

# HOW TO ADDRESS GLOBAL SUPPLY CHAIN CHALLENGES AND FOOD SECURITY

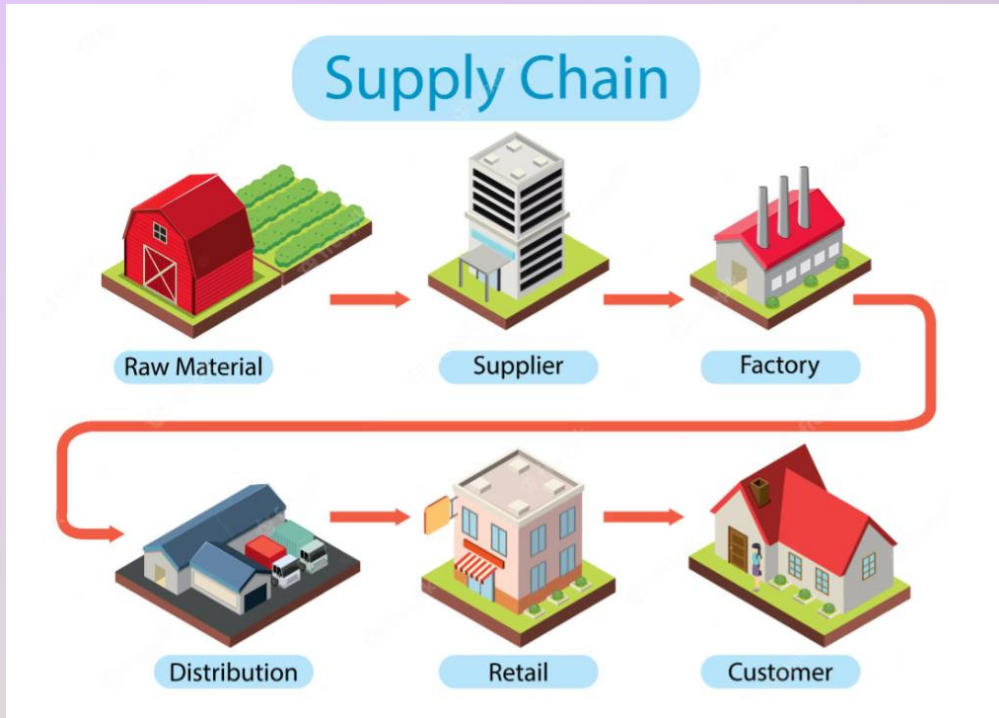
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STEPHEN EVANS

ARE WE FOOD  
SECURE/  
INDEPENDENT?

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THIS IS WHAT CANADIANS  
THINK IS HAPPENING WITH  
OUR FOOD!

