

Committee of the Whole (2) Report

DATE: Tuesday, April 18, 2023 **WARD(S):** ALL

TITLE: 2023 INTERNATIONAL ECONOMIC RELATIONS - AGRI-FOOD
CLUSTER MISSION

FROM:
Nick Spensieri, City Manager

ACTION: DECISION

Purpose

To advance the Council-approved agri-food industry mission in October 2023, staff are seeking the nomination of the Wards 1 and 3 Councillors to join the Mayor as mission delegates for the City of Vaughan.

Report Highlights

- Council has directed staff to conduct an agri-food economic mission in 2023.
- The agri-food cluster in Vaughan represents nearly 10% of the City's employment base.
- The majority of Vaughan's food processing and growing industry are located in wards 1, 3, and 4.
- Staff are seeking the participation of Councillors from Wards 1 and 3 in the 2023 Agri-Food industry mission.

Recommendations

1. THAT, further to Council direction, Local Councillors from wards 1 and 3 are appointed to represent the City, alongside the Mayor, in the 2023 Agri-Food Cluster Mission.

Background

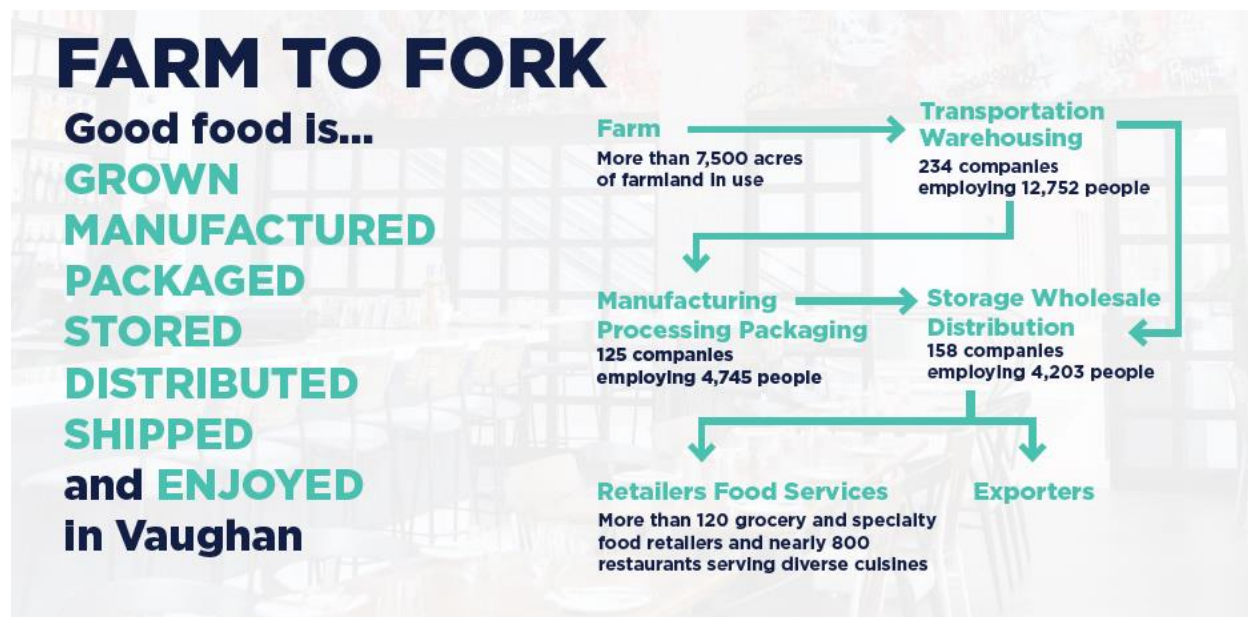
In December 2022, Council approved staff's recommendation to conduct an economic mission in October 2023 to advance the agri-food cluster in Vaughan. The mission is centred on participation in the Anuga conference in partnership with York Region and the Ontario Ministry of Agriculture, Food, and Rural Affairs (OMAFRA).

Anuga takes place in Cologne, Germany from October 7-11, 2023. With an added mission to engage with Northern Italy's Food and Food Processing Cluster, an international mission to Europe would be 10-12 days total.

York Region Economic Development and OMAFRA are applying to secure booths at the Anuga Conference. They are also conducting a B2B engagement program to raise the profile of Ontario and York region amongst international food companies.

