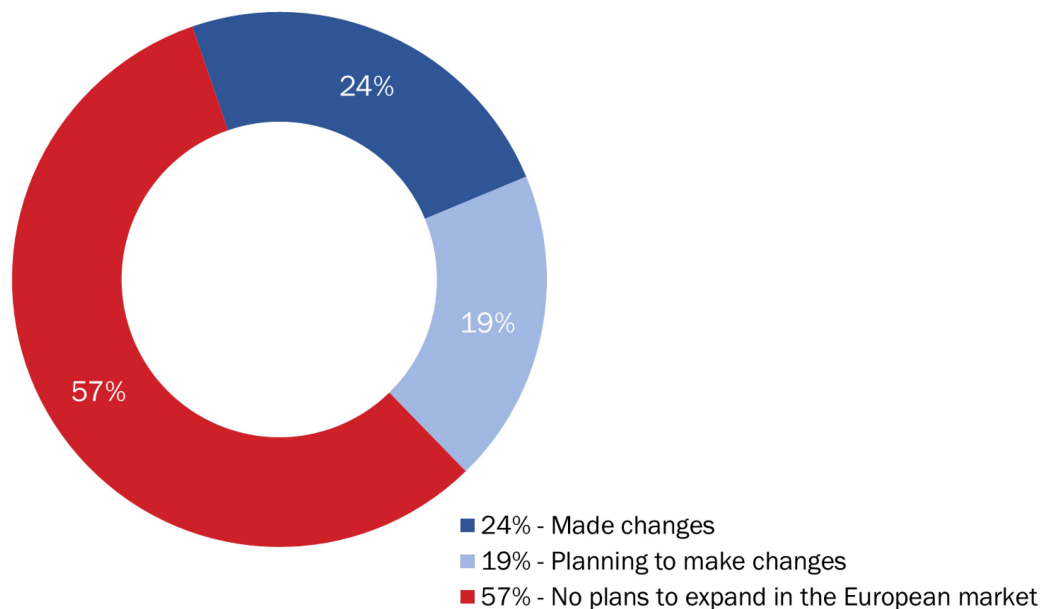
Financial assistance was followed at a distance by trade negotiations to lower tariffs (20%), assistance navigating regulations (15%), and assistance with in-market promotion (14%). Other measures were identified infrequently (5% or less).

One in five (21%) said there was nothing the government could do to help their company in this regard.

Nearly six in 10 exporters have no plans for European market expansion

A majority of respondents representing companies currently involved in exporting (57%) said their company has no plans to expand into the European market. Conversely, nearly one-quarter (24%) said their company has made changes in order to expand into the European market and one in five (19%) said their company is planning to make such changes.

Figure 14: European market expansion



Q16. Which of the following statements best applies to your company? Base: n=105; those who export. [Dk/nr (6%) removed].

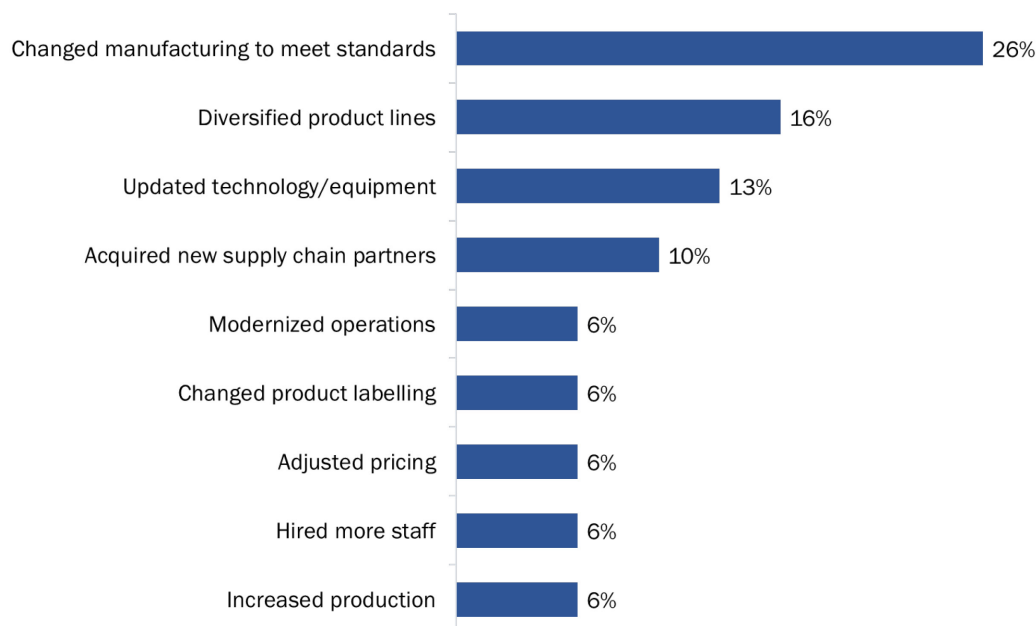
The likelihood of having made changes in order to expand in the European market was higher among companies with headquarters in Quebec than among those based in the Prairies. No other regional differences were statistically significant. In terms of company size, companies with revenues under \$1 million were more likely to have made changes than companies with revenues from \$1 million to just under \$5 million.

Various changes made or anticipated for expansion into European market

A variety of changes implemented in order to expand into the European market were identified by respondents who said their company has made such changes.² These included changing manufacturing or processing to meet safety standards, diversifying product lines, updating technology or equipment, acquiring new supply chain partners, modernizing operations, changing product labelling, adjusting pricing, hiring more staff, and increasing production.

2. Caution should be exercised when interpreting these results due to the small sample size (n=24).

Figure 15: Changes implemented for European market expansion

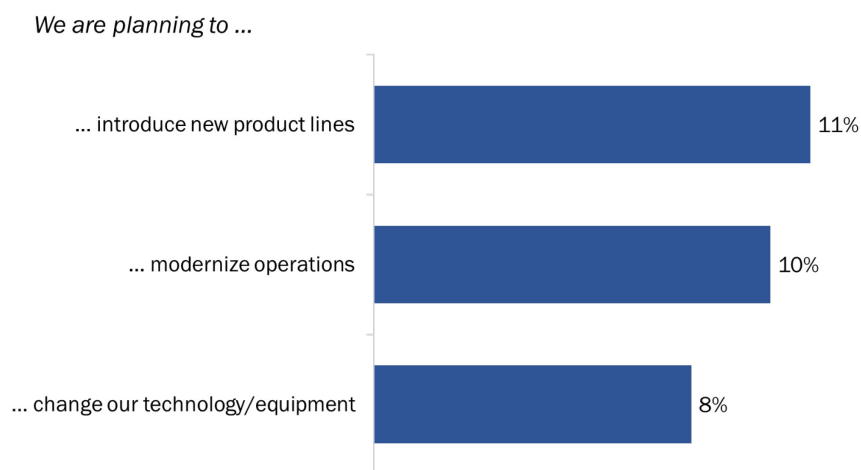


Q17. What changes have you implemented? Base: n=24; those who made changes to expand to the EU. [Dk/nr (6%) removed]. (Multiple responses accepted).

A number of respondents provided reasons which did not fall within one of the themes presented in the graph. These responses were grouped in a category labelled "other" and are not presented in the bar chart.

Changes anticipated by respondents who said their company plans to expand into the European market included introducing new products lines, modernizing operations, and changing technology or equipment.³

Figure 16: Changes anticipated for European market expansion



Q18. What changes does your company intend to implement in the next two years? Base: n=20; those who are planning to make changes to expand to the EU. [Dk/nr (5%) removed]. (Multiple responses accepted).

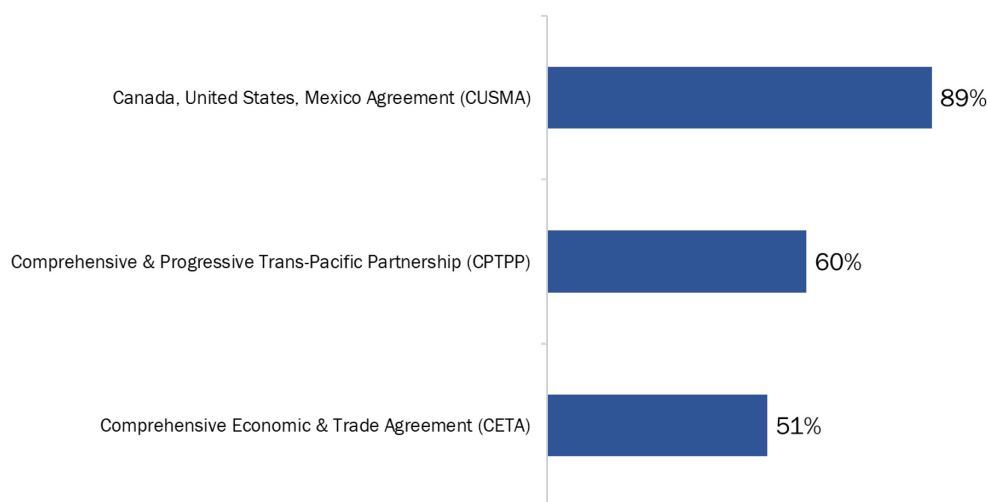
A number of respondents provided reasons which did not fall within one of the themes presented in the graph. These responses were grouped in a category labelled "other" and are not presented in the bar chart.

3. Caution should be exercised when interpreting these results due to the small sample size (n=20).

A majority of exporters are aware of CUSMA, CPTPP and CETA

While a majority of respondents representing companies currently involved in exporting were aware of various trade agreements, the size of the majority varied depending on the agreement in question. There was widespread awareness of CUSMA (89%). However, comparatively fewer were aware of CPTPP (60%), and only a bare majority (51%) were aware of CETA.

Figure 17: Awareness of trade agreements



Q19. Are you aware of the following Trade Agreements? Base: n=105; those who export. [Dk/nr (1% to 3%) removed].

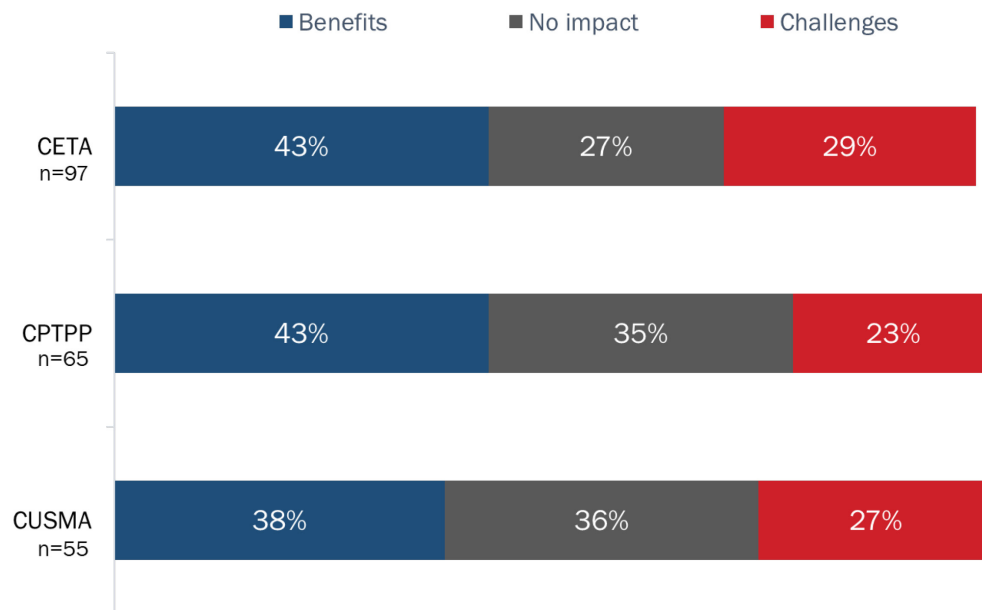
Awareness of CETA was higher among food and beverage processors with headquarters in the Prairies than among those in Quebec. Similarly, awareness of CPTPP was higher among food and beverage processors with headquarters in the Prairies than among those in Ontario. No other regional differences were statistically significant.

Exporters offer mixed assessments of the impact of trade agreements

Among exporters aware of each trade agreement, the perceived impact of CETA, CPTPP and CUSMA was mixed. As the accompanying graph indicates, in no instance did a majority of exporters aware of a trade agreement pronounce itself one way or another regarding the trade agreement's perceived impact on their company. On balance, however, each trade agreement was viewed as having a net benefit on food and beverage processors.

In each case, the largest single proportion anticipated benefits to emerge from the trade agreements (ranging from 38% in the case of CUSMA to 43% in the case of CETA and CPTPP). That said, respondents were more likely to anticipate 'some' benefits than 'significant' benefits from each treaty. The proportion anticipating 'no impact' ranged from just over one-quarter (27%) in the case of CETA to just over one-third in the case of CPTPP and CUSMA. Finally, the proportion anticipating challenges ranged from just under one-quarter in the case of CPTPP to over one-quarter in the case of CUSMA and CETA.