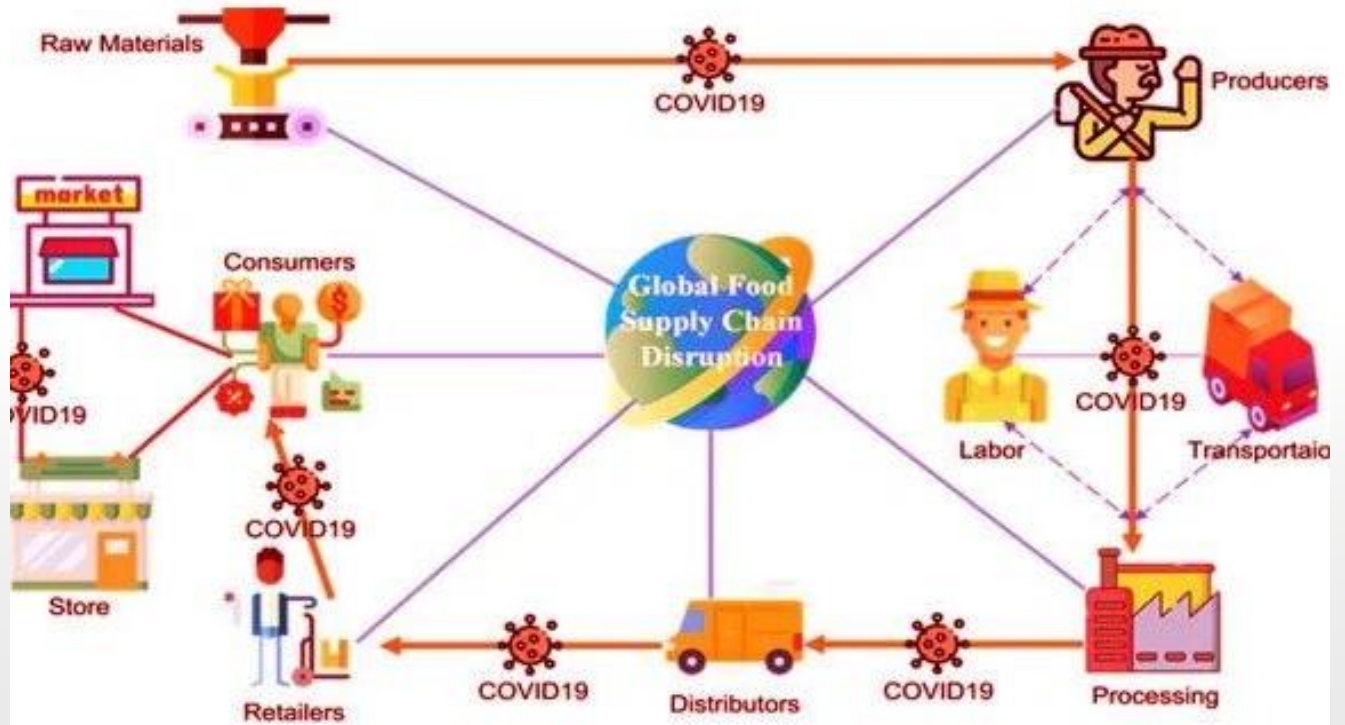




THIS IS WHAT REALLY HAPPENS!

# COVID ENLIGHTENED CANADIANS!

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# DISRUPTIONS IN THE GLOBAL SUPPLY CHAIN!

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- Canadian consumers experienced this during the Pandemic!
- Our Food Manufacturers are still experiencing supply chain issues!



# ADDING TO THE PROBLEM: WATER IS A MAJOR ISSUE – CLIMATE CHANGE IS HERE!

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Climate Change is making the problems  
with disrupted Global Supply Chain worse!



# LOGISTICS CONTRIBUTES TO CARBON COSTS!

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Did you know that the average semi-truck travels 120,000 miles per year and produces 223 tons of carbon annually?

*Special note, a 20,000 sq foot freezer takes 225 semi-trucks off the road: reducing carbon by 50,175 tons.*



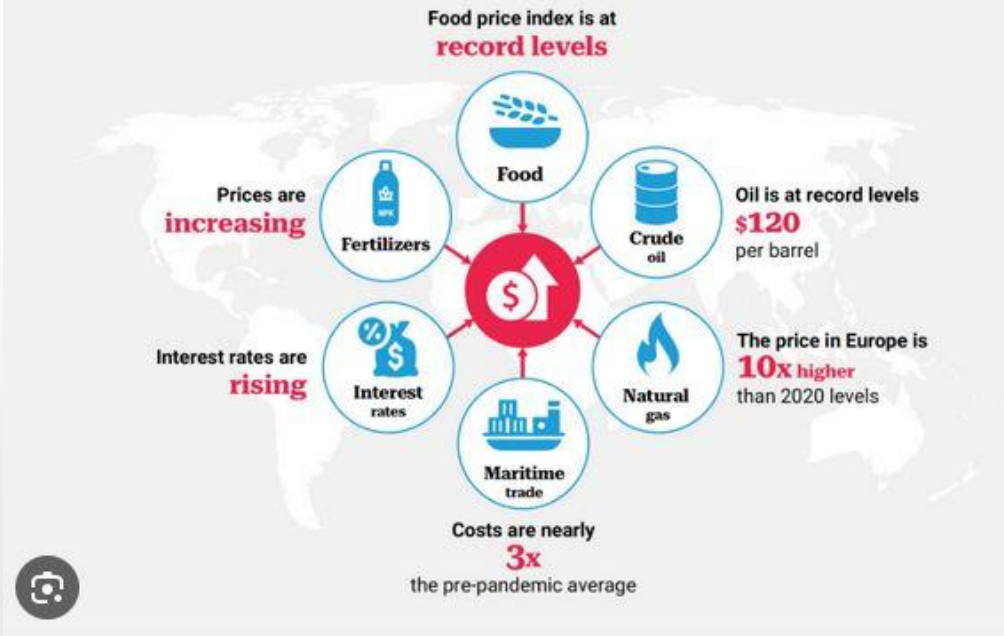




the United Nations



### Vicious cycles are emerging



## WHAT DRIVES FOOD PRICES?

- Other Causes of Food Inflation:
  - War / Conflict
  - Price of Oil
  - Interest Rates
  - Corporate Profits/Greed