Vaughan is at the heart of Toronto Region's Food & Beverage sector, the largest in North America, boasting more than 500 companies in the City's food and beverage supply chain. These companies employ 21,700 workers – nearly 10 per cent of Vaughan's employment base.

Vaughan's agri-food and food processing sector runs "farm to fork", which includes touchpoints along the continuum of the sector – from growing, to processing, to consumption at a retail or hospitality outlet.



Vaughan's food industry also comprises a robust business-to-consumer (B2C) element that contributes to the City's vibrance and diversity, complementing the promotion and

growth of tourism within the City by providing food destinations and amenities attractive to both visitors and residents.

Proximity to Ontario's Food Terminal, direct market access, and the strength of Ontario's food and beverage cluster strengthen Vaughan's value proposition for foreign direct investment and trade opportunities.

Ontario's food and beverage cluster generates annual manufacturing revenues of more than \$37 billion, making it one of the largest and most competitive in North America. Vaughan's local industry cluster benefits from being centred in a highly connected location within Ontario's agri-food economy - within a 20-minute drive from Vaughan is the Ontario Food Terminal, Canada's largest wholesale fruit and produce terminal and the third largest in North America. The terminal distributes over two billion pounds of produce annually (an average 5.6 million pounds per day). Vaughan also offers access to 1.2-billion customers in 44 countries through Canada, the European Union's Comprehensive Economic and Trade Agreement (CETA), and 12 other free trade agreements for foreign companies.

Recent major investments in Vaughan's agri-food and food processing sector include:

Processing

- [Give & Go](#) is a Canadian manufacturer of fully-finished, sweet baked goods for every season with two existing facilities in Vaughan. In 2020, the company has added more than 230,000 sq. ft. of space, creating 200 new jobs.
- [General Assembly Pizza](#) has invested in their first dedicated manufacturing space for their frozen pizza line in Vaughan. Their 42,000 sq. ft. facility will be used for manufacturing, storage, warehousing, and distribution, as well as office space and a hub for research and development. This investment has resulted in 45 new jobs.
- [FGF Brands](#) is currently working with the City of Vaughan to build 4 additional food processing facilities in Vaughan by the end of 2024. This is a \$750 million investment project, creating up to 1,200 new jobs in addition to 700 existing employees in Vaughan.

Distribution

- [Sobeys](#) has opened its state-of-the-art automated Customer Fulfillment Centre (CFC) in Vaughan to provide online home delivery services to its customers. This new building is approximately 250,000 sq. ft. in size, creating up to 500 new jobs.
- [Walmart Canada](#) received approval from the City of Vaughan to construct a 750,000 sq. ft. highly automated distribution centre, which includes food product

distribution. This significant investment is anticipated to create 2,000 new jobs. The combined investment in land, building construction, automation systems and employee training is estimated to be more than \$500 million.

Packaging

- [TricorBraun](#) is North America's largest primary packaging distributor and one of the largest purchasers of packaging in the world. From rigid to flexible packaging, stock and custom options, and the countless options of materials, industries and markets served, our range of packaging options sets us apart. In 2021, the company has expanded by adding an additional 250,000 sq. ft. facility and 260 new jobs.

Previous Reports/Authority

[Agriculture and Agri-Food Sector Strategy, York Region, 2017](#)

[STRATEGIC BUSINESS PLAN FOR ECONOMIC AND CULTURAL DEVELOPMENT](#), 2020-2023, Committee of the Whole Report (2), September 24, 2019

[WEB SUMMIT 2022 AND INTERNATIONAL ECONOMIC RELATIONS PROGRAM – 2023](#), Committee of the Whole Report (2), December 12, 2022

Analysis and Options

ED has several key activities planned in 2023 to further develop the agri-food and food processing cluster in Vaughan.

1. Attending the Anuga FoodTech Conference with York Region and conducting a trade mission to Northern Italy's food industry.

Participation in the Anuga FoodTec Conference, alongside York Region and OMAFRA will support the development of Vaughan's established and growing food and beverage sector through foreign direct investment, cross-border trade and learning about industry best practices. Anuga is the world's largest food and food processing-related industry conference.. In 2021, during the global pandemic, Anuga attracted nearly 70,000 visitors from more than 160 countries. The conference takes place in Cologne, Germany from October 7-11, 2023.

To ensure a fulsome mission centered on food and food processing, staff are working with partners like the Italian Chamber of Commerce of Ontario (ICCO), to include activations in Northern Italy, where significant opportunity lies for Vaughan's economy. In 2020, Italy was the ninth-largest importer of agri-food and seafood products in the world. Italy imported \$1.1 billion of products from Canada.

