



Eastern Alberta Trade Corridor

Opportunities...

Ready Meals

Agri-Foods

Industry Overview

The world population is expected to hit 8.3 billion by 2030, resulting in a 50% increase in the global demand for food. Due to these rapidly increasing populations, global trade in agricultural products continues to grow at a rapid pace. As world trade in agricultural products continues to grow, demand is shifting from bulk commodities to value added foods such as ready meals. Value-added products and niche markets are anticipated to grow rapidly for the foreseeable future. Markets for new products including functional foods, food ingredients, industrial and other non-food uses are also expected to grow at a similar pace.

Canada is the world's fourth-largest agriculture and agrifood exporter using advanced technologies and a solid knowledge base to export more than \$40.0 billion in product annually. The industry boasts a complex, integrated and globally competitive supply chain providing food, beverages and agriculture products to more than 175 countries.

Alberta produced almost 20% of all Canadian agrifood exports in 2011 and was the third largest provincial exporter of agrifood products in the nation. The changing global economy has created many new opportunities for Alberta's agrifood industry and many of these opportunities fit well in the Eastern Alberta Trade Corridor region. Trade agreements, modern technology, efficient transportation and sophisticated communications systems allow for greater global access to goods and services.

Sector Overview

Agriculture in the Eastern Alberta Trade Corridor supports Alberta's food processing sector, the third largest manufacturing sector in the province. Alberta is also home to the third largest food and beverage producing province in Canada.

North American lifestyle changes have transformed the way consumers make food choices today. The trend is towards health-conscious foods that are convenient with respect to packaging, portability and ease of meal preparation.

Ready meals are commercially prepared foods designed for easy consumption. The demand for these ready-to-eat (or easily prepared) foods provides opportunities for ready meal processing in fresh, chilled, frozen and shelf stable forms.



Sector Overview

According to a report commissioned by Agriculture and Agri-Food Canada, ready meals and consumers' growing interest in healthy food options will transform Canadian food expenditures between now and 2020. According to the report, Canadian consumers are becoming more time and health sensitive, increasing the demand and popularity of quick and healthy meals.

There are other forces behind the growing demand for ready meals including increased hours spent at work by parents, an increasing number of childless homes and ever rising household incomes. As lifestyles grow increasingly hectic, convenience plays a more important part in consumer food choices. As witnessed by the responses from leading food processors in a study conducted in 2012, convenience was cited as the number one trend in the industry.

Market Assessment

Food processing in Alberta is a well-established, mature industry and the Eastern Alberta Trade Corridor's strong agriculture economy provides important support to this sector making the region well-suited to the development of food processing opportunities. The wide array of farmed foods and livestock produced in the area provide almost unlimited ingredient choices for food processors.

Alberta is home to an extensive network of research and development facilities in and near the EATC to help develop and commercialize products and processes. Agricultural research in the region has resulted in better production methods, new crop varieties, and a large, varied genetic pool of breeding livestock.

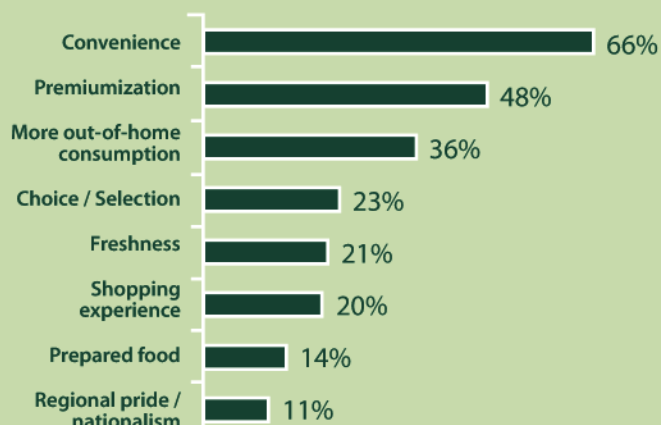
Local market factors that can positively influence the development of a ready meal processing opportunities include:

- a steady supply of accessible and varied ingredients and food products
- access to recognized agricultural and food research and applied research facilities
- ever increasing household incomes
- increased outsourcing by institutions in many areas, including food services
- a mature food processing sector

Since all of the above factors are present in the local market, the potential exists to develop a mid-sized processing plant specializing in ready meals in the area. Several specialty niche markets within the ready meals sector continue to grow and the Eastern Alberta Trade Corridor is well suited to supporting a mid-sized food processing enterprise.

Ready meals are wide ranging and can include frozen ready meals, refrigerated meals, gluten free meals, organic meals, and vegetarian entrees to name a few. Specific market needs and the best "product fits" can be identified with the assistance of the many services offered by the Alberta Agriculture and Rural Development department of the Alberta government. The many services available through the Food Processing Development Center and the Research and Innovation Centre are designed to help identify market niches and provide assistance in the development of new and improved products and processes.

Key consumer trends shaping the industry



Source: Deloitte global survey of 93 top executives at leading food and beverage businesses.

Benefits and Advantages

The EATC region provides a well-developed transportation corridor providing excellent access to large, diverse supplies of ingredients. Several other benefits exist for ready meals processing operations including:

- The region offers exceptionally strong regional, provincial and federal agrifood research and development collaboration opportunities
- Proximity to end customers, thereby increasing understanding of local market conditions and opportunities, resulting in stronger relationships with customers
- Companies in the region have easy access to experts, institutions and industry specialists
- Food processing development opportunities within the EATC region have access to a myriad of provincial and federal initiatives, programs and financial incentives aimed at promoting new technologies



The EATC Advantage:
The region boasts an exceptional transportation infrastructure, a vital asset to a processing industry that relies heavily on raw materials and the delivery of manufactured products.





The Eastern Alberta Trade Corridor is a major initiative underway to enhance and promote a north/south transportation corridor that stretches from the US border in the south to the R.M. of Wood Buffalo in the north. The Eastern Alberta Trade Corridor will include Highways 36, 41 and 63, with links to the Edmonton-Calgary corridor to the west, to Alberta's abundant resources in the north east, and to Saskatchewan in the east. It is a major component of the "Ports to Plains Corridor" of the United States, Canada and Mexico.

There are over \$100 billion in Major Capital Projects happening right now in the Eastern Alberta Trade Corridor (EATC). The EATC is part of the world's third largest oil reserves - the Alberta Oil Sands.

Why are businesses investing in the EATC?

- Great location between markets and suppliers in Northern Alberta and the U.S.
- Close access to major centres, but with low land costs
- Excellent north-south and east-west transportation routes
- Plenty of room to expand operations
- Diversified business sectors including energy, agriculture and manufacturing
- Excellent quality of life to attract new workers



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