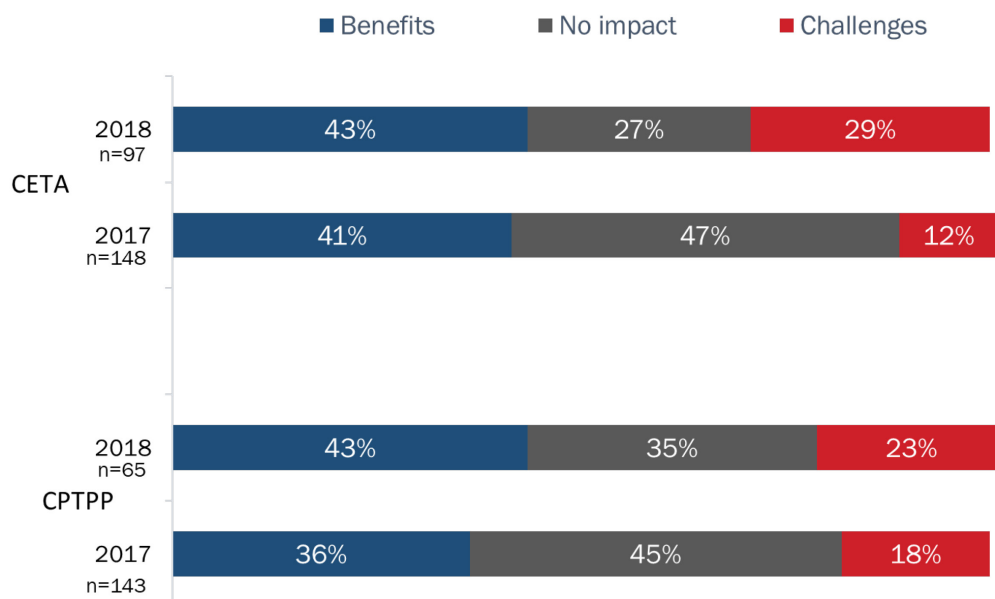
Figure 18: Perceived impact of trade agreements



Q20. Thinking about these trade agreements, which of the following statements best reflects what impact, if any, they are having, or will have, on your company? It...Base: those aware of each trade agreement. [Dk/nr (4% to 6%) removed].

In 2018, more exporting companies attributed some impact, whether benefits or challenges, to both CETA and CPTPP. Conversely, in 2017 nearly half the respondents reported that CETA and CPTPP will have no impact on their company.

Figure 19: Perceived impact of trade agreements: 2018 vs. 2017



Exporters were most likely to anticipate increased revenues and access to new markets as a result of these trade agreements

Exporters who anticipated benefits for their companies to emerge from these trade agreements (n=34) were asked to assess the extent to which their company is benefitting or will benefit in each of the following areas:

- Expanded access to existing markets
- Access to new markets
- Increased revenues
- Creation of new jobs
- Greater transparency in rules for market access
- Reinforcement of intellectual property rights

As the accompanying graph indicates, the extent to which benefits were perceived or anticipated in these areas varied. That being said, caution should be used in interpreting these results given the small sample size.

Keeping that caveat in mind, exporters were most likely to perceive or anticipate benefits in terms of increased revenues and access to new markets, followed by expanded access to existing markets and greater transparency in rules for market access. They were less likely to perceive or anticipate benefits in terms of job creation, and least likely to perceive or anticipate benefits in terms of reinforcement of intellectual property rights. Indeed, in this area, most expected few or no benefits at all. In each of these areas perceived or anticipated benefits were more likely to be characterized as moderate than strong.

Figure 20: Perceived benefits of trade agreements

	A great deal	Somewhat	Not that much	Not at all	Too soon to tell
Expanded access to existing markets	22%	56%	19%	3%	--
Access to new markets	19%	63%	13%	5%	--
Increased revenues	21%	67%	10%	3%	--
Creation of new jobs	9%	41%	27%	18%	5%
Greater transparency in rules for market access	28%	46%	21%	6%	--
Reinforcement of intellectual property rights	7%	14%	48%	31%	--

Q21. To what extent will, or is, your company benefiting from each of the following as a result of the(se) trade agreements? How about ... Base: n=34; those who feel they will benefit from the trade agreements. [Dk/nr (2% to 12%) and does not apply (0% to 23%) removed]

Environmental standards and IP rights less likely to be perceived as challenges of trade agreements

In a similar kind of exercise, respondents who anticipated challenges for their companies to emerge from these trade agreements (n=21) were asked to assess the extent of the challenge posed to their company in each of the following areas:

- Meeting procurement rules and regulations
- Meeting environmental standards
- Increased competition from trading partners
- Greater transparency in rules for market access
- Reinforcement of intellectual property rights
- Increased competition

The accompanying graph indicates the extent to which challenges were perceived or anticipated in these areas varied. As was the case with perceived benefits of the trade agreements, caution should be used in interpreting these results given the small sample size.

Keeping that caveat in mind, respondents were most likely to perceive no challenges or minor ones in relation to meeting environmental standards and reinforcement of intellectual property rights. In all other areas, respondents were more likely to assess the challenges as moderate or significant than minor or non-existent.

Figure 21: Perceived challenges of trade agreements (%)

	No challenges	Significant challenges	Moderate	Minor
Meeting environmental standards	52	10	13	25
Reinforcement of intellectual property rights	37	12	20	31
Greater transparency in rules for market access	36	14	44	6
Meeting procurement rules and regulations	20	30	36	14
Increased competition	15	28	31	27
Increased competition from trading partners	11	30	25	34

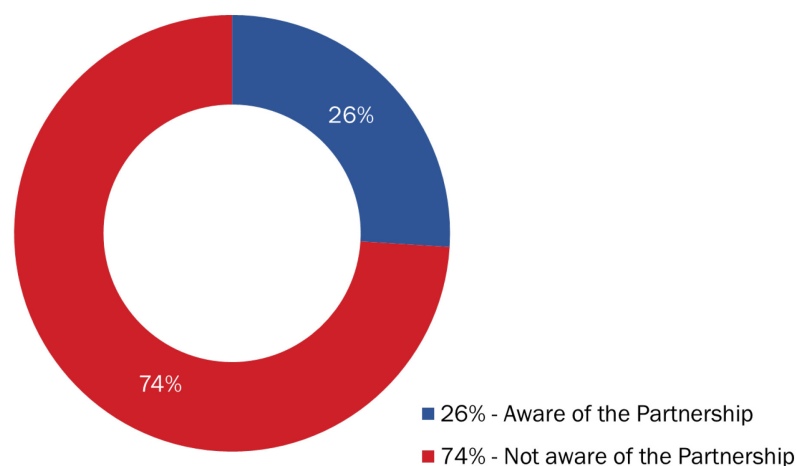
Q22. How much of a challenge do each of the following present to your company as a result of these trade deals? Base: n=21; those who feel they will face challenges from trade agreements. [Dk/nr (5% to 15%) and does not apply (0% to 20%) removed]

2.3 AAFC Initiatives

One in four are aware of the Canada Agricultural Partnership

One-quarter of all respondents (26%) said they had seen, heard or read something about the Canadian Agricultural Partnership (the Partnership). In contrast, almost three-quarters (74%) said they were unaware of the Partnership.

Figure 22: Awareness of the Partnership



Q23. Have you seen, heard or read anything about the Canadian Agricultural Partnership? Base: n=400; all respondents. [Dk/nr (2%) removed].

Awareness of the Partnership was higher among food and beverage processors headquartered in Atlantic Canada and the Prairies compared to British Columbia. No other regional differences were statistically significant.

Figure 23: Awareness of the Partnership by Region

Percentage aware of the Partnership	
Region	
Atlantic provinces	37
Quebec	23
Ontario	26
Prairies	36
British Columbia	17

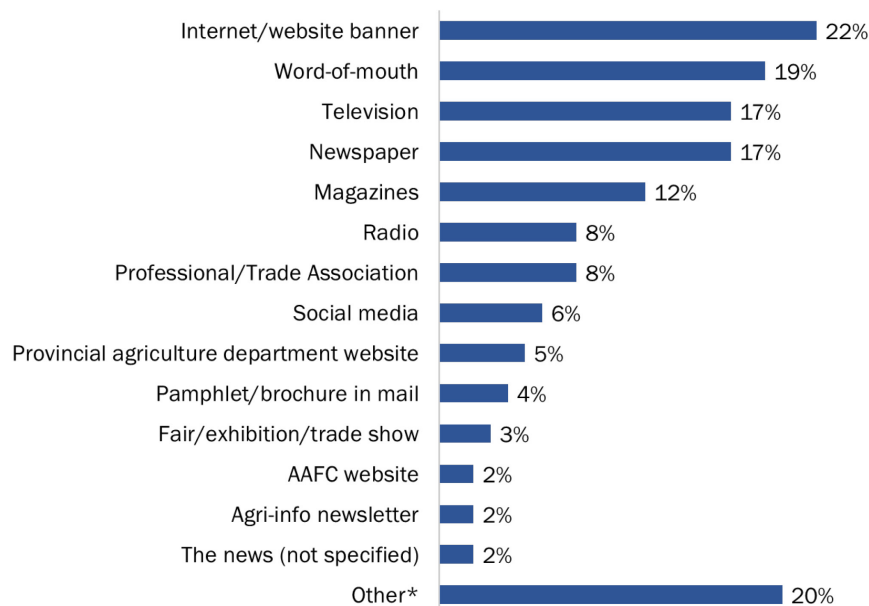
Additionally, awareness was higher among companies planning to export compared to those currently exporting and non-exporters.

Those aware of the Partnership learned of it through a variety of sources

Respondents aware of the Partnership were most likely to have learned of it through the Internet/a website banner (22%), followed by word-of-mouth (19%), television or newspapers (17% each), and magazines (12%). Sources identified less frequently included radio and professional/trade associations (8% each), social media (6%), and provincial agriculture department web sites (5%).

Sources identified infrequently (less than 5%) included a pamphlet/brochure in the mail, a fair/exhibition/trade show, the AAFC website, Agri-info newsletter, and news in general. Included in the 'other' category are, for example, email (from unspecified sources), a seminar or workshop, third-party consultants, and Export Development Canada.

Figure 24: Sources of awareness of the Partnership



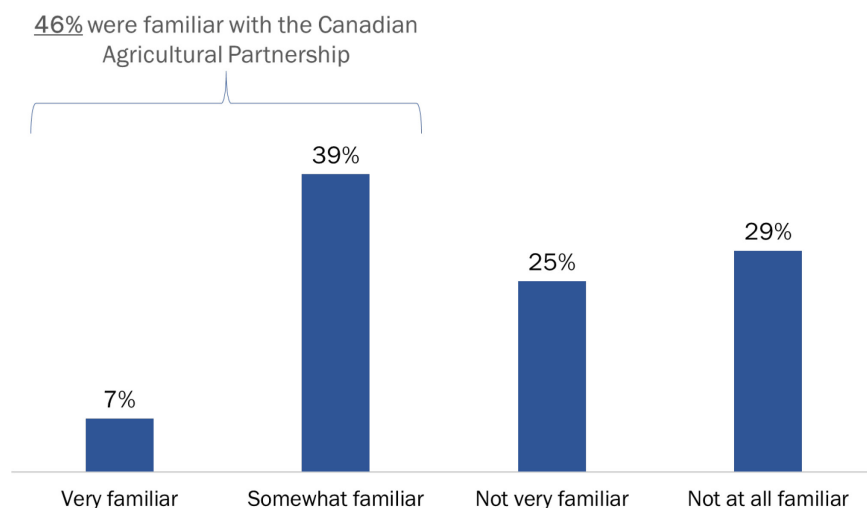
*Items mentioned by 1% or less

Q24. Where did you see, hear or read about this? Anywhere else? Base: n=101; those who heard of CAP. [Dk/nr (1%) removed]. (Multiple responses accepted)

Most of those aware of the Partnership have little or no familiarity with its programs and services

Respondents aware of the Partnership were asked to rate their level of familiarity with its programs and services using the following scale: 'very familiar', 'somewhat familiar', 'not very familiar', or 'not at all familiar'.

Figure 25: Familiarity with the Partnership



Q25. How familiar are you with programming and services available under the Canadian Agricultural Partnership? Would you say... Base: n=101; those who heard of the Partnership.

In response, the largest single proportion (39%) rated themselves as somewhat familiar with the Partnership programs and services. Few (7%) described themselves as very familiar with the Partnership programs and services. In contrast, just over half the respondents rated themselves as not very (25%) or not at all (29%) familiar with these programs and services.