# WHAT DRIVES FOOD PRICES?

Some of the Unfamiliar Causes of Food Inflation:

- Price of Potash
- Availability of Bees
- Labour Supply

Exhibit 12: Global Potash Prices



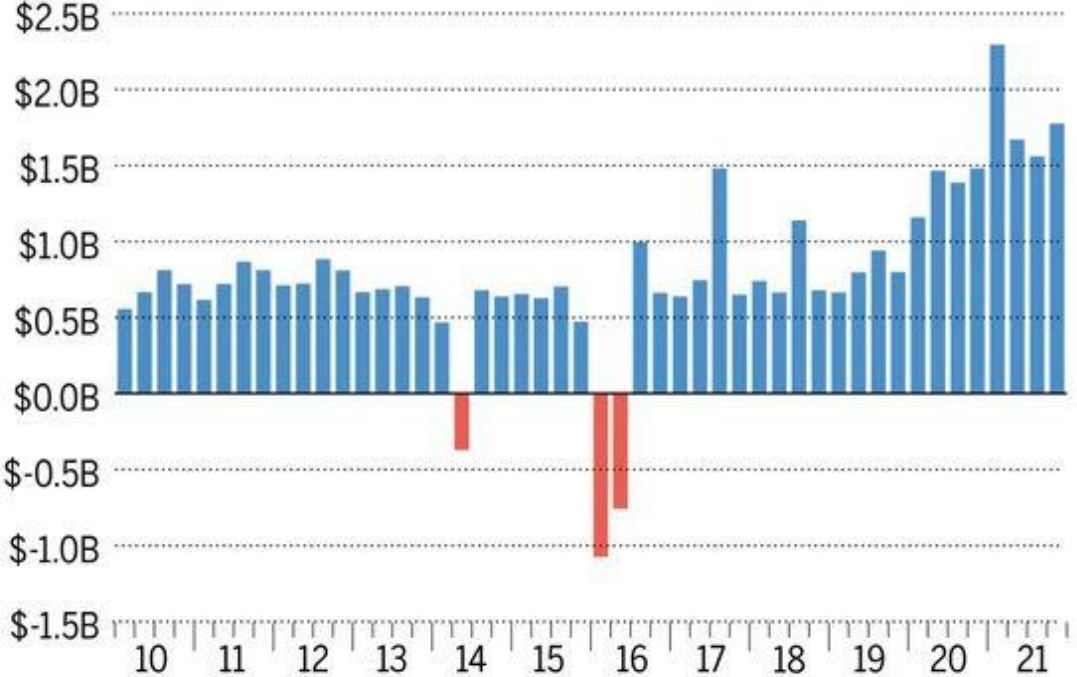
Source: BMO Capital Markets, FMB, CRU

# GROCERY STORES MAKE BIG PROFITS



## GROCERY STORES' PROFIT PICTURE

Net income (loss), before taxes, quarterly,  
food and beverage stores, not seasonally adjusted



SOURCE: STATISTICS CANADA

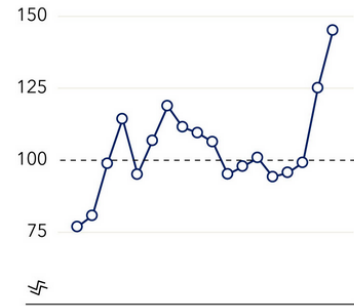
GIGI SUHANIC / FINANCIAL POST



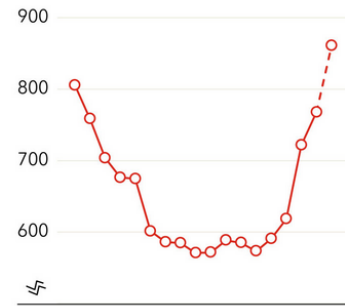
## Going hungry

Millions more people face hunger globally as food prices spike.

