

The Second Rise of the Baking Association of Canada



Canadian National Millers Association

**Canadian National Millers Association
103rd Conference & AGM**

Sept 26-27, 2023

Baking Association of Canada

We are a nationally registered, not-for-profit trade association representing Canada's almost **\$14 billion** commercial, retail and in-store bakeries.

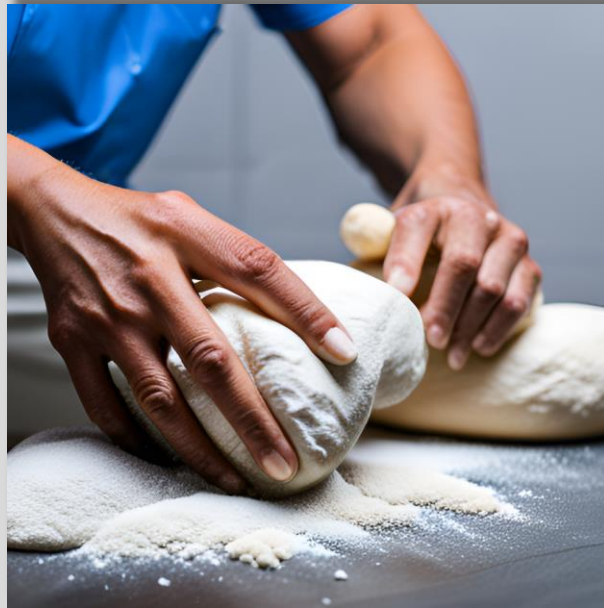
Our mission is to continue to support the baking industry, our members, our students and our new and current businesses by providing access to education and training, networking and mentorship; be a voice and advocate for the betterment for the Canadian baking industry, our members and nurture and enhance connections and collaboration with fellow industry associations.



Introduction

About our Members:

BAC's membership currently includes more than 80% of the nation's production from SME's, specialty and commercial and industrial businesses who offer a wide of baked goods and products including baked fresh and frozen breads and rolls, cakes, cookies and other sweet goods.



Who We Advocate For:

- ◆ Retail Bakers (including Specialized)
- ◆ Independently owned companies
- ◆ Chainstore/Franchisor
- ◆ In-Store Bakers
- ◆ Hotels and Resorts
- ◆ Industrial Bakers.
- ◆ National Allied
- ◆ Provincial Allied
- ◆ Tradesperson / Individual:
- ◆ Pizzerias
- ◆ Individual tradespeople
- ◆ Students

Bakery sector analysis from Agriculture and Agri-Food Canada

Retail sales of baked goods are expected to reach US\$7.8 billion in 2026 according to the *Agriculture and Agri-Food Canada's 2022 Report's recently updated statistics and analysis of the baking industry in Canada*

Canada in 2021:

Saw recorded **retail sales of US\$6.6 billion** worth of baked goods.

Was the **12th largest retail market** for baked goods in 2021, with total sales valued at US\$6.6 billion.

Ranked **3rd in the market for health and wellness baked goods**, with US\$2.6 billion in sales in 2021.

Canada was **world's 5th largest importer of baked goods**, with total imports of US\$1.8 billion, with most foreign supplied baked goods coming from the United States.

Canada was the **world's 2nd largest exporter of baked goods**, behind Germany, with total baked goods exports of US\$3.8 billion in 2021.

Canada had a trade surplus of US\$2.0 billion in baked goods, and exports went overwhelmingly to the United States.

The majority of Canadian baked goods were distributed through store-based retailing, with supermarkets accounting for US\$3.1 billion in sales, or 47.8 percent of the market.

Canada's top baked goods global imports in 2021 were bread, pastry, cakes and biscuits, sweet biscuits, waffles and wafers, rusks, toasted bread, gingerbread and crispbread.

FCC Food and Beverage report, released March 28, 2023, expects baked goods to be food and beverage sector leader for growth in 2023, with projected sales from bakery and tortilla product manufacturers to increase 5.4% in 2023.

Based on total Canadian food and beverage production values of \$156 billion, Baked goods represent over 10% of all food and beverage sales combined. Although fuelled by higher labour and raw material costs, these are expected to settle at the end of 2023.