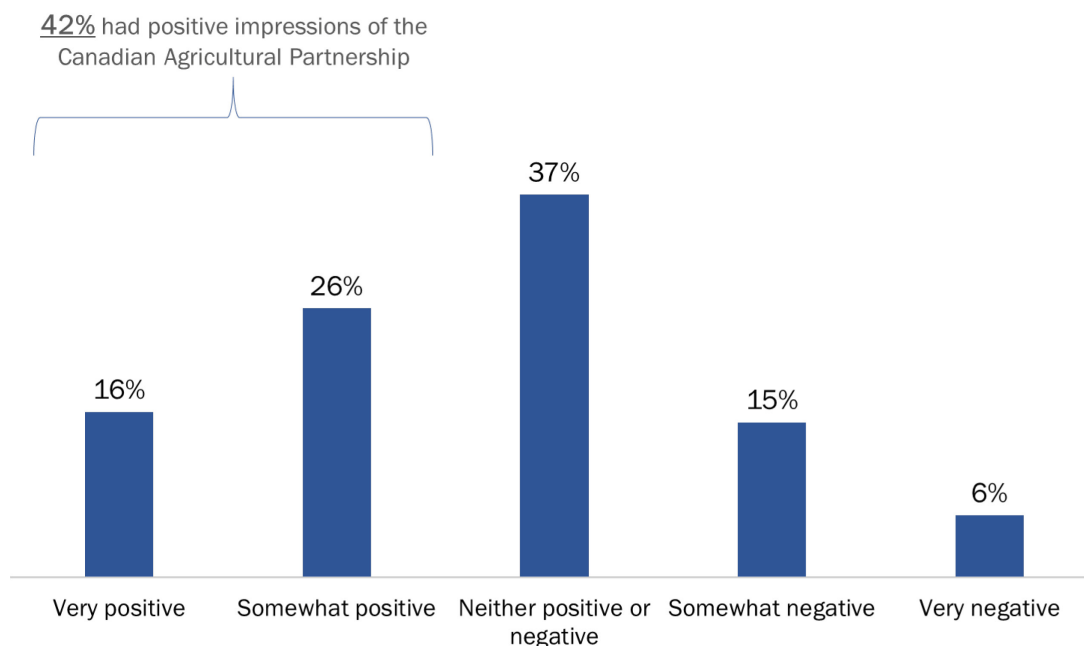
Compared to non-exporters, those planning to or currently exporting were more likely to be familiar with the Partnership programs and services. In addition, the likelihood of being familiar with these programs and services was higher among companies headquartered in the Prairies than those based in Quebec and British Columbia. No other regional differences were statistically significant.

Significant minority have positive impressions of the Partnership, although almost as many are neutral

Respondents aware of the Partnership were asked to give their overall impression of it using the following scale: 'very positive', 'somewhat positive', 'neither positive nor negative', 'somewhat negative', or 'very negative'.

In response, just over four in 10 hold favourable impressions of the Partnership — specifically, 26% were somewhat positive and 16% were very positive. Among the rest, the single largest proportion (37%) was neither positive nor negative, and one in five were negative (15% somewhat and 6% very negative).

Figure 26: Impressions of the Partnership



Q26. What's your overall impression of the Canadian Agricultural Partnership? Base: n=101; those who heard of the Partnership. [Dk/nr (14%) removed].

Exporters were more likely to hold positive impressions of the Partnership than those planning to export and non-exporters.

Majority think the Partnership will help the sector in several areas

All respondents were read the following:

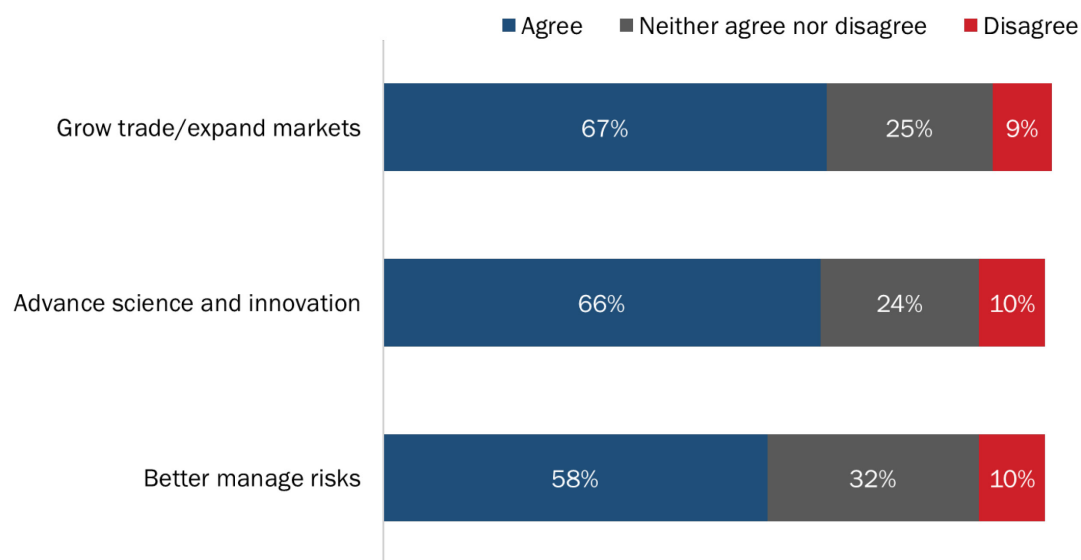
The Canadian Agricultural Partnership is a five year, \$3 billion investment by federal, provincial and territorial governments to strengthen the agricultural and agri-food sector.

Following this, respondents were asked to express the extent to which they agree or disagree that the Canadian Agricultural Partnership will help the sector to:

- Grow trade and expand markets
- Advance science and innovation
- Better manage risks.

In response, a majority of respondents agreed that the Partnership will help the sector in all three areas, though they were much more likely to express moderate than strong agreement in each case. Two-thirds of respondents agreed that the Partnership will help the sector to grow trade and expand markets (67%) and to advance science and innovation (66%). A smaller majority (58%) agreed that the Partnership will help the sector better manage risks. In all three cases, respondents who did not express agreement were much more likely to express neutrality than to express disagreement. Levels of disagreement were almost identical in all three cases (9-10%), with disagreement more likely to be moderate than strong.

Figure 27: Perceived impact of the Partnership



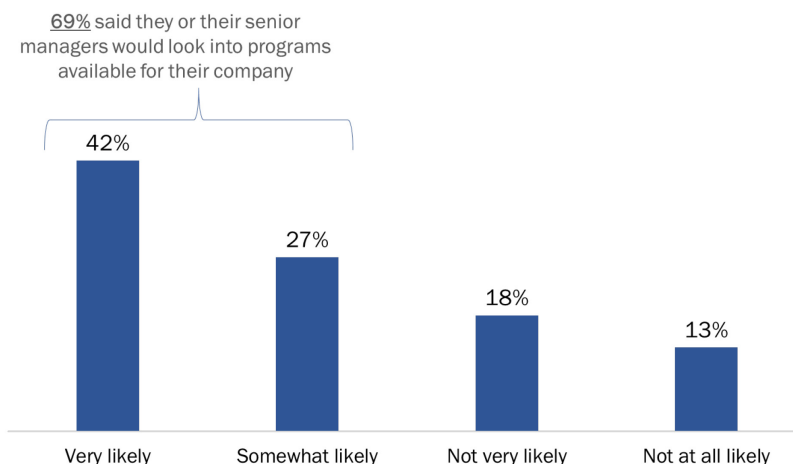
Q27. Using a 5-point scale, where 1 means strongly disagree, 5 means strongly agree, and 3 means neither agree nor disagree, to what extent do you agree or disagree that the Canadian Agricultural Partnership will help the sector to ... Base: n=400; all respondents. [Dk/nr: (14% to 17%) removed].

Respondents representing companies headquartered in Quebec were more likely than those based in other regions of the country to agree that the Partnership will help the sector to grow trade and expand markets, advance science, and better manage risks. No other regional differences were statistically significant.

Most are likely to look into available programs

Nearly seven in 10 respondents (69%) indicated that they, or other senior managers in their company, are likely to look into programs available for their company (42% saying that they are very likely to do so). Among the remainder, 18% said they are not very likely to do so and 13% said they are not at all likely to do so.

Figure 28: Likelihood of looking into available programs



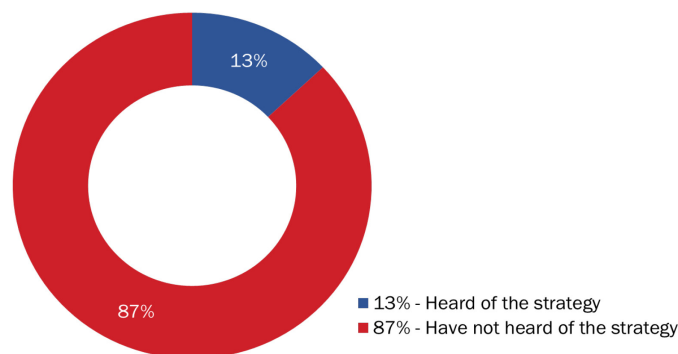
Q28. How likely are you, or other senior managers, to look into what programs are available for your company? Base: n=400; all respondents [Dk/nr (2%) removed].

The likelihood of looking into programs was higher among respondents representing companies with annual revenues of under \$1M than those representing companies with annual revenues of \$1M or more.

Few aware of Economic Strategy Table on Agri-food

Few (13%) have seen, heard or read anything about the Economic Strategy Table of Agri-food. In contrast, a substantial majority of respondents (87%) said they were unaware of the Economic Strategy Table on Agri-food.

Figure 29: Awareness of the Economic Strategy Table on Agri-food



Q29. Have you seen, heard or read anything about the Economic Strategy Table of Agri-food? Base: n= 400; all respondents. [Dk/nr (2%) removed]

Those aware of the Partnership were more likely than those not aware of the Partnership to have seen, heard or read something about the Economic Strategy Table of Agri-food. Regionally, awareness of the Economic Strategy Table of Agri-food was higher among companies headquartered in Atlantic Canada and Quebec compared to those in Ontario and British Columbia. No other regional differences were statistically significant.

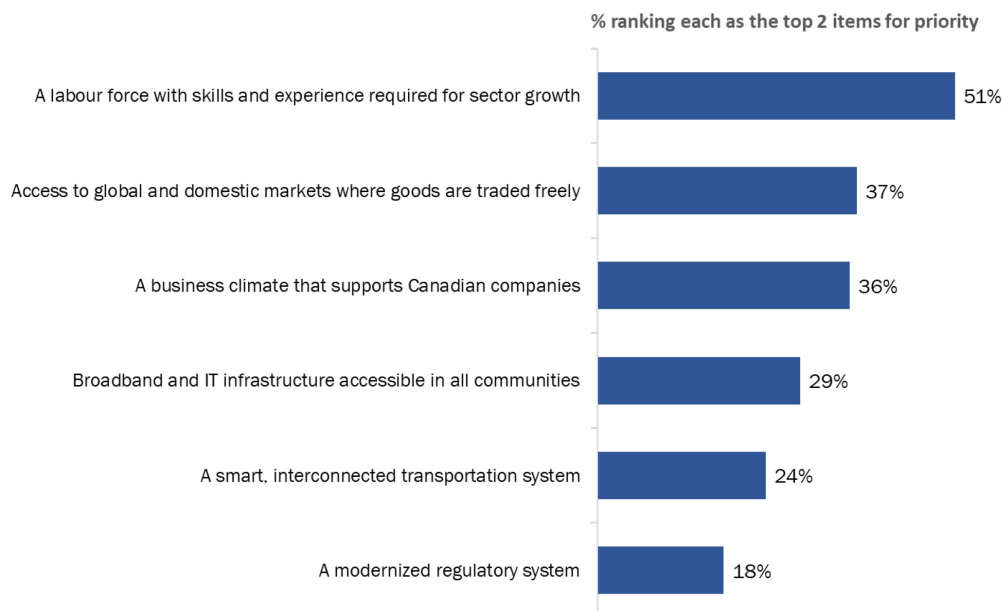
Half pointed to a skilled and experienced labour force as a top priority

Respondents aware of the Economic Strategy Table on Agri-food (n=55) were asked which two of the six following priorities should be given more immediate priority by the government:

- A modernized regulatory system
- A business climate that supports Canadian companies and international investment
- A smart, interconnected transportation system
- Broadband and IT infrastructure accessible in all communities
- A labour force with the skills and experiences required for sector growth
- Access to global and domestic markets where goods are traded more freely

The accompanying graph reveals the extent to which each of the priorities was rated as top priorities. The only priority identified as a top priority by a majority of respondents aware of the Economic Strategy Table on Agri-food was a labour force with the skills and experiences required for sector growth (51%). This was followed, in descending order of frequency, by access to global and domestic markets where goods are traded more freely (37%), a business climate that supports Canadian companies and international investment (36%), broadband and IT infrastructure accessible in all communities (29%), an interconnected transportation system (24%), and a modernized regulatory system.