Real food price index  
(2014-2016 = 100)



Global food insecurity  
(millions of undernourished people)



TOO MANY CANADIANS ARE GOING HUNGRY

# FOOD WASTE IS AN ISSUE!

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This makes no sense to me on the surface!

St. Joseph's redirects 1000s of lbs of food into local food hampers – this food would typically be headed to landfills





**CANADA IS AN INGREDIENTS SUPPLIER**



## ACCORDING TO FOOD PROCESSORS SKILLS CANADA

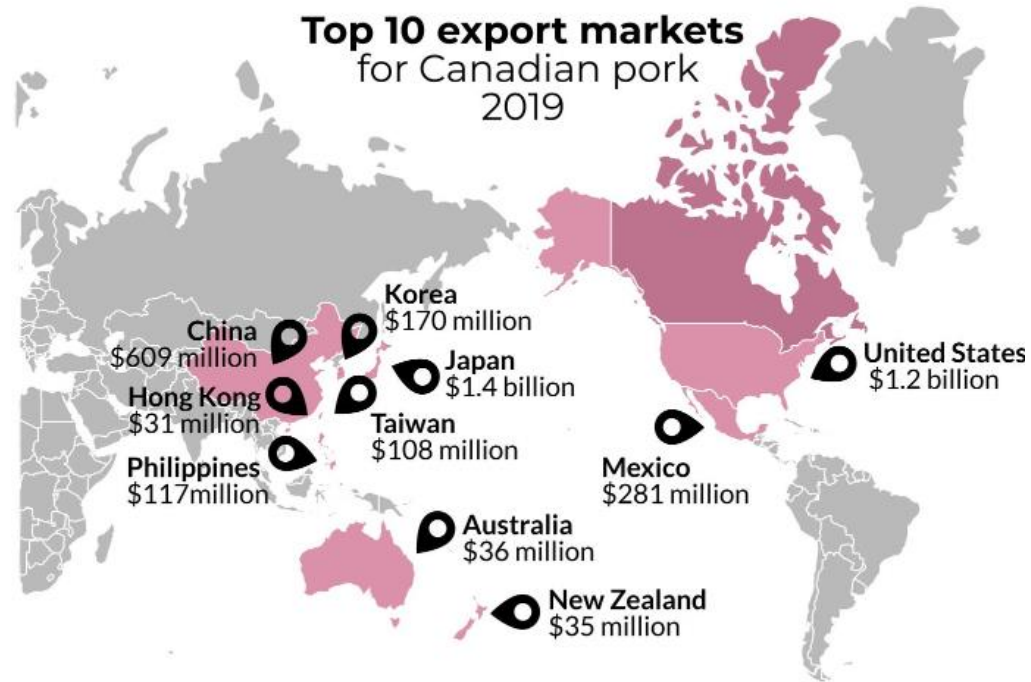
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### Canadian Ingredient Exports:

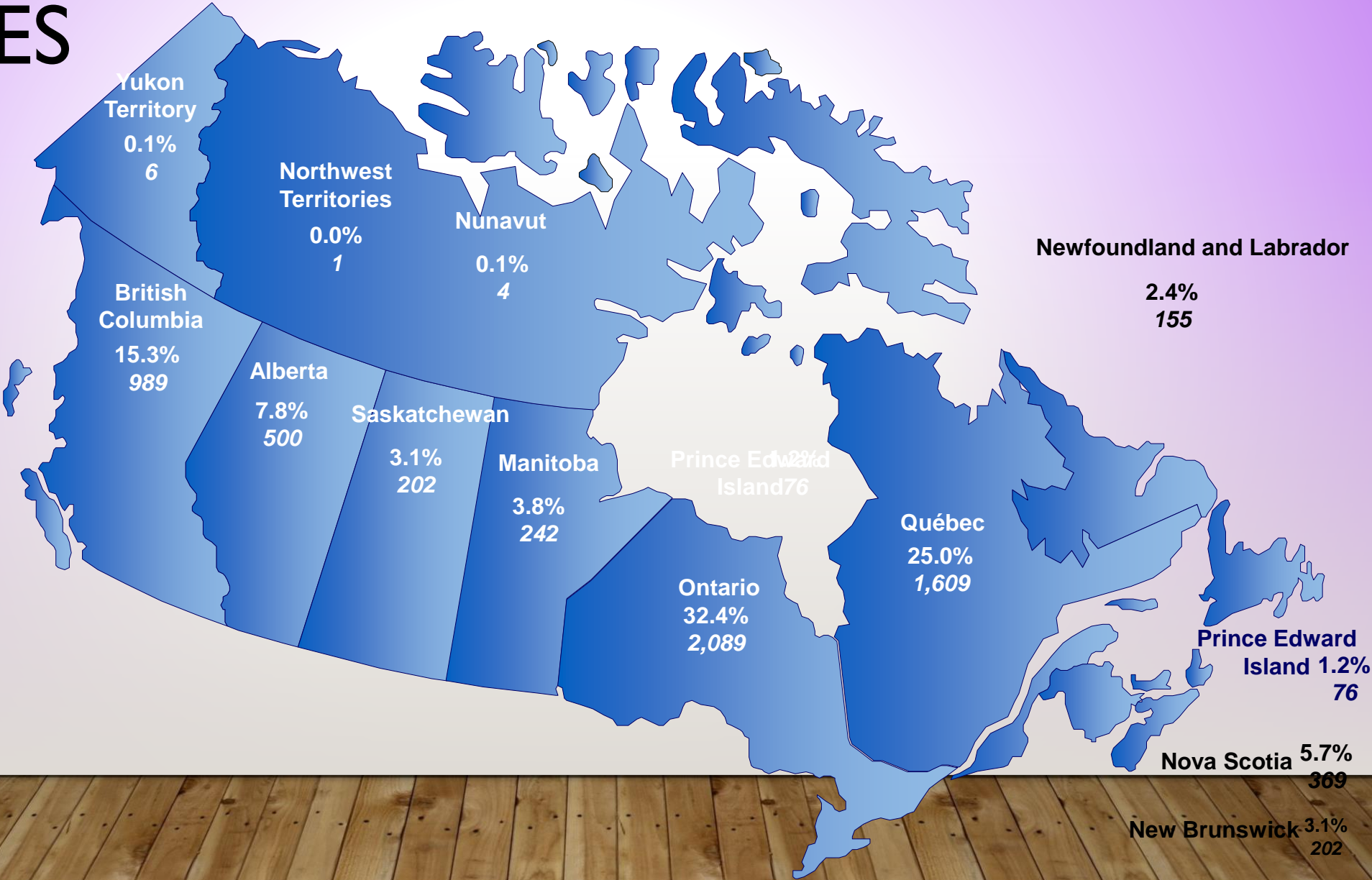
- Reach \$65 Billion by 2025 (Up by 50%)
- Increase by 22% between 2016 and 2020
- Projected demand for food globally estimated to grow by 70% over the next two decades

Where is “The Missing Middle”?

### Top 10 export markets for Canadian pork 2019



# FOOD PROCESSING FACILITIES



# ABBOTSFORD FOOD INFRASTRUCTURE

## Case Study:

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- \$ 3.8 Billion in Revenue
- 16,000 FTE (30% of jobs)
- Abbotsford's Food Sector focus is on exporting raw ingredients







## ABBOTSFORD FOOD INFRASTRUCTURE

- 17 Private Cold Storage for ingredient suppliers
- 2 Public Access Cold Storages
- 25 Primary Food Processors
- How many Food Manufacturers?

Where is “The Missing Middle”?

