

## **REPORT TO PARTICIPANTS**

**Next Policy Framework Consultation on Food Innovation Capacity**

*January 24, 2017*



## **Overview**

On January 24, 2017, Manitoba Agriculture held a symposium and group discussion on food innovation as part of its consultation under the Next Policy Framework (NPF). The symposium was attended by approximately 50 people from Manitoba's food manufacturing industry, research community and government.

The group heard presentations on a variety of topics from industry experts, including:

### Food Innovation Consumer Demand Trends

- Kelley Fitzpatrick, President, Nutritech Solution
- Jeewani Fernando, Provincial Consumer Market Analyst, Alberta Agriculture and Forestry

### Emerging Technologies and Logistics in Food Processing Industry

- Rick Green, Vice President, Technology, POS Bio-Sciences

### Funding Flexibility

- Larry Taylor, National Research Council's Industrial Research Assistance Program

## ***Food Innovation Consumer Demand Trends – Opportunities and Challenges***

### Opportunities: Plant-Based Protein and Dairy

- Many participants felt that the plant-based protein trend presents a great opportunity for the Manitoba food industry and the food innovation network, because Manitoba crops have high protein content. These crops can also be used for isolation of protein to create food ingredients.
- Dairy was also cited as an opportunity in Manitoba, partly because of Manitoba's milk surplus and the changing perception of fats. Opportunities associated with the dairy industry include customized dairy ingredients for the food, beverage and nutraceutical industries.

### Challenges: Public Trust and Non-traditional Agriculture

- The group identified public trust and social media as a challenge in terms of its effect on consumer behaviour.
- Some participants felt that the government is only interested in traditional agriculture and innovative agriculture, such as insects and algae, is ignored.

### Co-ordination among Agencies

- It was felt that Manitoba's research and development (R&D) capacity and expertise in the food sector, including the Food Development Centre, the Richardson Centre For Functional Foods and Nutraceuticals, Canadian International , the Canadian International Grains Institute, the Manitoba Agri-Health Research Network, the Rural Development Institute, , and the Paterson GlobalFoods Institute, was an asset.
- Participants generally agreed that there needs to be better collaboration between these organizations, as well as other agencies serving entrepreneurs and processors. This would

result in a more efficient use of resources and better awareness about the services available. There was also a call for greater co-ordination with food innovation facilities in other provinces.

- A suggestion was made to create a collaborative innovation network, much like North Forge Technology Exchange. At this network, all food-related stakeholders (e.g., funding bodies, resource centres, business advisors, researchers and processors) could meet for open discussion, compile information on current programs, and provide help to small and medium-sized enterprises (SMEs) and entrepreneurs in all aspects of starting and running a business.
- This would also be an information hub that would provide details on access to:
  - processing facilities
  - business advisors
  - funding programs
  - market intelligence
- Participants also indicated a need for better access to information about funding programs in Manitoba, including information on the stages of a company development that are eligible for funding (e.g., which programs pay for labour, R&D equipment, business development activities or market intelligence).

#### Access to Market Intelligence

- Very few Manitoba companies have the capacity to identify market trends. Availability of information is scattered. SMEs often prefer to spend their limited resources on food prototype research and commercialization activities, instead of market research.
- Lack of access to market information that is relevant and specific to products of interest was identified as a weakness. Market research is an important requirement, and a lack of market information can hinder the ability of businesses to apply for funding.
- Participants agreed that information like historic price trends and price dispositions for commodities is available. The challenge is to make the data and information relevant to the business.
- It was suggested that the NPF help SME's in strengthening the company's market research and business feasibility or business plan, before finalizing the application process for a particular program. It was explained that some innovative companies lack the necessary financial resources for proper market research or a business plan, especially in the initial stages. Nevertheless, their innovation level meets or exceeds the strategic plan for innovation in Manitoba and would benefit the economy as a whole.
- There is a need for increased access to market intelligence, whether it is funded or provided by not-for-profit organizations. A point was made on improving resources for consumer test market data collection. A solution was provided for starting market research data collection by inquiring along the value chain (e.g., suppliers and buyers).

#### Red Tape

- The most common complaint about red tape was the lack of co-ordination of inspection processes. Some participants reported having four or five inspections, provincially and federally.

- Participants stated that co-ordinated efforts and equivalency between the Canadian Food Inspection Agency (CFIA) and provincial inspection authorities would be beneficial. It was also felt that Manitoba had more bureaucracy than other provinces in this regard.

#### Funding for Capital

- Participants felt Growing Forward 2 (GF2) programs did not allow sufficient access to capital purchases. The fact that programs were more targeted to new and innovative technologies limited access to funding for equipment purchases.
- A point was raised to investigate if funding programs could be created for leasing or renting equipment or renting scale-up facilities. Another option could be a subsidy for small companies for whom 50 per cent funding for equipment purchase is not attainable.

#### Incubators and Co-Packers

- There are good facilities in Manitoba, but it can be a challenge for Manitoba companies to access them. Companies need a commercial incubator to ramp up production volumes, which is beyond the capacity of FDC.
- Having limited access to co-packers for scale-up activities that would increase market presence was identified as a challenge. There is an opportunity to develop funding programs to deal with this and other challenges.

### ***Emerging Technologies and Logistics in the Food Processing Industry***

- The greatest opportunities in emerging technologies for the Manitoba food industry and the food innovation network are to use food industry waste streams and by-products by extracting high value components, by extracting protein from plants and by fermentation.
- Extrusion was also indicated as a technology worth strengthening in Manitoba.
- The challenge for Manitoba processors that use fractionation technology is finding the value to the sum of the parts or finding the market for all co-products (e.g. oil, protein and meal).
- Participants identified a lack of knowledge about equipment as the biggest gap Manitoba companies face in relation to new technologies. Another challenge raised by the group is the need to travel long distances to get equipment.

