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Manitoba Protein Advantage Focus Groups: Key Opportunities and Issues February 2022

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01 |

OVERVIEW

Project scope, engagement breakdown, high-level summary



PROJECT OVERVIEW

A structured approach to advance the future of sustainable protein

- As part of its investigation into how to make Manitoba a global protein supplier of choice, the Manitoba Protein Consortium engaged Prairie Research Associates Inc. to facilitate focus groups with industry leaders.
- The Manitoba Protein Consortium invited 41 industry representatives from 40 organizations to participate in eight focus groups to learn more about their organizations and their role in advancing growth, sustainability, and innovation in Manitoba's protein industry.
- The objective of these focus groups was to gain a better understanding of the resources, partnerships, and business environment that these organizations need in order to thrive in the global protein industry.
- The discussion brought out key trends and opportunities, barriers, technologies and R&D, and sustainability measures needed to advance Manitoba's protein industry.

“If Manitoba can make use of other parts, the farms can make more money, the processors can make money, and the products can be sold cheaper. It would give Manitoban companies an enormous advantage.”

It was also suggested that “any protein strategy should encourage partnerships that include producers, industry, environmental groups, and Indigenous communities.”

ENGAGEMENT OVERVIEW

The purpose of these focus groups was to gain a better understanding of the resources, partnerships, and business environment that organizations in Manitoba need in order to thrive in the global protein industry.

01 OBJECTIVES

- Engage a diverse group of stakeholders to share views, develop a strong network of collaborators to identify and act on initiatives that grow the protein industry.
- Understand together where the opportunities lie, what the challenges are, who is doing what, and where innovative interventions can be made, by any stakeholder, for scalable impact.

02 PARTICIPANTS

- **Total participants:** 41 (from 40 organizations)
- **Participants spanned:** Plant and animal protein businesses, R&D agencies, academia, commodity associations, industry development organizations and environmental organizations.

03 ACTIVITIES

- Eight separate focus group sessions were conducted each with 4 to 6 participants at each session.
- Participants were grouped by shared interest.
- Feedback was recorded and analyzed for a “What We Heard” report.

04 TIMEFRAME

- **Dialogue launched:** September, 2020
- **Dialogue completed:** December, 2020

02 |

Protein Opportunities in Manitoba

High level observations on key trends and Manitoba's competitive advantage



Where world trends intersect with Manitoba's competitive advantages

Macro trends

- global population growth, especially of the middle class
- awareness of the need to address climate change
- access to vast amounts of information

These macro trends are driving

- growing demand for food, protein in particular
- the importance of sustainability and transparency

Manitoba Competitive Advantages:

- ✓ Natural resources and land base
- ✓ Education and labour
- ✓ Clean energy
- ✓ Water
- ✓ Diverse economy
- ✓ Transportation linkages
- ✓ High standards of integrity

"We can see what the world wants and we can deliver."

"[In Manitoba] we have a lot of diversity, both from a livestock and crop production standpoint. There are a lot of ways that we can enter into the protein market."

"The biggest opportunity is in focussing on the sustainability and environmental side of things."

Protein Opportunities in Manitoba

- Consumers are seeking **diverse protein options**.
- People want to **eat healthy** and want their **pets** to do the same. Functional foods are for everyone.
- **Convenience foods** will continue to see growth.
- Manitoba can supply ingredients for **meal kits** or other products that take advantage of **new distribution channels**.
- People want to have **confidence in the sustainability** of the food they eat. Key themes like “**local**”, “**traceability**”, and “**animal welfare**” represent paths to opportunities.
- **Story telling** to strengthen public trust. Build on the “**Made in Canada**” brand to grow export demand.
- Manitoba’s **central location** is both a logistic and marketing tool.

“We are in a unique position in Manitoba. Since we are at the centre of Canada, we can distribute the product freshly without a lot of preservatives.”

“We are moving away from proteins being for athletes into the mainstream...as consumers learn about the benefits of proteins.”

“We’ve made a lot of changes in our messaging to try and ensure that the consumer understands that beef has an important role to play in the environment, with maintaining and sustaining a lot of these different grassland habitats.”

03|

Plant Based Opportunities

Insights into growth opportunities related to plant based proteins in Manitoba.



Insights into growth opportunities related to plant based proteins in Manitoba

- **Plant-based Products** – there are opportunities for whole foods, ingredients, and processed food products. In particular, those derived from **pulses and oats**.
- **Mixed Protein Products** – consumers are looking for **diversity in protein sources** and the majority are not **seeking to exclude one or another**. Assurances of **sustainability, quality, functionality** and **taste** are key considerations.
- **Animal Feed** – an efficient and sustainable meat value chain needs a **sustainable feed supply**.
- **Pulses and Niche Crop Processing** – Such as fractionating fava, beans, or lentils, or processing chia or quinoa. **Creating blends**.
- **By-products** - these are mostly **starch and fibre** and often represent a greater volume than the plant protein component. Finding uses for these as ingredients or other products could represent **improved revenue for primary producers and processors** alike.
 - ✓ Hemp industry is working to have its by-products registered with the Canadian Food Inspection Agency as a feed ingredient
 - ✓ Hemp fibre for use in textiles
 - ✓ Pea starch as an animal feed ingredient and for making ethanol

“We’re under no illusion that we will replace meat and we certainly don’t have a battle against them.”

“One of our biggest opportunities is supplying the livestock industry. The growth of that industry and the health of that industry is the most important piece for us.”

04 |

Animal Based Opportunities

Insights into growth opportunities related to animal based proteins in Manitoba.