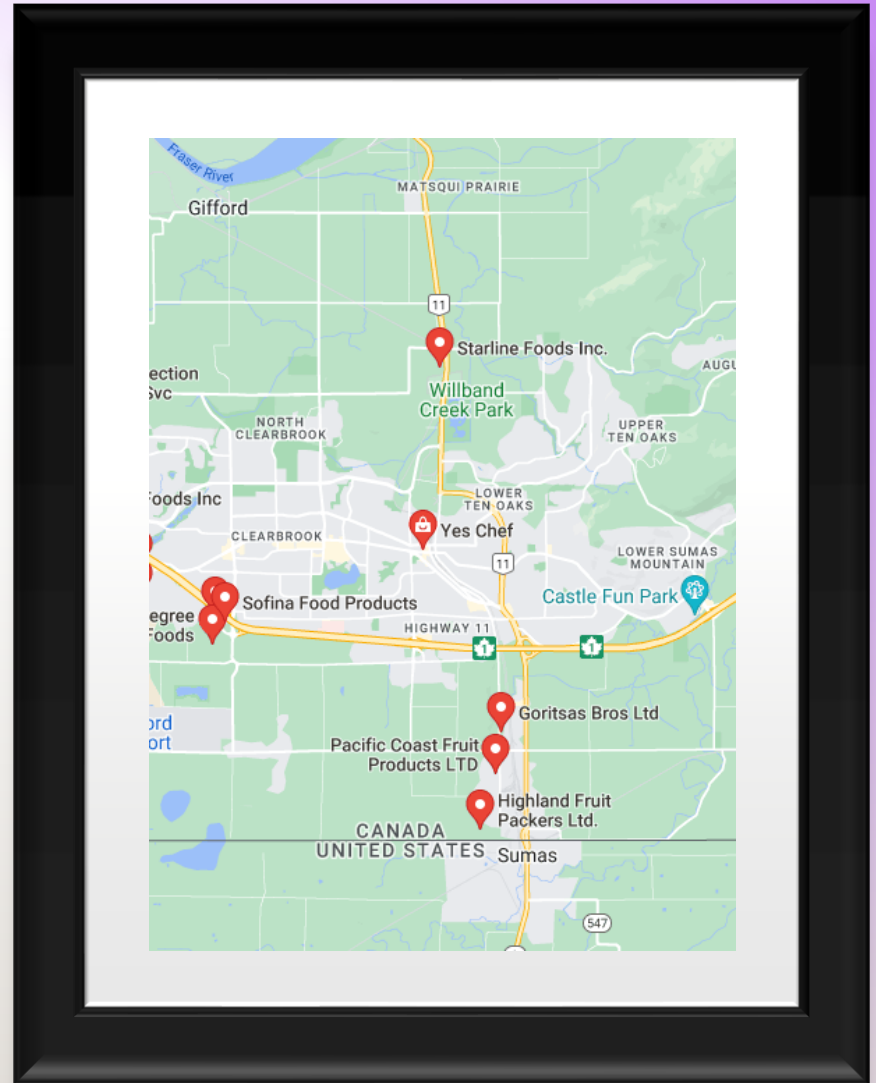
# ABBOTSFORD FOOD MANUFACTURES

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We have 12 Food Manufacturers

We have way more Food Manufacturers

Where is “The Missing Middle”?



# CANADA'S FOOD INFRASTRUCTURE

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**Locally, primary processors are dependent on global supply chain.**