Figure 30: Priorities for Economic Strategy Table on Agri-food



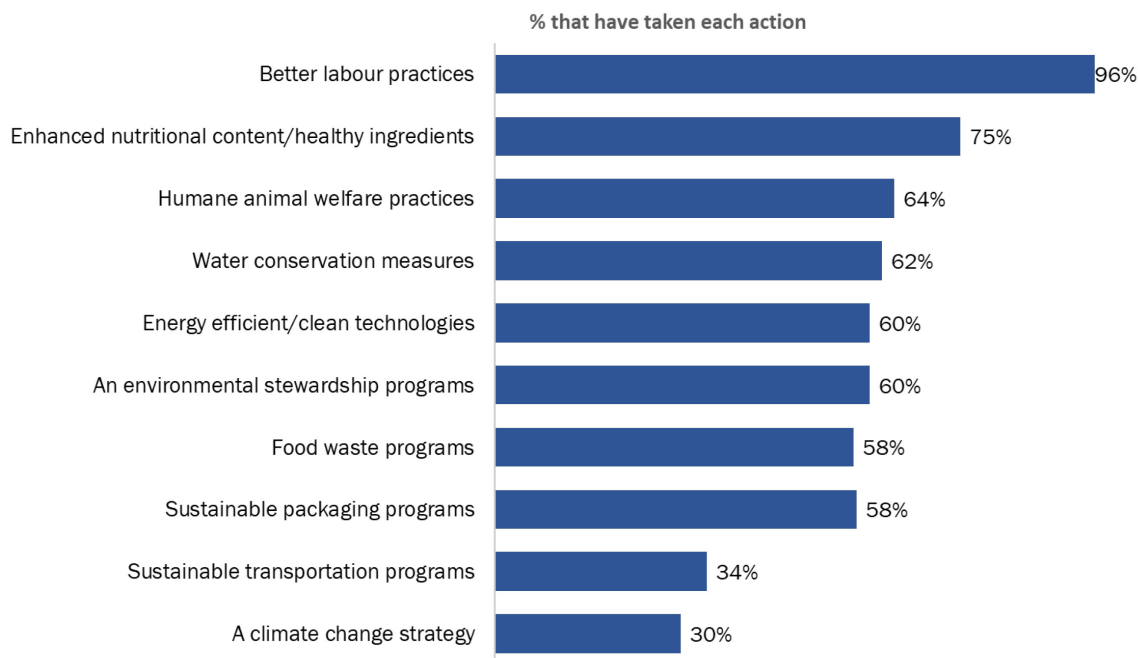
Q30. As you may know, the Economic Strategy Table on Agri-food looked at what's needed to support the long-term growth of Canada's agriculture and agri-food sectors. I'm going to read to you six priorities identified in the final report and I'd like you to tell me which two items should be given more immediate priority by government. Base: n=55; those who are aware of Economic Strategy Table on Agri-food.[Dk/nr (4%) removed] (Multiple responses accepted)

2.4 Public Trust

Various actions taken to manage public trust

The extent to which companies represented in this survey have implemented measures designed to manage public trust varies widely, from a high of 96% for better labour practices to a low of 30% for a climate change strategy.

Figure 31: Actions taken to manage public trust



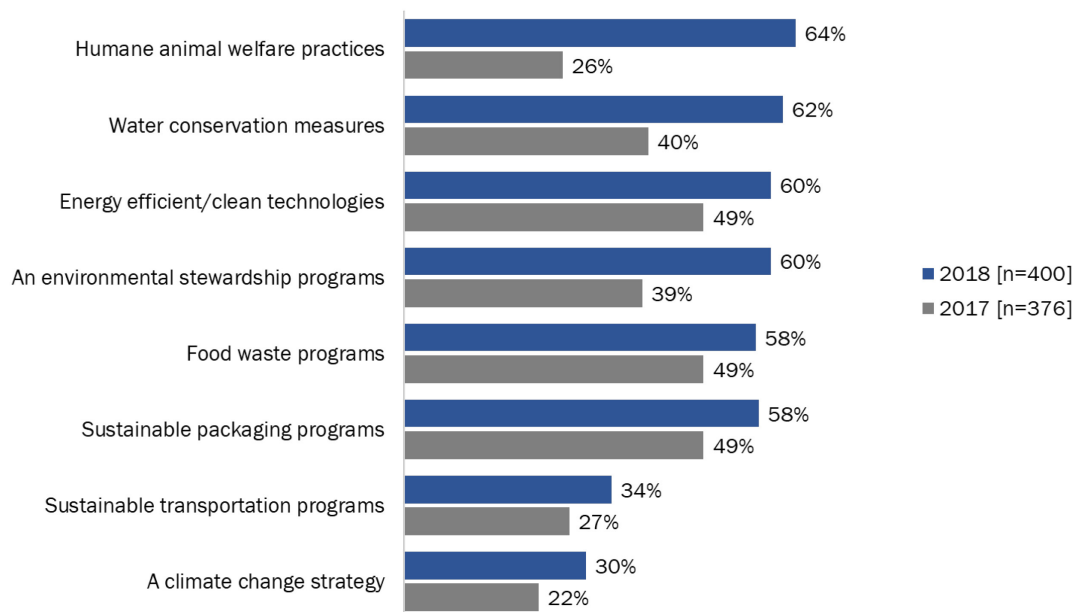
Q31. Which of the following, if any, has your company implemented? Base: n=400; all respondents. [Dk/nr (<0.5% to 2%) and does not apply (7% to 53%) removed].

Following better labour practices, three-quarters of respondents said their company has implemented enhanced nutritional content/healthy ingredients, while approximately two-thirds (64%) indicated their company has implemented humane animal welfare practices. Similar proportions said their company has introduced water conservation measures (62%), energy efficient or clean technologies (60%), and environmental stewardship programs (60%), while identical proportions said their company has implemented food waste programs and sustainable packaging programs (58% each).

Companies were much less likely to have implemented sustainable transportation programs (34%) and a climate change strategy (30%).

As figure 32 illustrates, a greater proportion of food and beverage processors have taken actions to manage public trust compared to 2017.

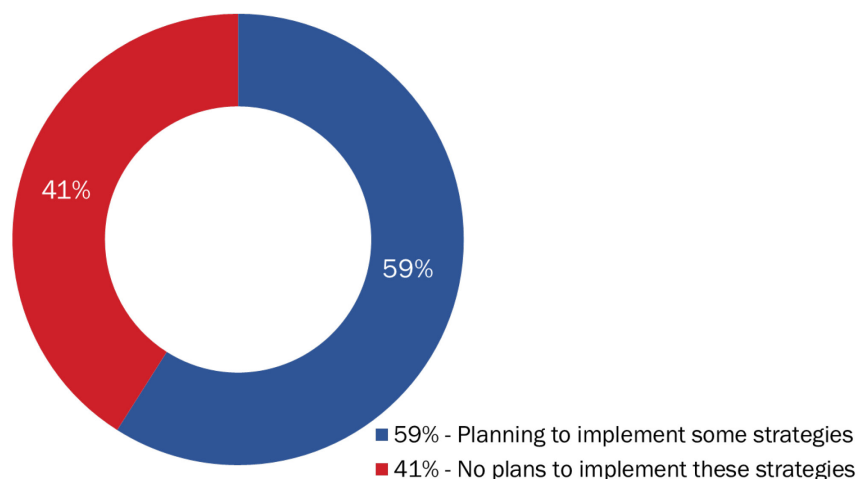
Figure 32: Actions taken to manage public trust: 2018 vs. 2017



Six in 10 companies intend to implement other public trust initiatives

Respondents whose companies have not implemented all the public trust initiatives (n=334) were asked if their company has plans to introduce any of the outstanding measures in the next two years. In response, a majority (59%) said their company is planning to implement some of the outstanding initiatives, while 41% said their company is not planning to do so.

Figure 33: Intent to implement other trust initiatives



Q32. Thinking about the list of initiatives I just asked you about, does your company plan to implement any of them in the next two years? Base: n=334; respondents who said their company hasn't implemented all public trust measures. [Dk/nr (4%) removed].

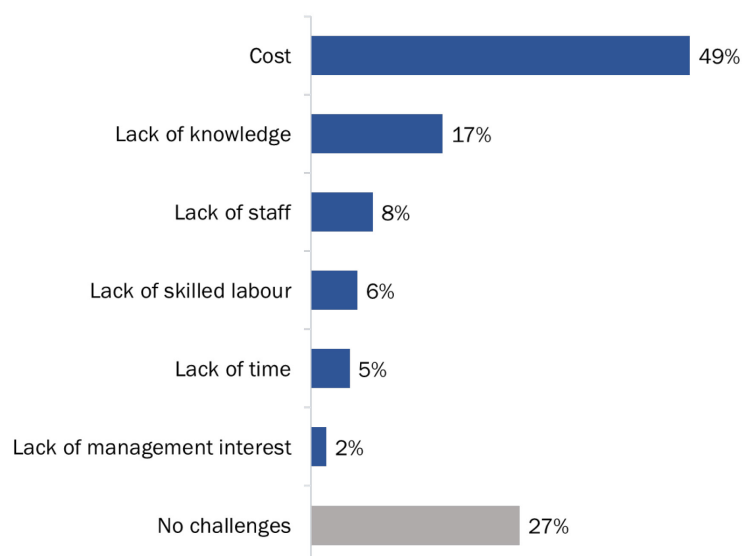
Exporters and companies planning to export were more likely than non-exporters to be planning to implement public trust initiatives. In addition, the likelihood of saying their company intends to implement these measures was higher among those aware of the Partnership.

Regionally, companies headquartered in Quebec were more likely than those based in Ontario and the Prairies to be planning to implement any of the measures in the next two years. No other regional differences were statistically significant.

The most frequently identified challenge to implementing trust initiatives was cost

Nearly half (49%) the respondents said cost is a challenge that has been identified by their company when it comes to implementing public trust initiatives. All other challenges were mentioned by fewer than one in five respondents.

Figure 34: Challenges to implement other trust initiatives



Q33. Thinking about the list of initiatives I just asked you about, what implementation challenges, if any, has your company identified? Base: n=400; all respondents. [Dk/nr (16%) removed].

Notably, just over one-quarter (27%) said their company has identified no implementation challenges. The likelihood of saying their company has identified no challenges was higher among companies with annual revenues under \$5M than among companies with annual revenues of \$10M to just under \$50M.

All reasons to address public trust viewed as important to varying degrees

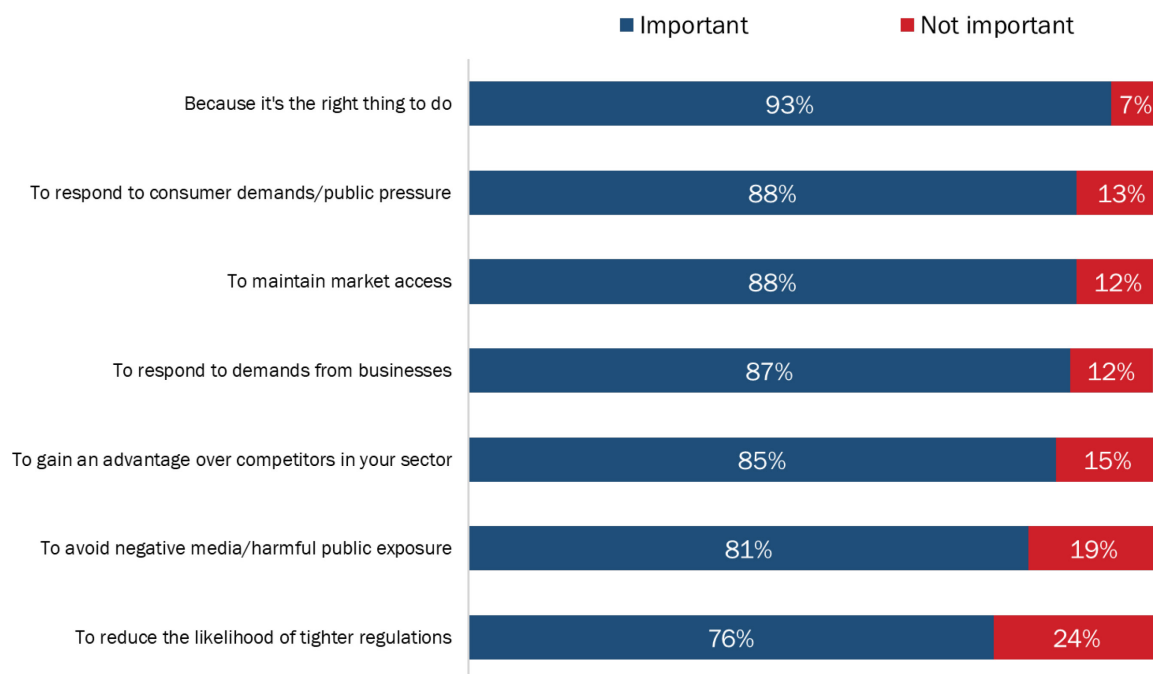
Respondents were asked to rate the importance of each of the following as reasons for their company to implement public trust measures, programs or practices:

- To respond to consumer demand or public pressure
- To respond to demand from the businesses you supply
- To reduce the likelihood of tighter regulations being imposed in each of these areas

- Because it's the right thing to do
- To avoid backlash, negative media or otherwise harmful public exposure
- To gain an advantage over competitors in your sector

As the accompanying graph shows, at least three-quarters of respondents assigned importance to each of these as reasons for implementing public trust measures, programs or practices. Moreover, with one exception (i.e., to reduce the likelihood of tighter regulations), respondents were more likely to assign strong than moderate importance to each one. The likelihood of assigning little or no importance to any of these ranged from 7% in the case of it being the right thing to do, to almost one-quarter in the case of reducing the likelihood of tighter regulations.

