Strategies for Growth of Bulk Food Processing in Manitoba: Preliminary Report Highlights

This applied research project addresses the question: “Where are the opportunities for growth in bulk food processing?”

Growth in food processing to produce bulk ingredients represents a major opportunity for Manitoba to increase economic activity in the province.

This first year of research is a preliminary study into the growth opportunities from innovation in the bulk food processing industry in Manitoba. RDI conducted case studies into three processing companies, their associated supply chains and innovation partners.

For the purpose of this study, a bulk ingredient processor is defined as a company that sells to manufacturers, bulk wholesalers, distributors or businesses; the unit of sale will be significantly larger than the retail size.

The main research method was interviews with company leaders, associations, researchers and other innovation linkages. Each case study describes the company, industry and supply chain; and examines types and properties of past and projected future innovations. Findings were validated with all participants.

A preliminary cross-case analysis of the 3 diverse cases revealed patterns in innovation activities.

To all the industry stakeholders who participated in this research

This research was supported and funded by Manitoba Agriculture, Food and Rural Development (MAFRD).

The full reports and cross-case summary can be downloaded at www.brandonu.ca/rdi/publications/agro-environmental/
Highlights of Research Results:

MULTIPLE INNOVATIONS

All three companies and supply chains were successfully innovating in many different ways: new processes and products, marketing strategies and changes in organization, including acquisition and expansion. Innovation was seen as an essential part of staying competitive; companies that did not innovate would get left behind.

INNOVATION PARTNERSHIPS

Innovation was not done alone. Two partners cooperated together to give some innovations: both Shape Foods and Canadian Prairie Garden worked with their equipment suppliers to develop world leading process innovations. These novel processes give their products significant competitive advantages.

Multiple partners were involved with other innovation initiatives: for Richardson Milling, the entire oat industry supply chain work together to ensure their products can be classified as “gluten free” (RM7). Multiple players in the flax industry are developing partnerships to find and promote the health benefits of flax products. These partners include many members of the supply chain, consultants, commodity organizations, government agencies and academic researchers in agronomy, plant breeding, food processing and medicine.

INNOVATION LINKAGES

Many innovations do not occur in isolation; there are linkages between different types of innovations. Some innovations are paired: Canadian Prairie Garden’s novel “steam injection” process (CPG1) resulted in many new puree products. Innovations often create the need for additional innovation, such as when Shape Foods began selling bulk ingredients (SF2). This resulted in changes in product and marketing, including continual product development with food manufacturing customers.

PATTERNS OF INNOVATION AND GROWTH

The time-scale for innovation activities is variable: some initiatives are relatively short and intense; others are continuing improvements over multiple years. All three case-studies revealed patterns of successful innovation resulting in various types of growth. Some innovations led to the establishment of new companies. Growth in sales was achieved through innovations that expanded the market for a product or increased market share for a company. Other innovations enabled a company or chain to increase efficiency or remain competitive.

Linkages between types of innovations:

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Courtesty of Canadian Prairie Garden

Flax, the cholesterol fighter

5 tablespoons (40 grams) per day

Helps lower cholesterol

The Flax Facts

FLAX, THE CHOLESTEROL FIGHTER

5 tablespoons (40 grams) per day

Helps LOWER Cholesterol

45% of worldwide production

Rest of World

45%

Canada

489,000 tonnes

Rest of World

590,000 tonnes

THE WORLD’S TOP FLAX

PRODUCER 2012-13

THE HISTORY OF FLAX

Flax is cultivated for seeds, oil and fibre in Babylonia and Anatolia

Flaxseed is praised for its health benefits in ancient Greece

Flaxseed consumption is recognized by Health Canada to help lower cholesterol

Flax is introduced to Canada by Louis Hébert, apothecary and first Canadian settler to support himself from the soil

Earliest archaeological evidence of wild flax seeds found in Europe and the Near East

2014 8000 B.C. A.D.