### ***Funding Flexibility***

- Participants requested that new funding programs be designed to:
  - simplify the application process
  - reduce the approval time
  - reduce the number of requirements
  - distribute information on calls for proposals earlier than under GF2
- A suggestion was made to extend help to companies by including a post-funding follow-up service. This service would help companies grow by providing advice on next steps and pointing to applicable resources.

**Consultation Evaluation**

Overall, how would you rate the consultation?

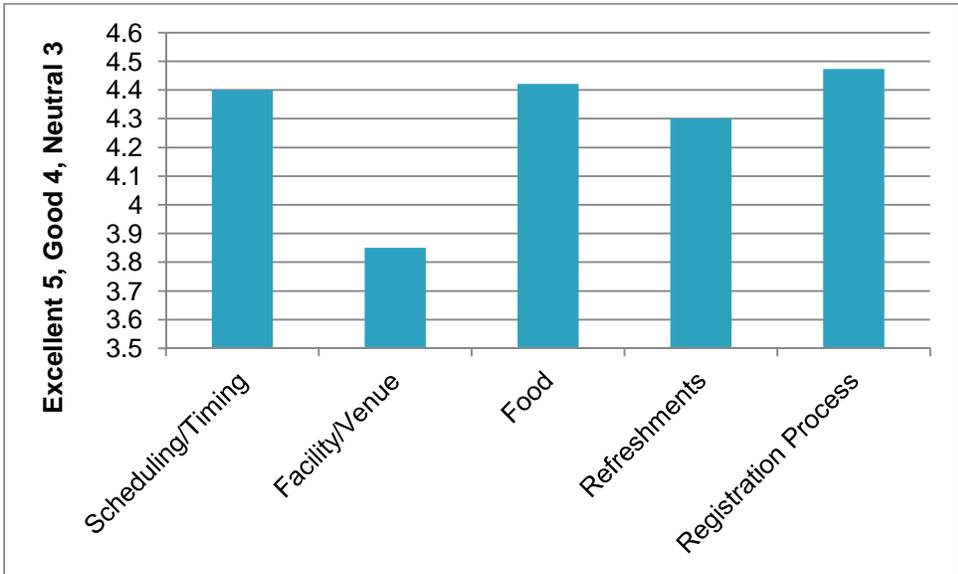
(Number of responses)

Excellent	Good	Neutral
9	9	1

Please rate the following aspects of the presentations from 1 (poor) to 5 (excellent)

	Relevance of Topic	Usefulness of Info	Presentation Quality
Patty Rosher	4.64	4.58	4.55
Dave Shambrock	4.58	4.54	4.50
Kelley Fitzpatrick	4.64	4.71	4.79
Jeewani Fernando	4.08	3.71	3.67
Dr. Martin Scanlon	4.58	4.31	4.50
Rick Green	4.85	4.50	4.46
Leo Prince	4.64	4.64	4.55
Larry Taylor	4.54	4.57	4.54
Mike Lesiuk	4.80	4.60	4.60

Please rate the following aspects of the consultation organization



## ***Participant List***

<b>Name</b>	<b>Company</b>
Dr. Jay Doering	University of Manitoba
Gustavo Zentner	M & C Commodities
Alanna Keefe	Women's Enterprise Centre
Dagmara Head	Food Development Centre
Dr. Rebecca Mollard	Richardson Centre for Functional Foods and Nutraceuticals (RCFFN)
Frank Both	Burnbrae Farms Limited
Mila Maximets	Solberry
Vivian Sullivan	National Research Council's Industrial Research Assistance Program (NRC – IRAP)
Darian M. Major	HyLife Foods
Dave Shambrock	Food and Beverage Manitoba
Dr. Gillian Richards	Rural Development Institute
Elaine Sopiwnyk	Canadian International Grains Institute (CIGI)
Grant Carlson	Manitoba Agriculture
Kelley Fitzpatrick	Nutritech Solutions
Dr. Heather Blewett	Canadian Centre for Agri-Food Research in Health and Medication (CCARM)
Katia Arrus	Manitoba Agriculture
Lisa Baron	Dairy Farmers Manitoba
Lisa Dyck	Cornell Creme
Martin Scanlon	University of Manitoba
Mayuri Lavingia	Vitalus Nutrition Inc.
Darlene Dessureault	Gay Lea Foods Co-operative
Joelle Foster	Futurpreneur Canada
Lee Anne Murphy	Manitoba Agri-Health Research Network (MAHRN)
Leo Prince	Manitoba Agriculture
Rick Green	POS Bio-Sciences
Roberta Irvine	Food Development Centre
Daryl Domitruk	Manitoba Agriculture
Amine Abdelmoula	World Trade Centre
Margaret Hughes	Best Cooking Pulses
Maurice Bouvier	Manitoba Agriculture
Mavis McCrae	Red River College
Mike Lesiuk	Manitoba Agriculture
Patti Rothenburger	Manitoba Agriculture
Richard de Kievit	Richardson International
Alphonsus Utioh	Food Development Centre
Audrey Comte	Simplot
David Hunt	Manitoba Agriculture
Edward Suzuki	Economic Development Winnipeg
Jeewani Fernando	Alberta Agriculture and Forestry
Jeff Fidyk	Manitoba Agriculture

<b>Name</b>	<b>Company</b>
Jocelyn Advent	Yes Winnipeg
Vernon Snidal	Shape Foods
Jason Wortzman	Granny's Poultry
Larry Taylor	National Research Council's Industrial Research Assistance Program (NRC – IRAP)
Patty Rosher	Food Development Centre
Robin Young	Manitoba Agriculture
Shaun Crew	Hemp Oil Canada
Simon Potter	Genome Prairie