Growth opportunities for animal based proteins in Manitoba

- **Fish** – There are opportunities for land-based aquaculture and sustainably grown fish, as well as further processed products of all varieties. These opportunities may be seen in primary production, marketing, as well as processing when aquaculture and **certified sustainable wild fisheries** are considered as a single value chain.
- **Lamb** – New Canadians are driving **growth in demand for lamb** across the country and opportunities exist for **displacing imports locally and nationally**, and in the long term, exporting under a Canadian or Manitoba brand.
- **Hogs** – Manitoba is the leader in Canadian hog production and processing, with ongoing export demand growth. With existing hog slaughter in place, opportunities are in **primary production and value-added processing**.
- **Beef** – Looking to **non-traditional markets such as Asia** may represent opportunities for beef products, while **advances in technology** may represent opportunities for increasing primary production by improving producer profitability. In addition, there is a need to **strengthen communication** with producers on the important role of beef in **protecting grasslands and biodiversity**, particularly on land not suitable for crop production.

“Everyone is always asking us about sustainable seafood and where it is from.”

“The biggest challenge is that new producers are not entering the (beef) sector,”

Growth opportunities for animal based proteins in Manitoba

- **Chicken** - Industry expects **demand to level-off in the future**, but the **sector will continue to grow**. Specifically, it was noted that increased local demand for darker meat, as well as **ready-to-eat products** is likely to continue.

“Chicken is accepted in every culture and eaten world wide”.

“Over the years, the chicken sector has reduced its carbon footprint by 40% and uses 45% less water”

- **Turkey** – The trend toward smaller households in North America is suggesting there are opportunities for **raising smaller birds** and developing and marketing **innovative new products** and **smaller portions**.
- **Eggs – Processed and ready-to-eat products** are in demand. In Manitoba and Canada, competing on world markets in terms of primary production and cost has proven to be a challenge.

Growth opportunities for animal based proteins in Manitoba

- **Dairy** – Developing more **specialized dairy protein ingredients** that provide greater functionality or nutrition benefits to end products, targeting specific consumer segments, such as athletes or seniors, or the functional foods market.
- **Insects** – Interest has grown world wide for insect protein products for human consumption as well as livestock feed. Since primary production of insects tends to be closed, indoor systems and not climate dependant, **scaled production could be possible in Manitoba**. Research opportunities are also evident.
- **By-Products – Fertilizer made from fish remains or animal blood** could be a valuable source of nutrients for all manner of traditional field crops as well as vegetables, greenhouses, and cannabis. Such offal could also be used as **feedstock for production of energy**. With growing demand for lamb meat, the **wool could be used for textiles** as well as more industrial uses such as filtration and insulation.
- **Value-added processing** – Transporting live animals to slaughter over long distances is receiving much scrutiny and is clearly a barrier to sustainability and the marketing opportunities that that presents. In addition, recent COVID-19 effects on the processing and transport industries have shown the **need for greater resilience and diversity in the value chain**.
 - ✓ More regional **federally inspected slaughter facilities** may help.

“Three trucks of live lambs is the equivalent of one truck of processed lamb.”

05|

Industry Competitiveness

Addressing key barriers to create an environment of growth.



Addressing barriers to remain competitive

- Capital for **start-ups** and cash flow for **expanding businesses**.
- Expertise of co-packers to gain **access to new markets**.
- Advocacy to **shorten lead time for new product approval** and work towards **smart, clear and consistent regulations** across all provinces.
- **Discretionary funds** for businesses to deliver **quick response training**.
- **Investment ready-sites** particularly to address water and wastewater challenges.
- Better access to **broadband in rural Manitoba** for producers to adopt new technologies such as precision agriculture, grazing surveillance, etc.
- Models on **collaboration with academia and industry** should be explored to determine if there is an opportunity to improve the landscape for partnerships on innovation surrounding intellectual property.
- **Synergies between industry and academia** should be strengthened. Look at The Canada Food Innovators Network as an example.

“There’s a lot of good work coming out of the universities, but maybe it needs to be more focussed toward industry.”

“Intellectual property...that’s an area that probably could be improved, particularly on the barriers to ownership of intellectual property. It’s tricky to try and separate the competitive from the pre-competitive.”

Addressing barriers to remain competitive

“The province needs to “stay ahead on core infrastructure to support these businesses because they are intensive users of water and waste water.”

“Construction costs are very expensive in Canada compared to the rest of the world.

“For a growing company, cash flow is everything.”

There are a “bewildering number of road blocks in the way of growers trying to make a clear decision and taking risks.”

“Our biggest challenge at the moment is employees...We turned an order down for 40 tons a week because we did not have the people.”

“.....difficult to get approval for these new products.”

Sustainability

- **Protect grasslands and grazing acres** to promote biodiversity and sequester carbon.
- **Protect wetlands** to promote water retention, improve water quality and protect biodiversity.
- Continue to offer the **Growing Outcomes in Watersheds (GROW)** program to encourage the delivery of ecological goods and services
- Lower nitrous oxide through **efficient fertilizer** use
- Promote **soil health and regenerative agriculture**
- Create **carbon sinks** in Manitoba and trade **carbon credits**
- Establish **sustainability metrics**

“There are a lot of environmental benefits of having grass as a permanent cover on the land...that would be a win-win for biodiversity and the livestock industry.”

“GROW... farming the best, conserving the rest.”

“Changing land from pasture to crop is a sustainability issue”

“The US is way ahead of Canada in terms of presenting the US product as one with verifiable sustainability metrics.”

“Sustainability needs to be a valuable part of every segment of the full chain and not just the farms.”

Questions and Final Comments

Contact us below with questions, comments or feedback.

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