**Each food manufacturing facility cost 10's of millions.**



**Canada's Food Manufacturing is Globally Dependent.**



**Canada's Food Sector is about chasing foreign ingredient markets & not value-adding right here – at home!**



**Where are the small food processors?**

**Where is “The Missing Middle”?**



# HOW TO GET FROM HERE

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Regulatory  
Requirements

Location,  
Location,  
Location

Winning  
Customers

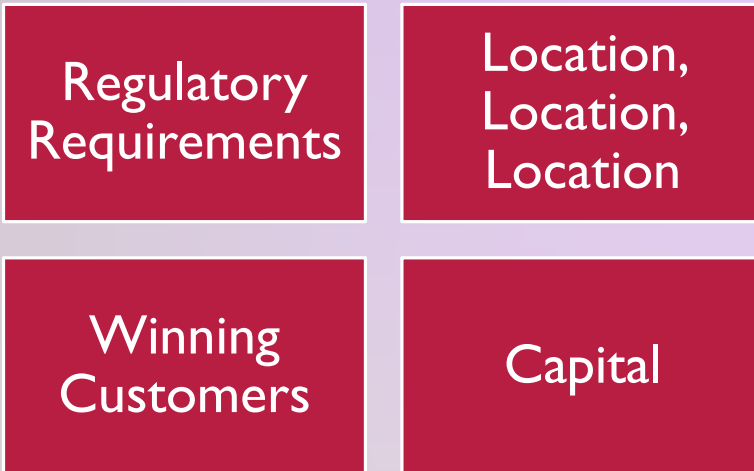
Capital

**Economies  
of Scale**

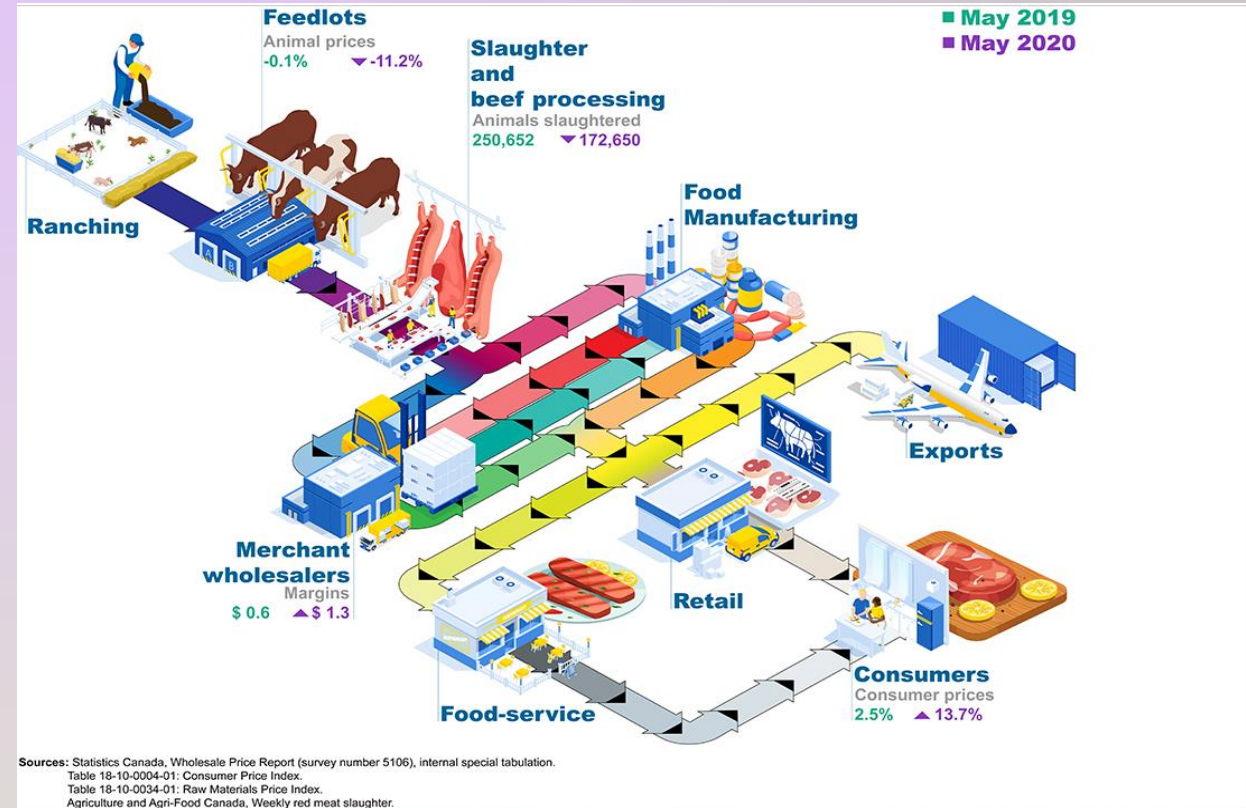


# TO HERE

# (FOOD INDEPENDENCE)



**Economies of Scale**





# LET'S BUILD BACK BETTER: THE MISSING MIDDLE

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- Let's help Small Scale Food Processors to scale
- What they need our help with:
  - Access to investment capital
  - Larger facilities to automate
  - Labour Market Supports
  - Public Cold Storage



Where is “The Missing Middle”?



# LET'S BUILD BACK BETTER: THE MISSING MIDDLE

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- Let's help local Food Security Services
- What they need our help with:
  - Grants and Contributions
  - Institutional Buying
  - Enhanced school lunch programs
  - Regenerative Farming
  - Food Innovation
  - Bulk Buying Cooperation
  - Access to Public Cold Storage



Where is “The Missing Middle”?



## LABOUR MARKET

- Youth unemployment near 10%
- Employment growth is Part time
- Living wage is \$ 18.98 (full time)

All of this contributes to Poverty & food insecurity!