

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.

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 over 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 as a whole 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.



The growth in both market size and consumer demand is reflected in the value of shipments. From 1994 to 2004, the value of chocolate confectionery shipments grew from \$1 billion to \$1.8 billion, while sugar confectionery shipments increased from \$520 million to \$1.3 billion.

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

Quality
is in our **nature**

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.

The Canadian confectionery and gum industry strives to develop high-quality and diverse products to respond to market demand. With strong growth in confectionery shipments, the industry is poised for continued development and success.

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: www.ats.agr.gc.ca

Canada's food and agricultural products reflect our dedication to excellence, and our deep commitment to safety, quality, environmental responsibility, innovation and service.

In every facet of our industry, we seek to earn the trust of our customers by answering their needs and exceeding their expectations. Those values along with our belief in building strong relationships, have given Canadian agriculture and food products an international reputation for excellence. Customers around the world know that they can trust the goodness of Canada.



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