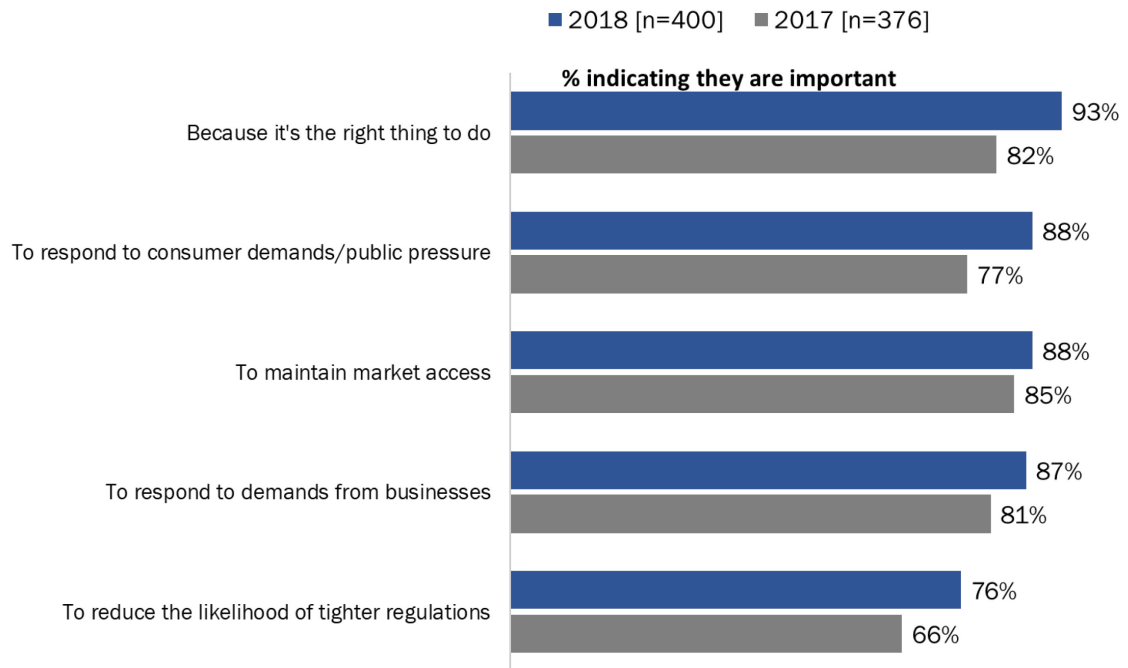
Figure 35: Reasons to address public trust



Q34. There are many reasons why a company **might** decide to implement the types of measures, programs or practices I asked you about. For each of the following, please tell me how important a reason it would be to your company. Base: n= 400; all respondents. [Dk/nr (2% to 7%) removed].

This year, more food and beverage processors attributed importance to the various reasons why a company might implement measures designed to enhance public trust.

Figure 36: Reasons to address public trust: 2018 vs. 2017

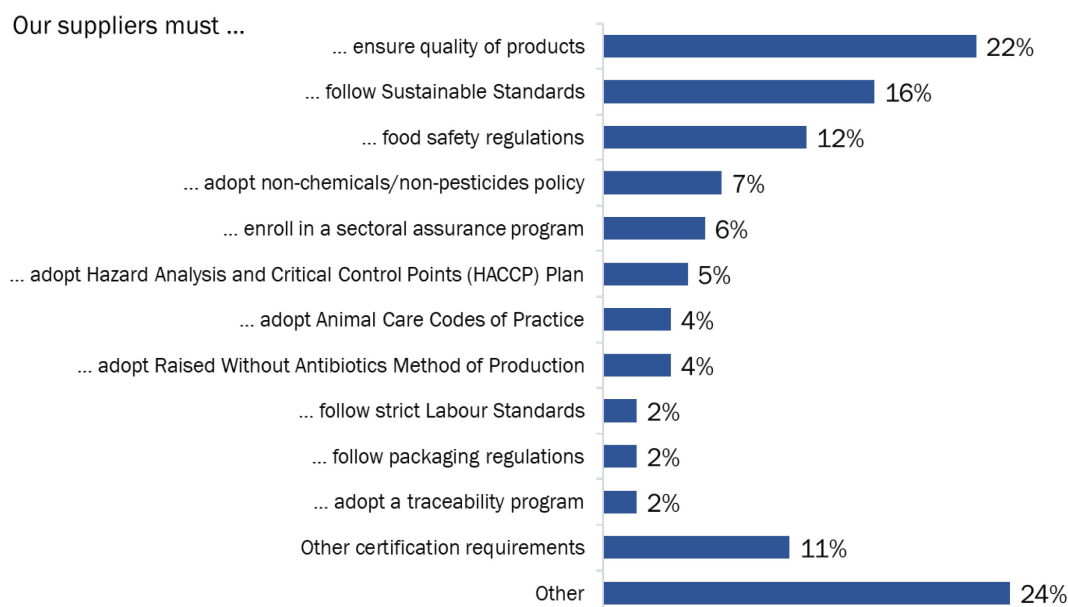


Half impose conditions on suppliers; conditions imposed are varied

Half the respondents indicated that their company imposes conditions on their suppliers. Those who said their company imposes conditions identified a wide variety of conditions. Leading the way was ensuring quality of products (22%), followed by following sustainable standards (16%) and food safety regulations (12%).

Conditions identified less frequently included adopting non-chemicals/non-pesticides policies (7%), enrolling in a sectoral assurance program (6%), and adopting a Hazard Analysis and Critical Control Points Plan (5%). Conditions identified infrequently (less than 5%) included adopting animal care codes of practice adopting raised without antibiotics method of production, following strict labour standards, following package regulations, and adopting a traceability program.

Figure 37: Conditions imposed on suppliers



Q36. What conditions does your company impose on suppliers? Base: n= 190; those who impose conditions on suppliers. [Dk/nr (4%) removed]. (Multiple responses accepted)

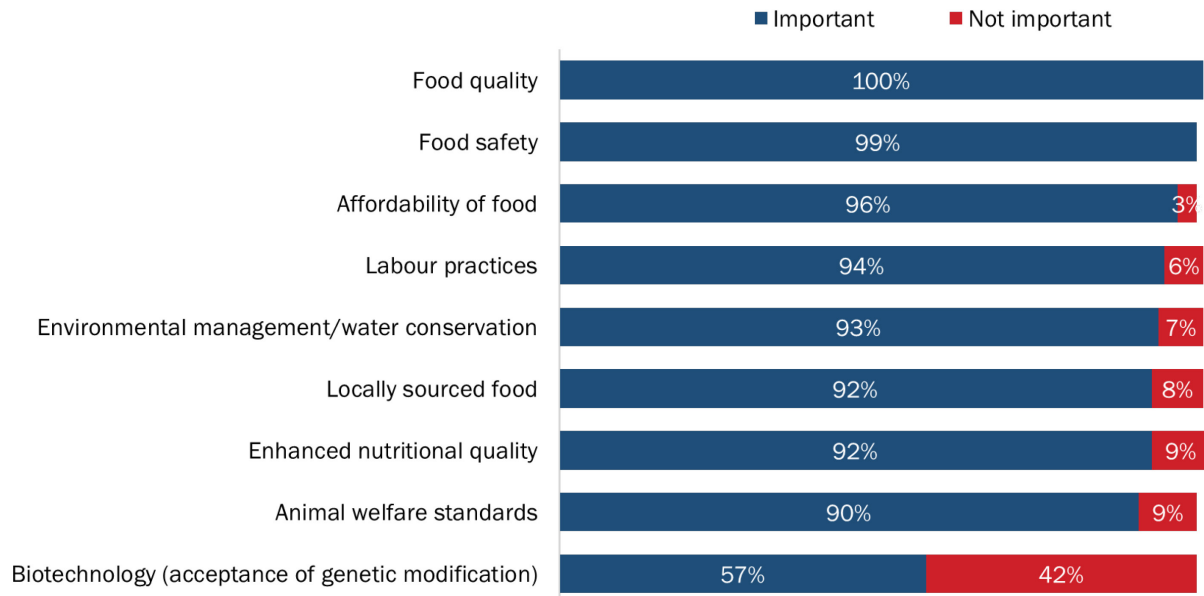
Included in the 'other' category are conditions such as, competitive pricing, on time delivery, fair trade practices, onsite efficiency inspections, on time payment, and anti-fraud measures, among others.

Vast majority assigned importance to all public trust initiatives, with food quality and safety leading the way

Respondents were asked to rate the importance of each of the following in terms of building or maintaining the public's trust in processed foods and agri-food business:

- Environmental management/water conservation
- Food safety
- Food quality
- Labour practices, including worker safety, hiring and labour conditions
- Affordability of food
- Biotechnology, for example acceptance of genetic modification
- Animal welfare standards
- Enhanced nutritional quality/healthfulness
- Locally sourced food

In all but one case, the vast majority of respondents (90% or more) assigned importance to each of these initiative in terms of building or maintaining the public's trust in processed foods and agri-food business. Topping the list was food quality and safety—virtually everyone viewed these as important. The exception was in relation to biotechnology. Feedback was mixed regarding this factor. While a majority (57%) assigned importance to it, 42% assigned little or no importance to it.

Figure 38: Perceived importance of public trust initiatives

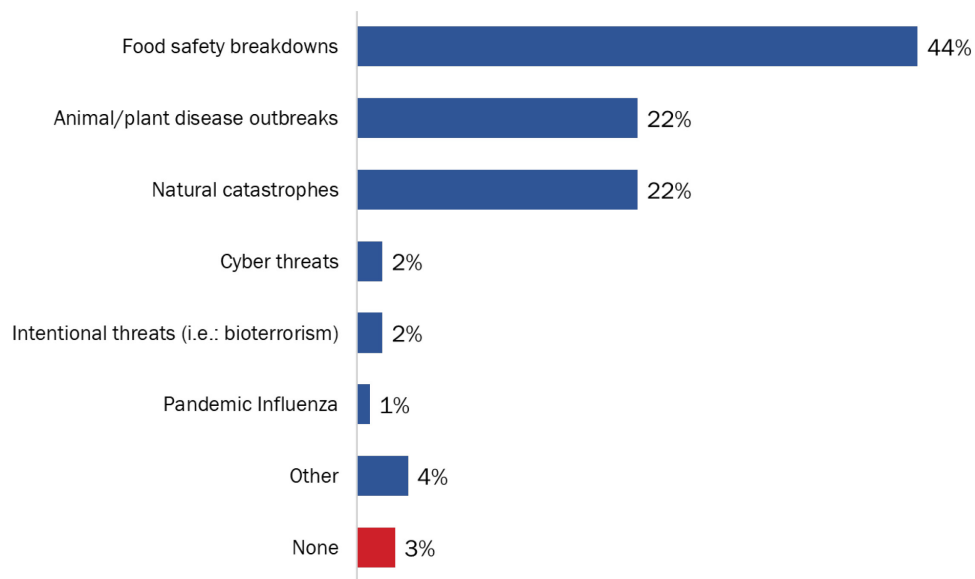
Q37. In your view, how important, if at all, are the following in terms of building or maintaining the public's trust in processed foods and agri-food business? How about Base: n= 400; all respondents. [Dk/nr (<0.5% to 20%) removed].

2.5 Emergency Management

Emergencies of concern

The type of emergency respondents were most likely to identify as a concern to them in terms of impacting their business was food safety breakdowns (44%). This was followed at a distance by animal/plant disease outbreaks and natural catastrophes (22% each). Other types of emergencies were identified infrequently (2% or less) and included cyber threats, intentional threats, and pandemic influenza.