Sustainability practices and considerations all along the food chain: packaging, water, ingredient sourcing, accountability, food waste, energy, transportation

Health: Nutrition and food allergies, Disease, Food education

Innovation and technology, Access to the vast international markets and knowledge base

Consumption Patterns and Developing and Unique Palettes and Preferences (more exotic flavours and ingredients, traditional, dietary choices and food options)

Economic factors: Inflation at all sections of value chain, Market demand, Value for the consumer dollar

Changing Trends: Health and Wellness (natural, clean, GF, organism functional foods/ingredients), wholefoods, On-the-go / Convenience Lifestyle

Global events: such as Pandemic (increase in home baking)

Shifts to artisanal, handcrafted, tradition, home-made, support local, locally sourced ingredients, artisanal, healthy, sustainable

Global factors: Impact of international trade, Supply Chain, Domestic and International Competition, Private label, Population and Demographics

Regulatory landscape: Compliance, food policies, food quality and safety practices, food and labeling regulations, clean label

Factors Affecting the Baking Industry in Canada

Food Policy and Sustainability Technical Committee

The Food Policy and Sustainability (FPS) Committee is a collaboration of experts from different corners of the baking industry with the united objective of providing technical input into critical matters and dedicated to promoting sustainable practices and policies within the baking industry.

The Committee's Key Mandates:

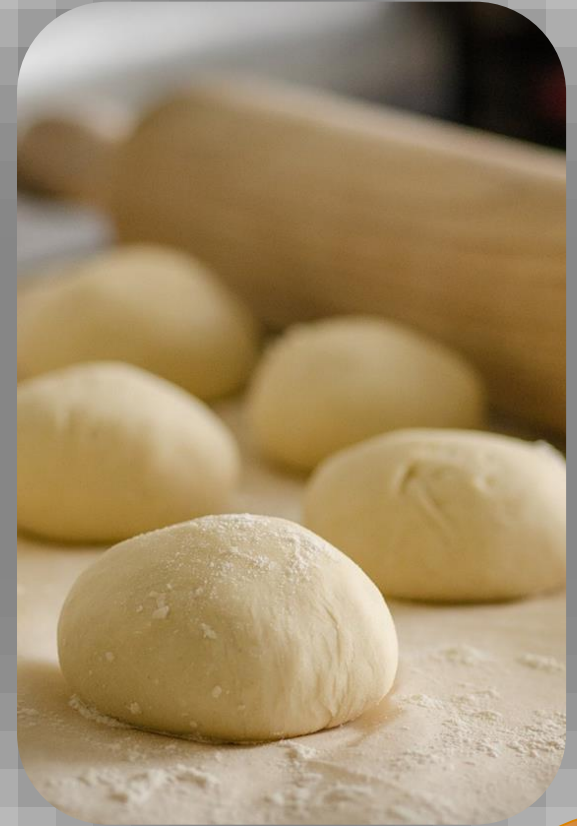
- Support innovation, ingredient and product development
- Regulatory and quality compliance resource
- Engage industry and government through advocacy and dialogue on mandates that impact on bakers and businesses
- Increase awareness of sustainable practices and policies within the baking industry
- Support and encourage inclusion and success through education, knowledge sharing and mentorship
- Collaborate and partner with industry associations to promote sustainable practices and policies



