



The City of Waterloo, honoured in 2007 as the World's Top Intelligent Community, is the perfect backdrop for Canada's Technology For Food (CTFF) – a marriage of the city's technology expertise with its food processing sector to produce world-class, innovative technology solutions for food and beverage processors.

The newly created CTFF is the brainchild of Waterloo's Economic Development Committee (WEDC) and led by Chairman Ted McKechnie, food industry entrepreneur and former president of Maple Leaf Foods. As an honoured member of the Smart Growth Region Initiative, we are eager to work with our local stakeholders to enhance and solidify Waterloo's competitive advantage by creating opportunities to diversify our local economy.

After 12 months of research and investigation, including scores of interviews with food and beverage processors, academic institutions, fabricators and government influencers including Tim Anderson, CAO for the City of Waterloo, WEDC officially recommended this creative enterprise on May 28, 2013, branding this initiative the first of its kind in Canada – all with a focus on achieving local and global success.

And with the backing of Waterloo's own Accelerator Centre, CTFF will undoubtedly achieve its goals. Led by CEO Ted Ellis, the Accelerator Centre is acclaimed for its expertise in the incubation and commercialization of technology – and for its focus on the accelerated growth of its client companies. It's unique range of support services and education programs enable clients to move to market faster, create jobs and stimulate economic activity.

Together with the Accelerator Centre, and a world-class advisory board, our team will support the growth of technologies that advance jobs, improve food safety, increase food and agricultural technology exports, and encourage investment in food processing – all to attract and retain business to secure long-term sustainability and the competitive position of Waterloo's and Canada's food and beverage sector.

Once ranked the second largest industry in Canada, the food and beverage industry has recently surpassed the auto industry to take the top spot. With annual sales in

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Canada of \$93B and \$39B Ontario-wide, the food and beverage industry is now the second largest employer in Waterloo Region.

Despite this strong ranking, the industry continues to struggle and lose ground for several reasons. Without a single voice to properly represent it both regionally and nationally, the food and beverage industry is plagued by fragmentation and ongoing obstacles to grow competitively beyond Canadian borders. With over 8,000 food and beverage processors in Canada, 95% are small and medium sized businesses that are reluctant to upgrade to Global Food Safety Industry (GFSI) standards – cost being the primary prohibitive factor. Lastly, the food and beverage industry employs three to four times as many unskilled labour in its manufacturing facilities as does the auto industry.

Our efforts will focus on transitioning these employees from unskilled to skilled labour, and to ensuring these small to medium sized businesses meet GFSI standards – in an effort to duplicate auto industry gold level standards for technology transition.

In addition, CTFF aims to change the way the industry purchases technology. As of today, most food processing equipment for the Canadian food industry is sourced in Europe. Harnessing the power and strength of academic research and technology for which Waterloo is globally recognized, we have targeted Canada as the primary choice for the purchase of technology for the food and beverage industry.

While it may seem that we have a steep, uphill climb ahead, the spirit of innovation that permeates the City of Waterloo is undeniable. Throughout the interviewing process, several food and beverage processors approached us with their specific challenges and product needs. The costs associated with each project have been estimated at about \$300,000; an amount which has become the baseline for which a solution can be created.

Based on our research and the support of local academic institutions and fabricators, CTFF is now ready to implement a solution that will drive food industry productivity, innovation, sustainability and commercialization – with the commercialization of product and business being the key tools for measuring success.

Our approach is simple.

Working with local food and beverage processors, we will identify food processing challenges that could provide a minimum of \$1M in productivity gains, if that particular challenge was successfully solved. The caveat being, of course, that the technology needed to solve that challenge does not currently exist.

Of the estimated total \$300,000 cost, the food and beverage processor will inject the project with \$30,000 cash and another \$20,000 in-kind support. The fabricator will also provide \$50,000 in-kind support. The outstanding \$200,000 balance would then be supported by various federal and provincial funds.

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And this is where the magic begins.

We will call upon members from the food and beverage processor, local academic institutions and fabricators to create a team with specific skill sets that match the identified challenge. Once the challenge is solved, a working prototype will be developed, installed and tested. The food and beverage processor will be given the working prototype at no charge – allowing for an immediate implementation of the workable solution.

The academic institution and the fabricator who collaborated to create the technology and thus share the IP/patent work for the prototype will partner with the Accelerator Centre to commercialize it for the food processing industry at large. The technology would then be sold across Canada, the U.S. and abroad making Waterloo Region and Canada, the premier source for world-class food and beverage technology.

Canada's Technology For Food will see the implementation of solutions such as raw materials at the input stage to processing and packaging solutions at the supply chain stage – with a specific focus on broader opportunities like food safety and traceability. Over time, we will use this creative business model to provide the Accelerator Centre with a host of food technology products and businesses to foster and mentor – proving that technology is the driving force behind the success of all industries, not just the food and beverage industry.

Waterloo Region is CTFF's launching pad; however a three-phase approach has already been identified in terms of growing and promoting this initiative. Phase one will focus on Waterloo Region and southwestern Ontario; phase two will capture the province of Ontario and the third and final phase will see our solution branch out nationally and globally.

The impact of our efforts is tremendous. Not only will we diversify and strengthen our local economy, but we will have created an attractive proposition for new manufacturers and processors in the food and beverage industry – opportunities that simply do not exist elsewhere. Success breeds success. Homegrown solutions that benefit industry players local and otherwise will create more high tech jobs here in Waterloo, enhancing our technology footprint, and keeping our city on the global stage as a major contributor to the country's and the world's economic development.

Waterloo is an award-winning city that leads by example. We are known world-wide for our pillars of strength – sustainability, innovation, technology and education. Canada's Technology For Food is just another example of the innovation grown from the best and the brightest Waterloo has to offer – keeping our city an attractive destination for all who live, work, learn, and play here.

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