



Canada's

Agriculture, Food and Beverage INDUSTRY

Canada's Snack Food Industry

Canada's snack food industry includes manufacturers of potato chips, corn chips, popped popcorn, pretzels, extruded cheese snacks, seed snacks, mixed nuts, peanuts and peanut butter, as well as pork rinds.

Key commodity inputs needed to make snack food products include potatoes, cornmeal, cereal grains, nuts, seeds, oils and seasonings. The bulk of raw inputs for this industry, potatoes and oil, are supplied domestically.



The majority of snack food manufacturing takes place in Ontario and Quebec. However, large plants are also located in Western Canada and the Maritimes. There are also many small and medium Canadian-owned firms located across the country serving regional markets.

Production facilities which make snack food products range in size from small, one-or two-person operations, to large plants employing up to 550 people. In total, the snack food industry employed 6,878 people in 2006.

In 2006, the snack food industry accounted for 2.1% of the total value of food and beverage shipments, 2.8% of employment in the food and beverage sector, and 1.2% of food and beverage establishments (plants).

To remain competitive in both domestic and export markets, the industry has made efforts to increase efficiency and productivity by rationalizing plants and making significant upgrades to equipment.

In 2007, ACNielsen data reported that Canadian sales of snack food at major retail grocery outlets totalled \$1.3 billion. Potato chips led this category with about 44% of total retail sales, followed by tortillas and corn chips (21%), shelled nuts (16%), extruded snacks (5%), party mixes (4%), lunch packs (3%), pretzels (2%), and popped popcorn (1%). In addition, retail sales of peanut butter at grocery stores totalled \$146 million.

In 2006, 106 Canadian snack food manufacturers shipped \$1.6 billion of products. The industry exports approximately 8% of its production. In 2007, exports were valued at \$134 million, and were mostly shipped to the United States. Canada also imported \$312 million of snack food (with \$265 million coming from the United States).

From 1990 to 2006, the value of Canadian shipments of potato chips, tortilla chips, pretzels, popcorn and cheeses and other snack food products doubled, growing from \$796 million to a value of \$1.6 billion.

Growth in the snack food industry has attracted new entrants into the market and expansion into niche snack products. Products that offer novelty flavours, shapes, or unique ingredients have been introduced. There is also an increased selection of organic snack food. These new product offerings are an extension of an already successful and expanding Canadian industry.



Quality
is in our **nature**



For More Detailed Information

Anne Woo

Agriculture and Agri-Food Canada
1341 Baseline Road, Tower 5
Ottawa, Ontario
Canada K1A 0C5
Tel: (613) 773-0191
Fax: (613) 773-0200
E-mail: wooa@agr.gc.ca

Further information on products, suppliers and investment opportunities in the Canadian agri-food industry is available on the Agri-Food Trade Service web site at: www.ats.agr.gc.ca

Canada's food and agricultural products reflect our dedication to excellence, and our deep commitment to safety, quality, environmental responsibility, innovation and service.

In every facet of our industry, we seek to earn the trust of our customers by answering their needs and exceeding their expectations. Those values along with our belief in building strong relationships, have given Canadian agriculture and food products an international reputation for excellence. Customers around the world know that they can trust the goodness of Canada.



Agriculture and Agri-Food Canada
Agriculture et Agroalimentaire Canada

Canada