2. Supporting the submission of Funding Application to the Federal Economic Development Agency for Southern Ontario (FedDev) for a York Region Agri-Food Innovation Network.

With support for the City of Vaughan and other private and public sector stakeholders, York Region submitted an application for a proposed four-year initiatives to the [Federal Economic Development Agency for Southern Ontario](#) (FedDev Ontario) [Regional Innovation Ecosystem \(RIE\) funding program](#) to develop an Agri-Food Innovation Network in York Region. The creation of this network of entrepreneurs, industry experts, technology solution providers and investors will accelerate innovation, foster collaboration and create jobs across York Region's and Ontario's ag-tech and agri-food industry.

This initiative will create the following outcomes for Ontario and York Region's business community over four years:

- Agri-food businesses supported: 128
 - New products, services, or processes brought to market: 50
 - Total revenue generated by participants: ~ \$5 million
 - Jobs created: 87
3. Working with post-secondary institutions such as George Brown and other key regional employment stakeholders to support the development and availability of talent for the food sector.
 4. Work on business attraction strategies to build out this sector in key areas of opportunity throughout the City such as the VMC, including working to attract grocery or specialty food retailers
 5. Support the continued growth of Vaughan's next generation of food and beverage entrepreneurs through partnerships like with York University's YSpace, by offering specialized workshops through Venture Catalyst and the York Region Food Accelerator programs.

For the Anuga Conference and Northern Italy mission, the majority of Vaughan's agri-food cluster are found in Wards 1, 2, 3, and 4.

Ward 1 is home to the majority of Vaughan's rural economic activity. Vaughan has more than 50 agricultural operators that produce on nearly 8,000 acres of land. Vaughan's farms generate more than \$33,000,000 in annual revenue.

Wards 3 and 4 represent Concord, the Vaughan Metropolitan Centre (VMC, and the Weston Secondary Plan area. These wards are home to many Vaughan's 125 food processors and packagers.

Ward 2 is home to most of Vaughan's warehousers and logistics companies. Several food distribution centres are found in the Vaughan Enterprise Zone (VEZ).

To ensure that the commercial processing, consumption, and growing industries are represented, Staff recommend that the Wards 1 and 3 Councillors join the Mayor as representatives for the City of Vaughan on the 2023 Agri-Food mission.

Financial Impact

Budget for Anuga FoodTec and Northern Italy:

Item	Description	Cost
Airline	Round-trip airfare including between Cologne and Milan (multi-city route)	\$18,000
Accommodation	6 rooms, up to 12 nights	\$30,000
Marketing Materials	In collaboration with Corporate and Strategic Communications, there will be the development of customized promotional and informational material specific to Vaughan and its competitive advantages to accompany the delegation for distribution throughout the mission	
Ground Travel		\$5,000
Per Diem		\$6,000
Total		\$59,000

There is no new financial impact to participating in this mission. Funding will be allocated from the to-be-approved 2023 Economic Prosperity Fund (which includes the international economic relations program).

The total budget for an up to 12-day mission to Europe is \$59,000.¹ Staff will apply for up to \$21,000 in grants from York Region and the Federal Government to offset costs.

¹ In December 2022, Staff estimated a cost of \$49,000 for a 10-day mission. Since that time two factors have increased staff cost estimates: the extension of the mission by 2 days; demand for hotels in Cologne, Germany during Anuga has driven up costs.

Broader Regional Impacts/Considerations

Vaughan will continue to work in collaboration with regional partners such as OMAFRA, York Region, Toronto Global, the Italian Chamber of Commerce of Ontario (ICCO), the Vaughan Chamber of Commerce, and the Canadian Trade Commissioner Service (TCS) to position itself as a destination of choice within York Region, the GTA, Ontario, and internationally, with a focus on making valuable connections abroad to grow this sector.

Conclusion

Vaughan's agri-food industry cluster is one of Ontario's largest. It represents nearly 10% of Vaughan's employment base. Given that a large portion of the processing and agricultural industry are in Wards 1 and 3 staff recommend that Councillors from those wards take part in the 2023 Agri-food Cluster Mission.

For more information, please contact: Raphael Costa, Director, Economic Development, ext. 8891

Attachments

None.

Prepared by

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Approved by

A handwritten signature in black ink, appearing to read 'Nick Spensieri', with a long horizontal line extending to the right.

Nick Spensieri, City Manager