



Canada's Agriculture, Food and Beverage INDUSTRY

● Canada's ● Functional ● Foods and Nutraceuticals Industry

The new and emerging market for nutraceuticals and functional foods—natural, bioactive compounds with health-promoting, disease-mitigating or medicinal properties—is driven by an increasing consumer understanding of the link between diet and health, aging populations, rising health-care costs, and advances in food technology and nutrition research.



Canada is well positioned to become a world supplier of nutraceuticals and functional foods. In addition to an excellent international reputation for a pure, clean environment and resulting safe, high-quality food products, Canada has a strong, cost-effective research capability that includes collaborations among governments, universities, health and research institutions and industry.

In 2001, the value of the functional foods and nutraceutical global market for 2001 was \$56.6 billion. The industry estimates that the global market for functional foods and nutraceuticals is growing faster than the processed food market as a whole, especially in the United States, Europe, Japan and Canada respectively.

Stakeholders believe that functional foods and nutraceuticals offer significant opportunities for market diversification, further processing and reduced health care costs. Research on Canadian plants, animals and seafood will help identify ingredients that improve health and well-being. In addition, there has been a trend towards value-added processing and extracting nutritionally valuable constituents such as phytonutrients and essential fatty acids. All of this is leading to direct health benefits for consumers.

The federal government continues to support innovation and the development of new technologies in agriculture, agri-food and marine resources. The Canadian Institutes of Health Research, National Centres of Excellence and Canadian Foundation for Innovation all fund research.

Canada's active, research-oriented industry includes more than 200 food, nutraceutical companies such as Ocean Nutrition Canada and Bioriginal as well as pharmaceutical companies. Major multinational corporations such as Kellogg's, Heinz, Quaker, Unilever, Dupont, Novartis, Cargill, Hormel, Abbott Laboratories and Royal Numico are also active in this sector.



Canada's inspection system is highly regarded internationally. Health Canada has proposed regulations on health claims for foods. Their Food Directorate has approved five generic health claims for foods. Health Canada has also established a new Natural Health Products Directorate to develop a new regulatory framework for natural health products (including nutraceuticals). The goal is to protect the health of consumers while affording them choice and access to products.

Canada's business climate fosters investment in such areas as biotechnology and functional foods by forming "clusters," or geographic concentrations of interconnected companies and institutions in a particular field, such as suppliers of specialized inputs, providers of specialized infrastructure, downstream channels and customers, manufacturers of complementary products, companies in related industries, governmental and other institutions.

Moreover, some government market and export development programs exist and, through Team Canada, Canada is stepping up its trade promotion activities in strategic sectors such as biotechnology, environmental and information technology and health.

The Canadian industry is working towards the establishment of a national network that will connect regional nodes of research and development with the industry, the health care community and consumers. The network will be dedicated to improving human health and the Canadian economy through the development of a science-based, profitable functional food and nutraceutical industry.

By 2010, Canada will be a world leader and centre of global excellence in the research, production and marketing of innovative, safe, high-quality and effective functional foods and nutraceuticals, as well as, in the facilitation of consumer access to a wide range of products with potential benefits for health.

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.