

We here at MeatEx believe that Canada is the future. We want you to see the potential that we see as well. The main areas where we see Canada standing out are:

- Government support for COVID recovery of the meat industry (particularly beef and pork)
- Diversity of the population and multicultural society
- Meat consumption rates in Canada and the region of the Americas
- Continuing demand for meat, despite price inflation
- Access and the high trade level between Canada and the USA
- Trends and Forecasts for 2021 and beyond

This first issue of MeatEx Canada's mini-report will focus mainly on beef.

Canadian Government Support for COVID-19 Recovery

-The Canadian government supports business. During the pandemic, the Canadian government has established a \$77.5 million Emergency Processor Fund for food processing facilities¹.

The Ontario government has invested \$5 million for beef farmers and \$4 million for meat processors to help them build capacity².

The Canadian government funding will extend to a 5 year partnership.

¹ <https://www.newswire.ca/news-releases/government-of-canada-invests-7-8-million-to-help-keep-workers-safe-at-prairie-meat-plants-899078394.html>

² <https://news.ontario.ca/en/release/59780/governments-support-beef-farmers-and-protect-food-supply-chains>

“The Partnership is a five-year, \$3 billion investment which includes \$1 billion for federal activities and programs, and \$2 billion in cost-shared programs delivered by provinces and territories on a 60-40 basis.

There are 480 provincially licensed and 230 federally licensed facilities (abattoirs and free-standing meat plants) in Ontario. The Ontario agri-food sector supports more than 837,000 jobs in Ontario and contributes more than \$47.5 billion each year to the province’s economy.”³

Although this specific example is spread out over several years, it is only one of a number of programs being made available by the government. In all probability, this additional assistance to the meat industry will increase the pace of the recovery of the meat industry in Canada.

Diversity and Multiculturalism

- Diversity is increasingly important in business and can create interesting opportunities, as there is both more demand for and availability of different ranges of products. In Canada, the proportion of the population that is born outside Canada is the highest in the G8, at %20.6⁴. If we look at Toronto, the location where MeatEx will be

³ <https://www.canada.ca/en/agriculture-agri-food/news/2020/11/governments-taking-action-to-meet-demands-of-ontarios-meat-sector-and-support-farmers-115-million-in-funding-will-support-increased-capacity-at-pro.html>

⁴ <https://www150.statcan.gc.ca/n1/en/pub/91-003-x/91-003-x2014001-eng.pdf?st=znJPAldv>

held, that number jumps to %51⁵, over half the population. However, it is the open, welcoming and positive attitude of Canadians that makes these numbers even more impressive.

Meat Consumption Rate

- Canada has the 8th highest meat consumption per capita in the world. That may not sound impressive, but when you consider that we are neighbours to the world's number one, the USA and within easy reach of Argentina (number 3), Brazil (number 5), and Chile (number 7) Canada's key location as a "meat hub" becomes clearer⁶.

Price Inflation

- In the last year, the price of beef in Canada has risen by over 20% and pork has risen by over 8%⁷. This is mostly in response to the pandemic and its impacts on the supply chain. However, sales have not reduced proportionately to inflation⁸. This suggests that demand is still strong, despite higher prices. This trend will likely continue, however continued strong sales will depend on the pace and degree of economic recovery.

⁵ <https://www12.statcan.gc.ca/census-recensement/2016/as-sa/fogs-spg/Facts-CSD-eng.cfm?TOPIC=7&LANG=eng&GK=CSD&GC=3520005>

⁶ <https://www.weforum.org/agenda/2020/05/the-countries-that-eat-the-most-meat/>
⁷<https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00086-eng.htm>

⁸ <https://www.foodincanada.com/food-business/fccs-2021-meat-processing-outlook-navigating-price-volatility-147008/>

Access to the US and Global Markets

- Canada is the USA's 3rd largest trading partner⁹. For a country of only 35 million people, Canada does a lot of trade with the USA. In fact, we do more trade with the USA than any country except China and Mexico.

Trends and Forecasts for 2021

- There are several trends that could be seen either as challenges, or opportunities. The first of these is increased labour costs in the meat processing sector in Canada, due to increased PPE and other safety measures. This challenge could be met with increased automation¹⁰, especially in a country with a vibrant culture of innovation.
- Further, pork exports to China have been very high in 2020, despite COVID. As of September, 2020, pork exports were %187 higher than the same time in 2019. This trend is not likely to continue as China and other countries rebuild their herd numbers in the wake of ASF. However, this also opens new opportunities for trade with Canada's preferred trade partners and the EU¹¹.

⁹ <https://www.census.gov/foreign-trade/statistics/highlights/top/top2012yr.html>

¹⁰ <https://www.foodincanada.com/food-business/fccs-2021-meat-processing-outlook-navigating-price-volatility-147008/>

¹¹ <https://www.foodincanada.com/food-business/fccs-2021-meat-processing-outlook-navigating-price-volatility-147008/>