Figure 39: Emergencies of concern

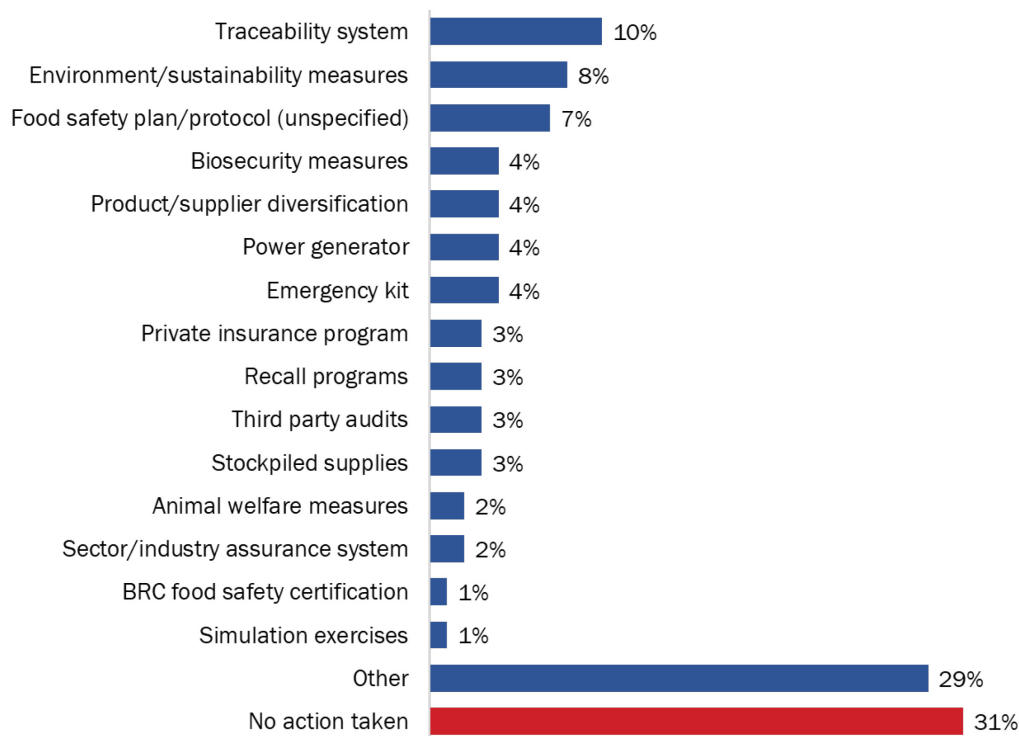


Q38. Which, if any, of the following types of emergencies are you most concerned could impact your business?
Base: n=400; all respondents. [Dk/nr (2%) removed].

Three in 10 companies have taken no actions to manage emergency risks

Respondents identified a range of actions their company has taken to manage or plan for emergency risks, though few were identified with any frequency. Leading the way were a traceability system (10%), followed by environmental and sustainability measures (8%) and a food safety plan/protocol (7%). Fewer than 5% of respondents identified any other actions. Three in 10 (31%) said their company has taken no action on this front.

Figure 40: Actions to manage emergency risks

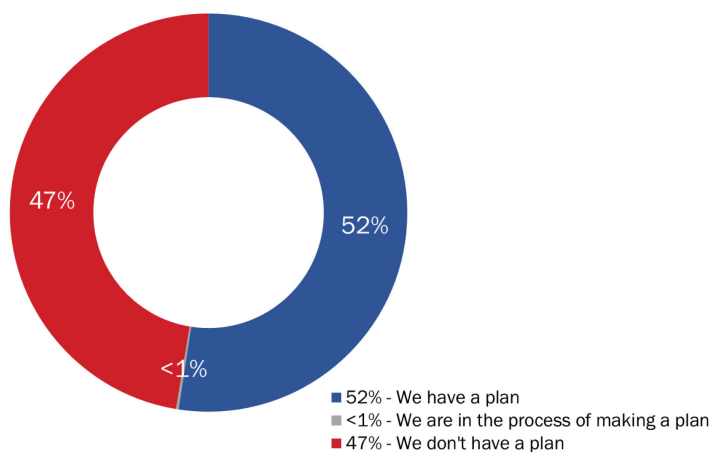


Q39. Which actions, if any, have you taken to manage or plan for the emergency risks that your business might be facing? Base: n=400; all respondents. [Dk/nr (6%) removed]. (Multiple responses accepted).

Half have an emergency management plan in place; almost as many do not

Just over half the respondents (52%) said there is an emergency management plan in place for their company. Almost as many (47%) said no, with fewer than 1% saying that such a plan was in the process of being made.

Figure 41: Emergency management plan in place



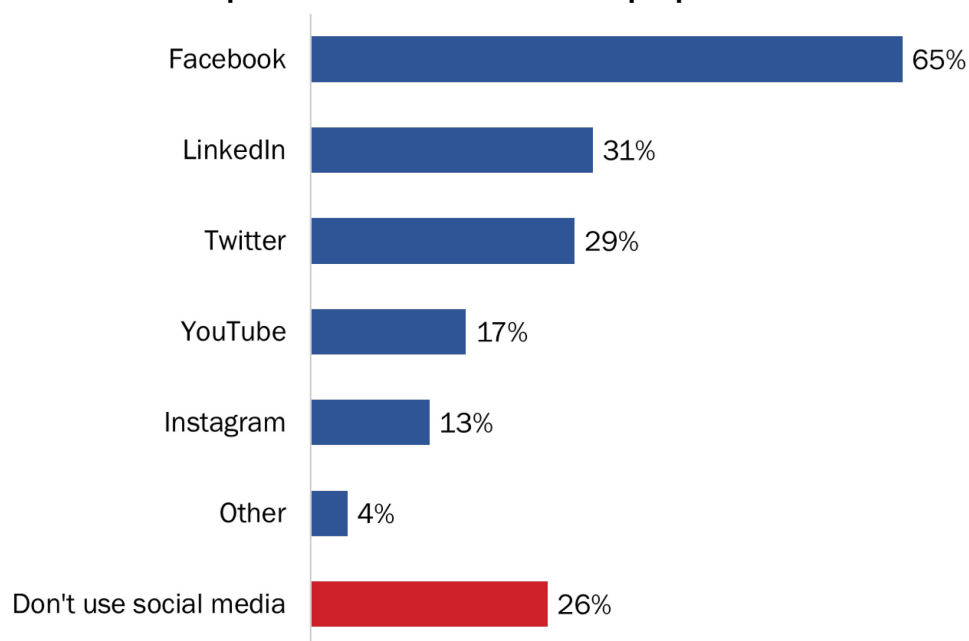
Q40. Do you have an Emergency Management Plan in place for your business? Base: n=400; all respondents. [Dk/nr (1%) removed]

2.6 Communications Preferences

Facebook led the way when it came to social media used for business purposes

Respondents were asked which social media platforms, if any, they use for business purposes. Leading the way by far, and identified by two-thirds of respondents (65%), was Facebook. This was followed by LinkedIn (31%) and Twitter (29%). YouTube was identified by 17% of respondents and 13% volunteered Instagram.

Figure 42: Social media platforms used for business purposes



Q41. Which of the following social media platforms, if any, do you use for business purposes? Base: n=400; all respondents. [Dk/nr (<0.5%) removed]. (Multiple responses accepted).

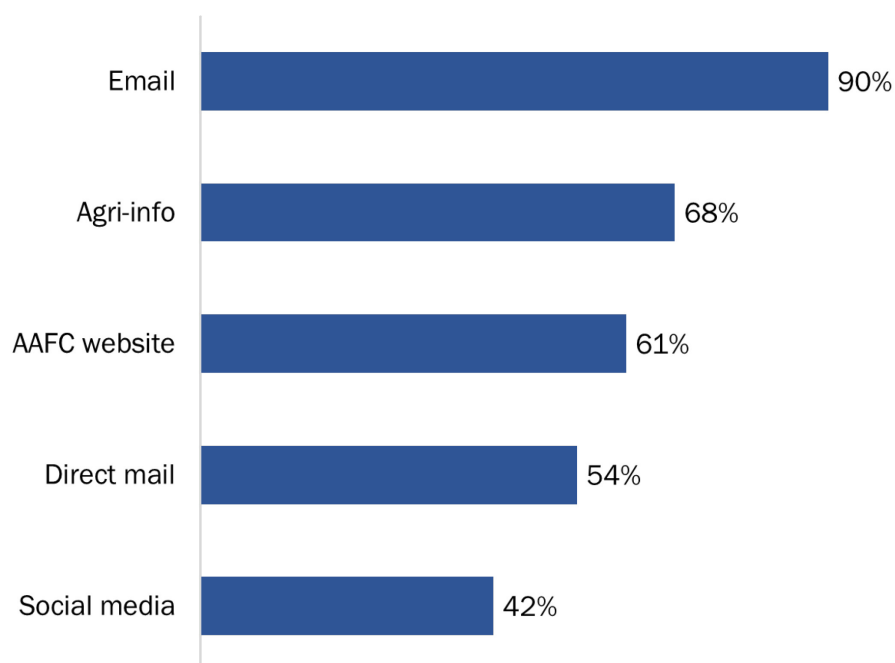
Just over one-quarter (26%) said they do not use social media for business purposes. Companies that do not export, those that are headquartered in Ontario⁴, and companies that have been operating for 20 or more years were more likely to not use social media for business purposes.

Nine in 10 prefer email for receiving updates from AAFC

Asked how they would prefer to be informed about the latest agricultural news and developments from AAFC, nine in 10 respondents expressed a preference for email. Just over two-thirds (68%) preferred Agri-info, AAFC's quarterly newsletter, and over half said through AAFC's website (61%) or direct mail (54%). Fewer than half, but a substantial minority nonetheless (42%), expressed a preference for receiving updates from AAFC via social media.

4. No other regional differences were statistically significant.

Figure 43: Preferred method for receiving updates from AAFC



Q42. Finally, how would you prefer to be informed about the latest agricultural news and developments from AAFC? How about....? Base: n=400; all respondents. [Dk/nr (<0.5% to 2%) removed]. (Multiple responses accepted).

Respondents representing companies planning to export were more likely to prefer to be informed about news and developments from AAFC through social media and Agri-info compared to their counterparts from non-exporting companies.

3. Conclusions and Recommendations

The profile of food and beverage processors in Canada has not changed since the baseline survey was conducted in 2017. Of the companies represented in this year's survey, nearly two-thirds are headquartered in Ontario and Quebec, the vast majority are small establishments, with fewer than 100 employees, and most reported annual revenues of under \$10 million, with half having revenues under \$1 million.

In terms of where revenues are coming from, a majority of these companies are focused on the domestic market only. In fact, this year, fewer food and beverage processors are exporting and just a small number have plans to start exporting. Among exporting companies, the United States is a key market, although fewer companies are exporting to the United States this year compared to 2017.

The outlook for exports remains generally positive, with many food and beverage processors anticipating that the volume of their exports to markets outside the United States will increase over the next two years. Among exporting companies that did not forecast an increase, financial issues, such as cash flow concerns and lack of financing, are the top barriers. Recall that half the food and beverage processors surveyed reported annual

revenues under \$1 million and the costs associated with entering a new market can be significant. From the research findings, exporters expanding into the European market have needed to change manufacturing to meet safety standards, update technology, modernize operations, change labelling, and/or increase production, among other things.

To increase exporting among the sector, and trade diversification among those currently exporting it is necessary to identify and address barriers when possible. Financial concerns are chief among the barriers identified by exporting companies not planning to increase the volume of their exports in the next few years, and financial assistance is the top suggestion offered by exporters when asked how government could assist their company. Increasing awareness among the sector of government resources available to assist exporters, or companies thinking of exporting, could be a good starting or focal point for AAFC.

Underscoring the generally positive outlook for trade, majorities of food and beverage processors are aware of CUSMA, CPTPP and CETA. On balance, these trade agreements were viewed as having at least some benefits for Canada's food and beverage processors. That said, at this time, fewer exporters anticipate benefits from CUSMA than they do from CETA or CPTPP. Compared to 2017, more food and beverage processors are aware of the opportunities presented by CPTPP and CETA. A year ago, nearly half the respondents reported that these two trade agreements will have no impact on their company. Despite increasing awareness, there is opportunity for AAFC to communicate with the sector and highlight the value of these agreements for facilitating international trade and to address the perceived challenges they present.

The research findings also suggest that Canada's food and beverage processors are aware of the importance of public trust in the sector. This year, a greater proportion of companies surveyed have taken actions to manage public trust, with nearly all companies having implemented better labour practices to manage public trust and most having introducing enhanced nutritional content or healthy ingredients to their products. The vast majority of companies have done so because they believe it's the right thing to do and/or because they felt it was necessary to address demands from consumers or businesses or to maintain market access.

Related to public trust, the sector appears somewhat prepared to deal with possible emergencies. While most have taken at least some type of action, such as implementing a traceability system or environmental measures, almost half of the companies surveyed do not yet have an emergency management plan in place. Swiftly addressing emergencies, such as food safety breakdown, can be critical when it comes to maintaining public trust in the sector.

Finally, when it comes to AAFC initiatives, there is room for the Department to improve its outreach and communications with the sector. Awareness of the Partnership and the Economic Strategy Table of Agri-food was fairly limited. The survey results point to email and AAFC's quarterly newsletter as well as website as good channels to keep this audience informed about the latest agricultural news and developments from AAFC. While social media has a role in communications, for this audience, more traditional channels are still preferred.

