



Canada's Agriculture, Food and Beverage INDUSTRY

● Canada's ● Confectionery ● and Chewing Gum Industry

The confectionery industry in Canada includes manufacturers of all types of sugar confectionery, chocolates and other cocoa-based products, as well as producers of chewing gum. Chocolate and sugar confectionery categories account for about 80% of the value of shipments.

Most commercial chocolate operations are dedicated to the manufacturing of two major products: boxed chocolates and chocolate bars. Most boxed or packaged chocolates are sold as gifts for special occasions while the chocolate bar market tends to be steady year-round. A chocolate bar that can capture four to five per cent of the market is considered successful. Most of the top 10 brands in the bar market in Canada today have been among the top 10 for close to 60 years.

Most sugar confectionery companies are small or mid-sized and produce a wide variety of products, such as hard candy, gummy bears, licorice, jujubes and toffee, as well as an assortment of hard and soft candies for specialty and novelty markets.

Foreign ownership of the confectionery industry is high. Foreign-controlled enterprises located in Canada account for the majority of industry shipments. Many major Canadian companies are recognizable subsidiaries of foreign-based multinationals, including Cadbury, Effem Foods (parent is Mars Inc.), Hershey, Nestlé, and Wrigley.



The growth in both market size and consumer demand is reflected in the value of shipments. From 1992 to 2002, the value of confectionery and snack food shipments has grown from \$1.4 billion to 3 billion and \$900 million to \$1.7 billion respectively.

Firms in the confectionery industry compete on the basis of brand name, product advertising and promotion, specialty products, quality and cost of production. Because confectionery products are usually discretionary and high-impulse purchases, promotion plays a substantial role in establishing brand-name presence in the various regional markets of Canada.

Sugar-free confectionery continues to be a fast growing market segment. Newly developed blended ingredients and sweetener systems are allowing manufacturers greater diversity and stability in the finished product, as well as additional ease of manufacture. Synergy among many of these products has resulted in better taste and texture.

Confectionery products, whether produced in Canada or imported, are subject to the Food and Drugs Act and Regulations, which are enforced by the Canadian Food Inspection Agency (CFIA). CFIA inspectors check to see that producers and packagers conform to very specific regulations about the labels they put on their products.





For more detailed information

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Further information on products, suppliers and investment opportunities in the Canadian agri-food industry is available on the Agri-Food Trade Service Web site at: <http://ats.agr.ca>.

Canada's food and beverage industry is recognized internationally as being among the best in the world, both in terms of ensuring food safety and quality, and in providing a trade friendly environment. Consumers are more aware of food security, safety and quality, and are demanding more information about how their food is produced. More than ever, consumers want to know that their food is safe and that it has been produced in an environmentally responsible manner.

Canada's objective is to be the world leader in food safety, innovation, and environmentally responsible production and to be the best at meeting the needs of consumers at home and abroad.