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2023-2024 Strategic Issues Survey of Food and Beverage Processors (Wave IV)

Executive Summary

Prepared for Agriculture and Agri-Food Canada

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For more information on this report, please contact Agriculture and Agri-Food Canada at: aafc.info.aac@agr.gc.ca.

Ce rapport est aussi disponible en français.

Canada

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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 December 2023 to January 2024.

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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 fourth wave of the Strategic Issues Survey of Food and Beverage Processors.

A. Background and objectives

The food and beverage processing sector is the largest manufacturing sector 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 approximately 323,000 Canadians.

This is the fourth wave of AAFC's Strategic Issues Survey of Food and Beverage Processors; previous waves were conducted in 2017-18, 2018-19 and 2021-22. 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 study waves to identify trends over time but also provides insights on new and evolving areas of interest to AAFC. Areas of focus for this fourth wave of research include:

- Awareness of AAFC initiatives, such as collecting baseline data on awareness of the new Sustainable Canadian Agricultural Partnership;
- Prioritization and adaptation to challenges and barriers;
- Trends in plastic packaging reduction measures, motivators, and barriers;
- Views on food loss and waste contributors and reduction practices;
- Other emerging issues relating to environmental sustainability, as well as labour issues, and public trust.

This wave's questionnaire was also designed to gather firmographic information on company characteristics like region, company size, time in business, revenue, ownership, and organic certification. The contract value for this project was $94,835.25 including HST.

B. Methodology

To meet these objectives, Environics conducted a 15-minute telephone survey with 500 Canadian food or beverage processors or manufacturers, drawn from a sample list of 7,127 companies. The survey was conducted in English and French from December 18, 2023, to January 24, 2024. 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 +/-4.2%.

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

C. Key findings

- Priorities for food and beverage processors have shifted somewhat over the past two years, with public trust and stabilizing food costs ranked at the top (67% and 66% of companies name each of these as a high priority). Following closely at third place, the importance of reducing food waste (65%, up 6 ppt) increased by six points from 2022. Supply chain issues (62%, down 4 ppt) and labour concerns (58%, down 2 ppt) are still considered a high priority for a majority of companies but do not carry the same urgency as in the previous wave.

- Asked about the initiatives they have in place, nearly all companies (92%, down 2 ppt) report implementing programs to enhance public trust, and nearly nine in ten (87%, up 4 ppt) have implemented at least one type of environmentally related initiative. Seven in ten have implemented at least one initiative to address labour issues (71%), and six in ten have food waste reduction measures in place (62%).

- More companies have implemented environmental initiatives (87%, up 4 ppt), increasing by four points overall compared to 2022. Sustainable packaging (57%, up 3 ppt) is the environmental measure mentioned most often, followed by water conservation (55%, up 7 ppt), which rose by seven points from 2022. For those who have implemented environmental stewardship measures in particular, one third (34%) say their businesses have seen economic benefits from them.

- In a new question asked this wave, half of companies (50%) say they are taking or planning plastic reduction measures. Looking at specific measures, over one third of companies (37%) mention switching to another packaging material. About half of companies (46%) say their main motivation for reducing plastic is to mitigate environmental impacts, doubling the proportion who are doing so to comply with requirements (22%). Companies point to the availability of alternative packaging (24%) and increased costs (21%) as the top barriers preventing them from further reducing plastic. More than half say they have no barriers (55%).

- Food waste is an area most processors are addressing to some degree (62% have implemented food loss and waste reduction programs), consistent with 2022. Looking at specific manufacturing types, reducing food waste is more of a high priority for those working in sugar/maple syrup/sauce/other (73%) and meat/poultry/seafood (70%). Companies point to equipment issues (60%) and item quality rejection (53%, down 8 ppt) as the main culprits (contributing a lot or a little) to food waste, though the latter has seen improvement since 2022. Most often, processors try to manage food waste by optimizing their processes and conducting waste assessments (35%, down 13 ppt), though 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 (17%). For companies that have not done anything to manage food waste, more than three quarter (76%) say there is no need or food waste is not an issue.

- Awareness of the Sustainable Canadian Agricultural Partnership sits at 21 percent, consistent with 2022 (Canadian Agricultural Partnership). Over half (56%) of those who are aware of the Partnership have a positive perception of it; this marks a decline compared to 2022, when three in four (75%) said their impression about the program was positive. However, positive impressions remain elevated compared to results from 2019.

- The survey included a question to measure diversity in the ownership of Canadian processors. One third (35%) of companies responding to the survey are majority-owned by members of equity-seeking groups. This includes companies owned by women (27%, down 2 ppt), members of racialized groups (7%), individuals who identify as 2SLGBTQI+ (3%), Indigenous people (2%) and people with disabilities (2%). These proportions are largely unchanged compared to 2022.

- The survey identified a segment of companies that are environmentally leaning, defined as those who report implementing two or more environmental initiatives. This group comprises over two thirds (67%) of companies, unchanged from 2022. While these companies are generally similar in their business characteristics compared to other companies, environmentally leaning companies are more likely to implement nearly all initiatives, including initiatives relating to public trust, labour issues, and food loss and waste, than other companies. This suggests that environmental initiatives likely go hand-in-hand with other business efficiency strategies and approaches. Further, environmentally leaning companies are also more likely to see food waste reduction (68%) as a high priority.

D. Political neutrality statement and contact information

Research Firm:

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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: February 26, 2024

Stephanie Coulter
Senior Research Associate, Corporate and Public Affairs
Environics Research