4. Appendix

4.1. Technical Specifications

The following specifications applied to this survey:

- An 18.5 minute telephone survey was administered to 400 representatives of food and beverage processors using a computer-assisted telephone interviewing or CATI system.
- The target respondent was the individual in the of food and beverage processing company who had primary responsibility for making decisions about operations and business strategy.
- The sample of food and beverage processors was obtained from Dun & Bradstreet Canada. All companies in the sample were classified as Standard Industrial Classification (SIC) code 20.

SIC Code	Description	SIC Code	Description
2011	Meat Packing Plants	2062	Cane Sugar Refining
2013	Sausages and Other Prepared Meat Products	2063	Beet Sugar
2015	Poultry Slaughtering and Processing	2064	Candy and Other Confectionery Products
2021	Creamery Butter	2066	Chocolate and Cocoa Products
2022	Natural, Processed, and Imitation Cheese	2067	Chewing Gum
2023	Dry, Condensed, and Evaporated Dairy Products	2068	Salted and Roasted Nuts and Seeds
2024	Ice Cream and Frozen Desserts	2074	Cottonseed Oil Mills
2026	Fluid Milk	2075	Soybean Oil Mills
2032	Canned Specialties	2076	Vegetable Oil Mills,
2033	Canned Food Stuff	2077	Animal and Marine Fats and Oils
2034	Dried and Dehydrated Fruits	2079	Shortening, Table Oils, Margarine, Edible Fats
2035	Pickled Food Stuff	2082	Malt Beverages
2037	Frozen Fruits, Fruit Juices, and Vegetables	2083	Malt
2038	Frozen Specialties, Not Elsewhere Classified	2084	Wines, Brandy, and Brandy Spirits
2041	Flour and Other Grain Mill Products	2085	Distilled and Blended Liquors
2043	Cereal Breakfast Foods	2086	Bottled and Canned Carbonated Drinks
2044	Rice Milling	2087	Flavoring Extracts and Flavoring Syrups
2045	Prepared Flour Mixes and Doughs	2091	Canned and Cured Fish and Seafoods
2046	Wet Corn Milling	2092	Prepared Fresh or Frozen Fish and Seafoods
2047	Dog and Cat Food	2095	Roasted Coffee
2048	Prepared Feed and Feed Ingredients	2096	Potato Chips, Corn Chips, and Similar Snacks
2051	Bread and Other Bakery Products	2097	Manufactured Ice
2052	Cookies and Crackers	2098	Macaroni, Spaghetti, Vermicelli, and Noodles
2053	Frozen Bakery Products, Except Bread	2099	Food Preparations, Not Elsewhere Classified
2061	Cane Sugar, Except Refining		

- In total, the sample contained 5,205 unique records (after the removal of 143 duplicate companies or entries).

- All respondents had the choice to take the survey in English or French. In all, 282 surveys were completed in English and 118 were completed in French.
- The fieldwork was conducted November 19 to December 18, 2018. A pre-test was conducted November 19 to 20. In total, 20 interviews were collected, 10 per official language. Data collection paused for several days for review of the recorded calls. It resumed on November 23 and all interviews were completed by December 18, 2018.
- The margin of error for a sample of this size is $\pm 4.9\%$, 19 times out of 20. The margins of error are higher for sub-samples.
- The table below presents information about the final call dispositions for this survey:

	Total
Total Numbers Attempted	5,150
Out-of-scope - Invalid	379
Unresolved (U)	2,408
No answer/Answering machine	2,408
In-scope - Non-responding (IS)	1,661
Language barrier, illness, incapable	54
Respondent not available	42
Company refusal	956
Respondent refusal	609
In-scope - Responding units (R)	702
Completed Interview	400
Not Qualified – Firm headquarters not in Canada	12
Not Qualified – Terminated at introduction	290

- The response rate was 14.7%. The response rate formula is as follows: $[R=R/(U+IS+R)]$. This means that the response rate is calculated as the number of responding units [R] divided by the number of unresolved [U] numbers plus in-scope [IS] non-responding households and individuals plus responding units [R].
- The survey data was weighted against the most recent data from Dun & Bradstreet in order to ensure the sample is representative of the population. The data was weighted by company size (based on number of employees) and province. The table below shows the unweighted and weighted proportions for the variables used to create the weights.

	Sample	Unweighted	Weighted
Base	5,348	400	400
Company size, from sample (%)			
Under 100	92.7	95.3	92.7
100 - 249	3.4	2.8	4.8
250 - 499	1.4	1.3	2.0
500 - 999	0.7	0.3	0.2
1,000+	0.8	0.3	0.2
No data	1.2	0.3	0.2

Province, from sample (%)			
Alberta	6.8	7.5	6.4
British Columbia	16.7	16.0	16.7
Manitoba	2.9	3.0	2.5
New Brunswick	2.8	2.8	2.4
Newfoundland and Labrador	1.6	1.3	1.1
Nova Scotia	3.3	5.0	4.3
Nunavut	0.0	0.0	0.0
Ontario	35.6	26.5	35.6
Prince Edward Island	0.7	0.8	0.6
Quebec	26.8	33.0	26.8
Saskatchewan	2.7	4.3	3.7
Yukon	0.1	0.0	0.0

- As indicated in the table above, the unweighted survey sample overrepresented smaller companies (e.g., companies with fewer than 100 employees) and companies based in Quebec (in contrast, companies in Ontario were under-represented). This was corrected with weighting.

4.2. Survey Instrument

INTRODUCTION

Hello, my name is [Interviewer's name]. I'm calling on behalf of Phoenix SPI, a public opinion research company. Would you prefer that I continue in English or French? Préférez-vous que je continue en français ou en anglais? We're conducting a survey for Agriculture and Agri-Food Canada about some important issues facing the agricultural sector across Canada.

May I speak to the person in your company responsible for business strategy and/or operations. Would this be you or someone else?

- If person is available, continue. Repeat introduction if needed.
- If not available, schedule call-back.

The survey takes up to 15 minutes. Your participation is voluntary and your decision to participate or not will not affect any dealings you may have with the Government of Canada in any way. Your identity and individual answers will be kept strictly confidential. Any information you provide will be administered in accordance with the Privacy Act and other applicable privacy laws.

May I continue?

- Yes, now [Continue]
- No, call later. Specify date/time: Date: Time:
- Refused [Thank/discontinue]

INTERVIEWER NOTES

NOTE: If a respondent asks you about the legitimacy of this project or if the respondent wants to make a complaint or a comment about this project, they may call 1-800-XXX-XXXX.

NOTE: If a respondent requests to speak with a study leader at Agriculture and Agri-Food Canada, please take his / her name and phone number and mention that Miriam Wood of Agriculture and Agri-Food Canada will contact them.

Contact: Miriam Wood

Agriculture and Agri-Food Canada / Government of Canada

Phone number: 613-773-2434

BUSINESS PROFILE

1. Language of interview –[Record, do not ask]

01. English

02. French

2. Gender – [Record, do not ask]

01. Male

02. Female

To start,

3. What is your position within the company? [Do not read list; accept 1 response]

01. VP, Operations

02. VP, Business Strategy

03. VP, Marketing

04. CEO

05. Owner/Operator

06. President

07. Director (e.g. finance, marketing)

08. Operations (e.g. supervisor, manager)

88. Other: Specify _____

4. Is your firm's headquarters in Canada?

01. Yes

02. No [Thank/terminate]

99. Don't know/no response [Thank/terminate]

5. In which province or territory is your firm's headquarters located?

01. Newfoundland

02. Nova Scotia

03. Prince Edward Island

- 04. New Brunswick
- 05. Quebec
- 06. Ontario
- 07. Manitoba
- 08. Saskatchewan
- 09. Alberta
- 10. British Columbia
- 11. Northwest Territories
- 12. Yukon
- 13. Nunavut
- 99. Don't know/no response

6. How many employees work for your company in Canada? Please include part-time employees as full-time equivalents. [Do not read list]

- 01. Up to 99
- 02. 100- 249
- 03. 250-499
- 04. 500-999
- 05. 1000 or more
- 99. Don't know/no response

7. In your last fiscal year, what were your company's total revenues? [Read list; stop when respondent answers]

- 01. Less than \$1 million
- 02. \$1 million to less than \$5 million
- 03. \$5 million to less than \$10 million
- 04. \$10 million to less than \$25 million
- 05. \$25 million to less than \$50 million
- 06. \$50 million to less than \$100 million
- 07. \$100 million or more
- 99. Don't know/no response

8. Approximately how long has your company been in the food processing business? [Do not read list]

- 01. Less than 1 year
- 02. 1 year to less than 5 years
- 03. 5 years to less than 10 years
- 04. 10 years to less than 20 years
- 05. 20 years to less than 30 years
- 06. 30+ years
- 99. Don't know/no response

9. What type of processing facility does your company operate? [Do not read list]

- 01. Animal Food Manufacturing
- 02. Grain and Oilseed Milling
- 03. Sugar and Confectionary Product Manufacturing
- 04. Dairy Product Manufacturing

- 05. Animal (except poultry) Slaughtering
- 06. Rendering and Meat Processing from Carcasses
- 07. Poultry Processing
- 08. Seafood Product Preparation and Packaging
- 09. Bakeries and Tortilla Manufacturing
- 10. Other Food Manufacturing
- 99. Don't know/no response

10. How would you describe your company's manufacturing in terms of the current level of automation? [Read list]

- 01. Not automated
- 02. Partially automated
- 03. Fully automated
- 99. Don't know/no response

EXPORTING BEHAVIOURS AND AWARENESS OF TRADE AGREEMENTS

We'd like to know a bit about your international business strategy.

11. Which of the following **best** applies to your company...? [Read list]?

- 01. We currently export
- 02. We don't currently export but we plan to start in the next few years
- 03. We used to export **and** we plan to start again in the next few years
- 03. We used to export but we have no plans to in the next few years
- 04. We've never exported **and** we have no plans to
- 99. Don't know/no response

[Continue if q11=1; everyone else skips to q23].

12. Which markets does your company currently export to? [Accept multiple responses]

- 01. United States
- 88. RECORD
- 99. Don't know/no response

13. Over the next two years, do you expect that your volume of exports to regions and countries other than the United States will ... [Read list]?

- 01. Increase significantly [Skip to Q15]
- 02. Increase somewhat [Skip to Q15]
- 03. Stay about the same
- 04. Decrease somewhat
- 05. Decrease significantly
- 98.[Do not read]: Not planning to export anywhere other than the U.S. [Skip to Q15]
- 99. [Do not read]: Don't know/no response Skip to Q15

14. [If "3", "4" OR "5" at Q13, ask] What are the main reasons why your company is not planning to increase exports to countries other than the United States? [Do not read. Accept up to 3 responses]

01. Financial barriers (i.e., cash flow issues, lack of financing)
02. Economic factors (i.e., value of the Canadian dollar)
03. Cultural/language barriers
04. Logistics
05. Lack of international partners
06. Lack of corporate expertise
07. Challenges meeting standards and/or regulatory requirements
08. Stiff competition in these markets
09. Tariffs (e.g., import duties)
10. Lack of demand for company's product outside Canada/U.S.
88. Other [Specify]
99. Don't know/no response

15. What, if anything, could government do to assist your company to increase exports beyond the United States? [Do not read list. Multiple responses, up to 3 accepted.]

01. Financial assistance
02. Export insurance
03. Risk assessment/analysis
04. Identification of regional or country-specific export opportunities
05. Development of regional or country-specific export strategies/plans
06. Provide data/statistics on export markets/opportunities
07. General export counselling
08. Assistance in navigating regulations, permits, international laws and agreements
09. Assistance in understanding regional or country-specific labeling requirements
10. Development of key buyer contacts
11. Support to navigate regional or country-specific distribution channels
12. Assistance with in-market promotions
13. Trade negotiations to lower tariffs
14. Nothing; continue with current supports
88. Other [Specify]
99. Don't know/no response

16. Which of the following statements best applies to your company? [Read list]

01. We've made changes in order to expand in the European market
02. We're planning to make changes in order to expand in the European market
03. We have no plans to expand in the European market [Skip to Q19]
99. [DO NOT READ]: Don't know/no response [Skip to Q19]

17. [If Q16 = "1"] What changes have you implemented? [Do not read. Accept up to 3 responses.]

01. Changed manufacturing/processing to meet safety standards
02. Updated technology/equipment
03. Modernized operations (not specified)
04. Changed product labelling
05. Adjusted pricing
06. Acquired new supply chain partners

- 07. Diversified product lines
- 08. Hired more staff
- 09. Increased production
- 88. Other [Specify]
- 99. Don't know/no response

18. [If Q16 = "2"] What changes does your company intend to implement in the next two years? [Do not read. Accept up to 3 responses.]