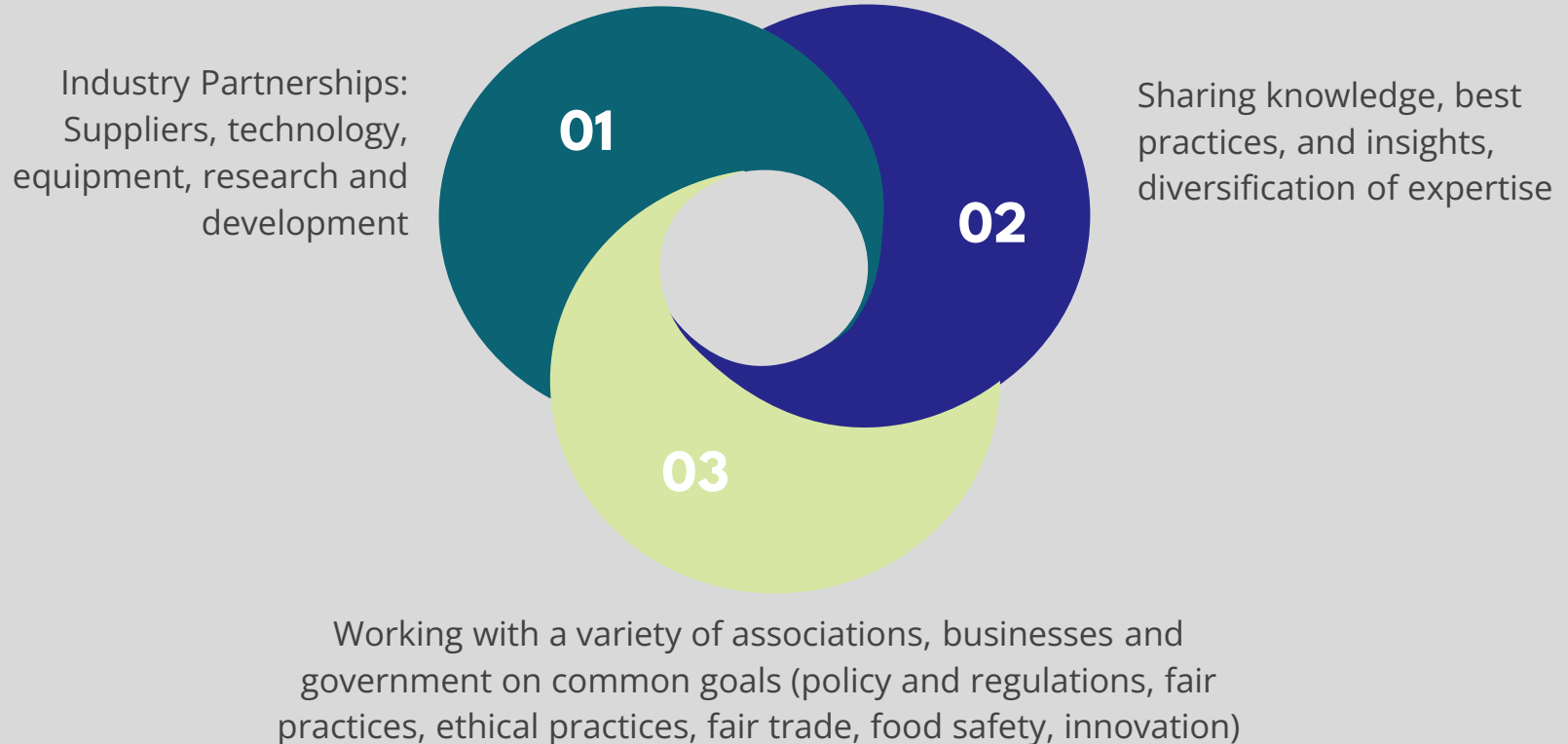
Food and Nutrition Policy and Compliance	Environmental Stewardship & Sustainability	Innovation and Industry Affairs
<p>Support members and the the Canadian baking industry navigate regulatory challenges that impact their ability to innovate and compete in the domestic and global markets.</p> <ul style="list-style-type: none">• Complex labeling requirements• Restrictions on ingredient use• Updates to permitted foods and food additives• Novel foods• Food quality and food safety• Fortification	<ul style="list-style-type: none">• Identify and analyze the risk impact of current and pending regulations• Formulate responses to open consultations• Open dialogue on alternatives and innovations for the membership	<ul style="list-style-type: none">• Identify trends or challenges in the food system or supply chain that can impact the industry• Grocery Code of Conduct• Advertising to Children• Value Chain Challenges

Our Priorities:

- Front of Pack Labeling
- Allergen Management and Regulations
- Sodium Reduction
- Novel Ingredients and Food Additives
- GMO
- Marketing to Kids
- Environmental Stewardship - Single Use Plastics, Packaging
- Sustainability Practices in the Bakery Sector
- Foreign Workers Program
- Mid to Long-term Labour Solutions
- Grocery Code of Conduct
- Supply Chain Crisis Management
- Export Development
- Food Safety
- Regulatory Compliance Practices



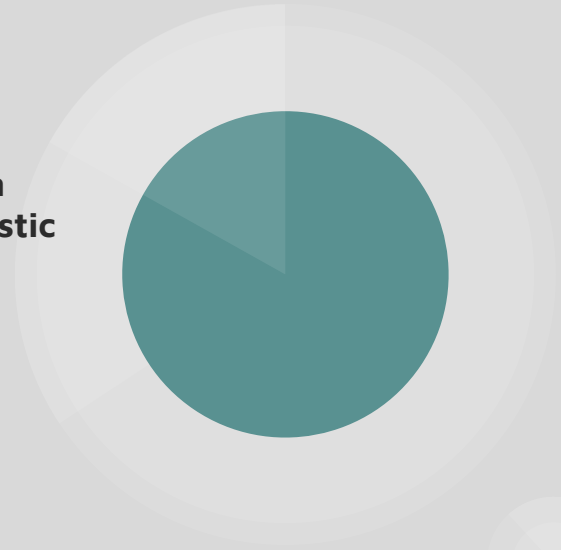
Collaboration with Industry Associations



We are very optimistic...

Despite the challenges with the pandemic, supply chain, regulatory changes, consumer habit changes, prioritization and necessary changes to incorporate sustainability, domestic and international competition there are equally or more positives to highlight...

- ❖ **The increase in the reintroduction to traditions**
- ❖ **Home baking**
- ❖ **Entrepreneurship**
- ❖ **Awareness and passion for sustainable practices**
- ❖ **Embracing and adapting to new lifestyle habits and trends**
- ❖ **Supporting members success from entrepreneur to corporations in education, training and collaboration**
- ❖ **Canadian baking industry recognized globally for quality standards and innovative products**
- ❖ **Continue to provide Canadians with nutritious and delicious baked goods**





Thank you