



## ○ Food Processing

***Canada offers global investors all the right ingredients for success in the highly competitive food and beverage processing industry. These include the ready availability of productive, skilled and reliable workers, significant cost advantages, reliable and inexpensive access to safe and high-quality raw materials, proximity to high-density markets, and some of the world's most advanced food technologies deployed throughout the food supply chain.***

Canada is the world's fourth-largest exporter of agricultural products. The importance of the industry to the nation has resulted in an Agricultural Policy Framework designed to make Canada the world leader in food safety, innovation, and environmentally responsible production and processing of food.

The result is a globally respected industry with annual revenues of \$80 billion per year that offers the highest quality food products and a wide variety of opportunities to investors.

### Canada has the most productive food and beverage sector in the world

A 2005 study published by the UK's Sector Skills Development Agency suggests that investing in Canada's food processing industry makes sense. *An International Study of Sector Skills and Productivity* ranked Canada first in food and beverage productivity.<sup>21</sup> The Agency compared Total Factor Productivity (TFP), which is widely considered to be the most comprehensive measure of an industry's productivity. TFP considers the contribution of education, training, and technical skills, as well as organizational and management capacity.

The secret of the high level of productivity growth in Canada is the recognition that R&D is a crucial component of any food-processing industry. Canada's R&D tax treatment is among the most generous in the industrialized world. In addition to operating 19 research centres across Canada, Agriculture and Agri-Food Canada (AAFC) operates a Matching Investment Initiative program that provides companies with dollar-for-dollar funds when they participate in qualifying research projects. Many of Canada's universities offer leading-edge programs in agricultural life sciences, considered among the world's best.