- 01. Changes to manufacturing/processing to meet safety standards
- 02. Changes to technology/equipment
- 03. Modernize operations (not specified)
- 04. Changes to product labelling
- 05. Pricing changes
- 06. Acquire new supply chain partners
- 07. Introduce new product lines
- 08. Hire more staff
- 09. Increase production
- 88. Other [Specify]
- 99. Don't know/no response

19. Are you aware of the following Trade Agreements? [Read items]

- a. Comprehensive Economic and Trade Agreement or CETA*
- b. Comprehensive and Progressive Trans-Pacific Partnership or CPTPP
- c. United States, Mexico, Canada Agreement or USMCA

*Interviewers: pronounced seeta

- 01. Yes
- 02. No
- 03. [Do not read]: Don't know
- 99. [Do not read]: No response

If Q19a, q19b, or q19c = "1" Continue; everyone else skips to Q23

20. Thinking about [Insert "the [trade agreement name]" if respondent is aware of only one at Q19; Insert "these trade agreements" if respondent is aware of more than one agreement at Q19], which of the following statements best reflects what impact, if any, [Insert "it is" if respondent is aware of only one; insert "they are" if respondent is aware of more than one agreement from Q19] having, or will have, on your company? It...[Read list]

- 01. Offers significant benefits
- 02. Offers some benefits
- 03. Has no impact one way or another [Skip Q21, Q22]
- 04. Presents some challenges
- 05. Presents significant challenges
- 06. [DO NOT READ]: Don't know [SKIP Q21, Q22]
- 99. [DO NOT READ]: No response [SKIP Q21, Q22]

TRADE AGREEMENT NAMES:

- CETA
- CPTPP
- USMCA

21. [f “1” or “2” at Q20] To what extent will, or is, your company benefiting from each of the following as a result of [insert “the [trade agreement name]” if respondent is aware of only one at Q19; Insert “these trade agreements” if respondent is aware of more than one agreement at Q19]? How about... [Insert; randomize]? Would you say [Insert scale]? If something doesn’t apply to your company, just say so.

- a. Expanded access to existing markets
- b. Access to new markets
- c. Increased revenues
- d. Creation of new jobs
- e. Greater transparency in rules for market access
- f. Reinforcement of intellectual property rights

01. A great deal,
02. Somewhat,
03. Not that much, or
04. Not at all
05. [Do not read]: Too soon to tell
06. [Do not read]: Don’t know
98. [Do not read]: Does not apply
99. [Do not read]: No response

TRADE AGREEMENT NAMES:

- CETA
- CPTPP
- USMCA

22. [If “4” or “5” at Q20] How much of a challenge do each of the following present to your company as a result of [Insert “this trade deal” if respondent is aware of only one at Q19; Insert “these trade deals” if respondent is aware of more than one agreement at Q19]? [Read items; randomize] If something does not apply to your company, just say so.

- a. Meeting procurement rules and regulations
- b. Meeting environmental standards
- c. Increased competition from trading partners
- d. Greater transparency in rules for market access
- e. Reinforcement of intellectual property rights
- f. Increased competition

01. Significant,
02. Moderate,
03. Minor, or
04. No challenge
05. [Do not read]: Too soon to tell
06. [Do not read]: Don’t know

98. [Do not read]: Does not apply

99. [Do not read]: No response

AAFC INITIATIVES

Changing topics,

23. Have you seen, heard or read anything about the Canadian Agricultural Partnership?

01. Yes

02. No [Skip to Q27]

03. Not sure [Skip to Q27]

99. No response [Skip to Q27]

24. Where did you see, hear or read about this? Anywhere else? [Do not read list; accept up to three response]

01. Television

02. Radio

03. Newspaper

04. Magazines

05. Local weekly newspaper

06. Pamphlet/brochure in the mail

07. Outdoor billboards

08. Public transit

09. Internet/Website banner

10. Word of mouth (from friends, neighbours, colleagues)

11. Professional/Trade Association

12. Fair/exhibition/trade show

13. AAFC web site

14. Canada.ca website [Dote to interviewers: this is the main federal govt. Website]

15. Agri-info newsletter (AAFC's e-newsletter)

16. Provincial agriculture department web site

17. Social media (Facebook, Twitter, YouTube, etc.)

18. AAFC social media page (Facebook, Twitter, YouTube, LinkedIn)

19. Direct mail from AAFC or province

20. The news (not specified)

88. Other [Specify]

99. Don't know/no response

25. How familiar are you with programming and services available under the Canadian Agricultural Partnership? Would you say... [Read list]

01. Very familiar

02. Somewhat familiar

03. Not very familiar, or

04. Not at all familiar

99. [Do not read]: Don't know/prefer not to say

26. What's your overall impression of the Canadian Agricultural Partnership? [Read list]

- 01. Very positive
- 02. Somewhat positive
- 03. Neither positive or negative
- 04. Somewhat negative
- 05. Very negative
- 99. [Do not read]: Don't know/prefer not to say

[Read to all, but if Q23 = "1" YES ADD: "As you may know"] The Canadian Agriculture Partnership is a five year, \$3 billion investment by federal, provincial and territorial governments to strengthen the agriculture and agrifood sector.

27. Using a 5-point scale, where 1 means strongly disagree, 5 means strongly agree, and 3 means neither agree nor disagree, to what extent do you agree or disagree that the Canadian Agricultural Partnership will help the sector to: [Read items; randomize]

- a. Grow trade and expand markets
- b. Advance science and innovation
- c. Better manage risks

- 01. Strongly agree
- 02. Agree
- 03. Neither agree or disagree
- 04. Disagree
- 05. Strongly disagree
- 06. VOLUNTEERED: Don't know/Prefer not to say

28. How likely are you, or other senior managers, to look into what programs are available for your company? [Read list]

- 01. Very likely
- 02. Somewhat likely
- 03. Not very likely
- 04. Not at all likely
- 05. [Do not read]: I/we already did
- 99. [Do not read]: Don't know/Prefer not to say

29. Have you seen, heard or read anything about the Economic Strategy Table on Agri-food?

- 01. Yes
- 02. No
- 03. Do not read: Don't know/no response

[If Q29="1"; Everyone else skips to Q31]

30. As you may know, the Economic Strategy Table on Agri-food looked at what's needed to support the long-term growth of Canada's agriculture and agri-food sectors. I'm going to read to you six priorities identified in the final report and I'd like you to tell me which two items should be given more immediate priority by government. [Read list; randomize]

- a. A modernized regulatory system
- b. A business climate that supports Canadian companies and international investment
- c. A smart, interconnected transportation system
- d. Broadband and IT infrastructure accessible in all communities
- e. A labour force with the skills and experiences required for sector growth
- f. Access to global and domestic markets where goods are traded more freely

- 01. Recommendation 1
- 02. Recommendation 2
- 03. [Do not read]: Don't know/no response

PUBLIC TRUST

The next few questions deal with public trust.

31. Which of the following, if any, has your company implemented? If something doesn't apply to your company, just say so. [Randomize and read list]

- a. Environmental stewardship programs
- b. Humane animal welfare practices
- c. Enhanced nutritional content/healthy ingredients
- d. Food waste programs
- e. Water conservation measures
- f. Sustainable packaging programs
- g. Sustainable transportation programs
- h. More energy efficient/clean technologies, such as energy efficient chillers
- i. A climate change strategy
- j. Labour practices, such as worker safety

- 01. Yes
- 02. No
- 03. Don't know
- 04. 98. Does not apply
- 99. No response

32. [If one of Q31 A-J does not = "1", ask] Thinking about the list of initiatives I just asked you about, does your company plan to implement any of them in the next two years?

- 01. Yes
- 02. No
- 03. Don't know
- 99. No response

33. [If asked Q32, add "Still"] Thinking about the list of initiatives I just asked you about, what implementation challenges, if any, has your company identified? [Do not read list]

- 01. No challenges
- 02. Cost
- 03. Lack of time
- 04. Lack of knowledge

- 05. Lack of staff
- 06. Lack of ownership/management interest
- 07. Lack of skilled labour
- 99. Don't know/no response

34. There are many reasons why a company *might* decide to implement the types of initiatives I asked you about. [If needed, remind respondents of the q31 items by saying: Recall that this included things like environmental stewardship, conservation, and sustainability programs.] I'm going to read you a number of reasons, and for each one, I'd like you to tell me how important a reason it would be to your company. The first one is ...[Read list; randomizE]. Would you say this reason is... [Read scale]...?

- a. To respond to consumer demands or public pressure
- b. To respond to demands from the businesses you supply
- c. To maintain market access
- d. To reduce the likelihood of tighter regulations being imposed in each of these areas
- e. Because it's the right thing to do
- f. To avoid backlash, negative media or otherwise harmful public exposure
- g. To gain an advantage over competitors in your sector

- 01. Not important at all,
- 02. Not very important,
- 03. Moderately important or
- 04. Very important
- 99. [Do not read]: Don't know/no response

35. Does your company impose conditions on suppliers with whom you do business?

- 01. Yes
- 02. No [Skip to Q37]
- 03. Our company uses contract farming [Skip to Q37]
- 99. [Do not read]: Don't know/no response [Skip to Q37]

36. [If Q35 = "1" ask]. What conditions does your company impose on suppliers? [Do not read list; accept multiple responses]

- 01. Supplier must enroll in a sectoral assurance program*
- 02. Supplier must adopt Animal Care Codes of Practice
- 03. Supplier must adopt Raised Without Antibiotics Method of Production
- 04. Supplier must adopt Hazard Analysis and Critical Control Points (HACCP) Plan
- 05. Supplier must follow Sustainable Standards
- 06. Supplier must follow Strict Labour Standards
- 88. Other [Specify]
- 99. Don't know/no response

[Interviewer note: examples include (ProAction, Verified Beef Program Plus, Canadian Pork Excellence)]

37. In your view, how important, if at all, are the following in terms of building or maintaining the public's trust in processed foods and agri-food business? How about [Read

items; randomize] Interviewer note: If the respondent says an item does not apply, ask them to think broadly, not just about his/her company.

- a. Environmental management/water conservation
- b. Food safety
- c. Food quality
- d. Labour practices, including worker safety, hiring and labour conditions
- e. Affordability of food
- f. Biotechnology, for example acceptance of genetic modification
- g. Animal welfare standards
- h. Enhanced nutritional quality/healthfulness
- i. Locally sourced food

- 01. Not important at all,
- 02. Not very important,
- 03. Moderately important or
- 04. Very important
- 99. [Do not read]: Don't know/no response

EMERGENCY MANAGEMENT

Changing topics again,

38. Which, if any, of the following types of emergencies are you most concerned could impact your business? [Read list; randomize; accept only one response]

- 01. Animal/plant disease outbreaks
- 02. Natural catastrophes
- 03. Pandemic influenza
- 04. Cyber threats
- 05. Intentional threats such as bioterrorism
- 06. Food safety breakdowns (e.g., XL foods)
- 07. [Do not read] Don't know
- 08. [Do not read] None
- 88. [Do not read] Other [Specify]
- 99. [Do not read] No response

39. Which actions, if any, have you taken to manage or plan for the emergency risks that your business might be facing? [Do not read list; accept multiple responses]

- 01. Nothing/no actions taken
- 02. Nothing/not concerned about emergency risks
- 03. Biosecurity measures
- 04. Traceability system
- 05. Power generator
- 06. Stockpiled supplies
- 07. Simulation exercises to practice response activities
- 08. Emergency kit*
- 09. Environment and/or sustainability measures
- 10. Animal welfare measures
- 11. Participation in a sector/industry assurance system (e.g., traceability)

- 12. Participation in a private insurance program
- 88. Other [Specify]
- 99. Don't know/no response

[Interviewer note] This is a tool where emergency information and supplies are stored. Items often included in an emergency kit are: emergency plans, records of a farm's assets, evacuation plan, and equipment and supplies to quickly handle animals.

40. Do you have an Emergency Management Plan in place for your business? [Interviewer note: Emergency Plan refers to the process of outlining procedures to take in an emergency and the roles and responsibilities for those that are involved.]

- 01. Yes
- 02. No
- 03. [Do not read]: No, but are in the process of making one
- 04. [Do not read]: Don't know
- 99. [Do not read]: No response

SOCIAL MEDIA

Thank you very much. The survey is nearly complete. These last few questions ask about your experience interacting and communicating with Agriculture and Agri-Food Canada, or AAFC.

41. Which of the following social media platforms, if any, do you use for business purposes? [Read list. Multiple responses accepted].

- 01. Facebook
- 02. Twitter
- 03. YouTube
- 04. LinkedIn
- 05. [Do not read]: We do not use social media
- 88. [Do not read]: Other [Specify]
- 99. [Do not read]: Don't know/Prefer not to say

42. Finally, how would you prefer to be informed about the latest agricultural news and developments from AAFC? How about....? [Read list; randomize]

- a. Direct mail
- b. Email
- c. Social media (Facebook, Twitter, LinkedIn, etc.)
- d. AAFC website
- e. Agri-info (AAFC's quarterly newsletter)

- 01. Yes
- 02. No
- 03. [Do not read]: Don't know/no response

Thank you very much for your time and participation. The results of the research will be available to the general public, on the Library and Archives website, in the coming months.