

2021-2022 Strategic Issues Survey of Food and Beverage Processors (Wave III)

Executive Summary

Prepared for Agriculture and Agri-Food Canada

Supplier Name: Environics Research

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This public opinion research report presents the results of a survey conducted by Environics Research on behalf of Agriculture and Agri-Food Canada. The research was conducted from February to March 2022.

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Executive summary

Environics Research (Environics) is pleased to present this report to Agriculture and Agri-Food Canada with findings from the third wave of the Strategic Issues Survey of Food and Beverage Processors.

A. Background and objectives

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

This is the third wave of AAFC's Strategic Issues Survey of Food and Beverage Processors; previous waves were conducted in 2017 and 2018. The survey is intended to gain critical insights on the opinions, issues and challenges faced by Canadian processors. The findings will be used in the development of policies, programs and initiatives to better serve the sector.

This wave of the survey builds on tracking questions from previous waves on issues to identify trends over time; this includes public trust and evaluating the Canadian Agricultural Partnership using AAFC's performance indicators. This wave also provides insights on new and evolving areas of interest to AAFC including processor priorities, challenges and barriers, environmental sustainability, and food waste. This wave's questionnaire was also designed to gather firmographic information on company characteristics like company size, revenue, ownership, automation, and organic certification. The contract value for this project was \$89,937.04 including HST.

B. Methodology

To meet these objectives, Environics conducted a 15 minute telephone survey with 501 Canadian food or beverage processors or manufacturers, drawn from a sample list of 6,553 companies. The survey was conducted in English and French from February 10 to March 4, 2022. Specifically, the survey was conducted with Canadian adults, aged 18 and older, who are food or beverage processors and have responsibility for business strategy and/or operations. No quotas were set for any business characteristics. The final survey data were weighted to match company size and region proportions in the source list. The margin of error for this sample is +/-4.1%.

More information about the methodology for research is included in Appendix A of the full report.

C. Key findings

- Food and beverage processors have been pursuing multiple priorities over the past two years, with supply chain issues and public trust ranked at the top (66% say each is a high priority for their company). Not far behind, labour issues (60%) and food waste (59%) are also high priorities for a majority. The lower relative priority of environmental sustainability (47%) and workplace equity (43%) suggests these issues are generally seen as priorities, but do not carry the same urgency as the other four.
- Labour issues arise as a key theme throughout the survey findings, particularly among some key sub-groups. While labour issues are rated third overall (60% high priority), it is the top priority for companies with 25 or more employees and companies that produce meat, poultry, or seafood products (more specifically, proteins). These processors are also more likely to have implemented policies to address

labour concerns (25-49 employees at 87%, 50+ employees at 92%, proteins processors at 85%). Inadequate labour capacity also strongly represents the reason that most often contributes to food waste (22%), and especially among larger companies with 50 or more employees (41%).

- Food waste is an area most processors are addressing to some degree (63% have implemented food loss and waste reduction programs). Companies point to item quality rejection (61%) and equipment breakdowns (59%) as the main culprits (contributing a lot or a little) to food waste. Most often, processors try to manage food waste by optimizing their processes and conducting waste assessments (48%), though about one in five (21%) say they have not done anything to address this issue. The top barrier to further efforts to reduce food waste is financial (23%); similar proportions say they have no barriers (22%), or could not think of any (28%).
- When asked to consider the reasons why they implement programs or initiatives related to environmental sustainability, labour, food waste and public trust, the most common reasons are regulatory requirements (79% very important) and to control costs (73%). Doing the right thing ranks third, with about two in three companies (65%) say this is a very important reason for implementing these kinds of initiatives; this reason is particularly important to larger companies (50 or more employees), ranking second (76%) behind regulatory requirements and ahead of cost control.
- Although environmental sustainability may not have been the top priority for many processors over the past two years, most companies (83%) have implemented at least one environmental initiative or program, with sustainable packaging (57%) as the most common. The main barrier for food and beverage processors and manufacturers preventing them from implementing environmental sustainability measures is cost (mentioned unprompted by 51%, well ahead of any other single barrier).
- Awareness of the Canadian Agricultural Partnership sits at 20 percent, a decline compared to 2018 (26%) when it was first launched. Those aware of the partnership, however, rate it favourably, with three in four (75%) saying they have a very or somewhat favourable impression of the Partnership; this is a marked increase in favourable impressions compared to 2018 (42%). This shift in awareness and impressions may be due to more discussion around the Partnership at its outset in 2018, or that the program is being mistaken for assistance programs that have been created during the pandemic.
- The survey was designed to identify the extent of diversity in the ownership of Canadian processors. About one in three (35%) companies responding to the survey are majority-owned by members of equity-seeking groups. This includes those owned by women (29%), members of visible minorities (8%), individuals who identify as LGBTQ2+ (2%), people with disabilities (1%), and Indigenous peoples (1%).
- The survey identified a segment of companies that are environmentally leaning, defined as those who report implementing two or more environmental initiatives. While these companies are generally similar in their business characteristics compared to other companies, environmentally leaning companies tend to be more forward-thinking than others in a number of ways. They are more likely to prioritize labour issues (65%), food waste (64%), environmental sustainability (55%), and workplace equity (52%). Compared to others, environmentally leaning companies place higher importance on environmental impact (58%) as a reason for initiatives and policies, but they also place more importance on cost (76%), competitive advantage (47%), and doing the right thing (72%). This suggests that environmental initiatives likely go hand-in-hand with other business efficiency strategies and approaches.

D. Political neutrality statement and contact information

Research Firm:

Environics Research (Environics)

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I hereby certify as a senior officer of Environics Research that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada, and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leaders.



Signed:

Date: March 29, 2022

Stephanie Coulter

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