

Greater Montréal: Epicentre of the Food Processing Industry in Québec



The world's best economic promotion agency at your service





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Montréal International's
Personalized, Free and
Confidential Services

Top reasons to invest in food processing in Greater Montréal



A COMPLETE ECOSYSTEM

- Access to abundant and high-quality **raw agricultural products**
- **1,500 companies** in the food processing sector
- **Many R&D and technology transfer centres**
- **Industry 4.0** is growing



QUALIFIED WORKERS

- Strong presence of **specialized training centres** that helps foster innovation
- **22,000+ workers** in food processing
- **14,000+ university students** currently enrolled in a program related to food processing



LOW COSTS

- **A 23% cost advantage** over the average of North America's largest metropolitan areas
- Competitive **salaries**
- Access to a reliable, renewable and affordable **source of energy**
- **An attractive tax treatment** for the manufacturing industry sector



STRATEGIC LOCATION

- Access to more than **1.5 billion wealthy consumers** thanks to trade agreements
- **A world-class logistics hub**
- High-quality **transportation infrastructure**
- **Seamless integration** within North American distribution networks



A UNIQUE QUALITY OF LIFE

- Low cost of living
- Affordable housing
- **Safe city**
- **#1 city** in the Americas for students
- **#2 city** in the world for millennials
- Gastronomic capital of North America

01

A Rich and Diverse Ecosystem





Agri-food in Québec: a substantial sector



8% of Québec's GDP



12% of jobs



80,000+ companies



13% of Québec's exports



A complete
and diversified ecosystem

Major actor in food processing in Canada

Province of Québec

- Ranks **1st** in processing of milk, pork, chocolate, cocoa and maple products
- **2nd** province in importance in food processing

Food Processing in Québec

 **\$8.9B** of GDP

 **\$7.2B** in exports

 **84,000** jobs

 **2,767** companies



Source: MAPAQ, Profil régional de l'industrie bioalimentaire au Québec, Estimations 2019, 2020 edition; MAPAQ, Bioalimentaire économique bilan de l'année 2019, 2020 edition.



Greater Montréal area: 1st food processing Centre in Québec

Food Processing in Greater Montréal

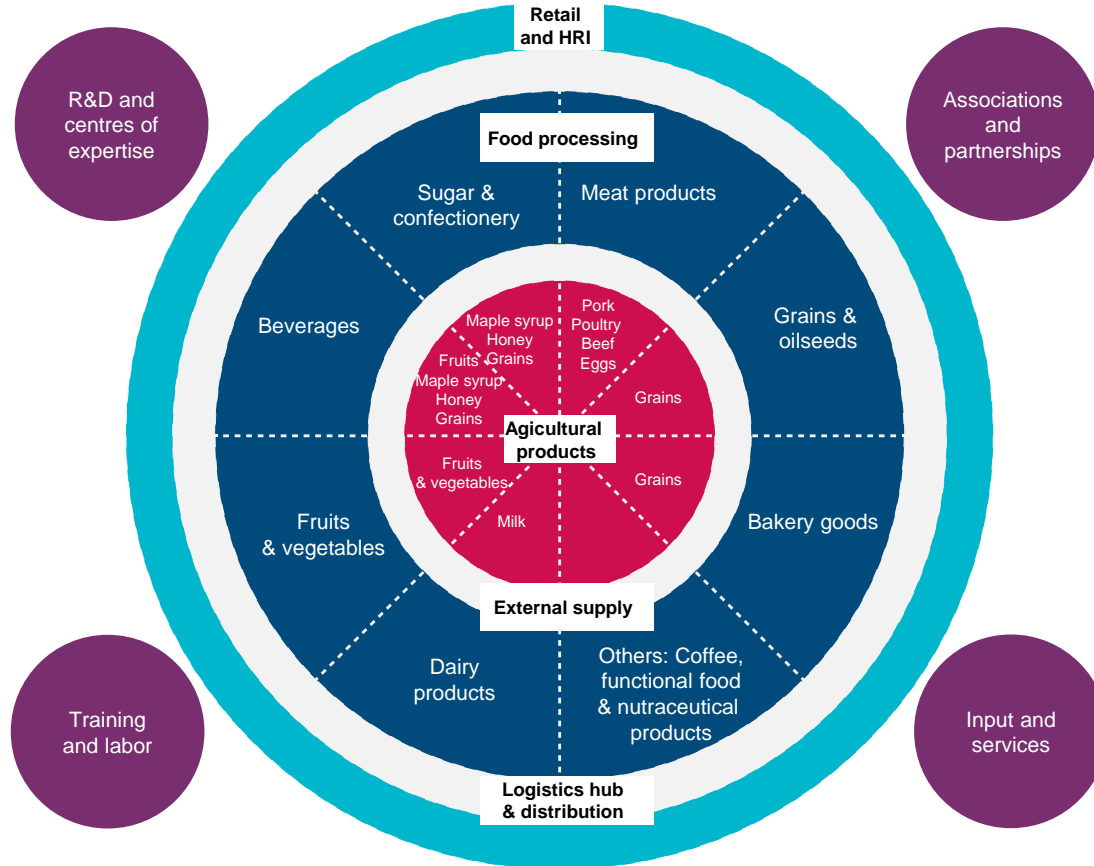
\$6.2+B of GDP

\$17.2+B value of shipments

46,500+ jobs

1,500+ companies

A complete and diversified ecosystem



Direct access to abundant and high-quality raw agricultural products

The province of Québec is a Canadian leader in the following primary agriculture production:

1st producer of:

- Milk
- Pork
- Maple syrup
- Cranberries

2nd producer of:

- Fresh vegetables
- Vegetables for processing
- Corn and soy

An abundance of grains and oilseeds, poultry, eggs, fruits and nuts

Distinctive advantages

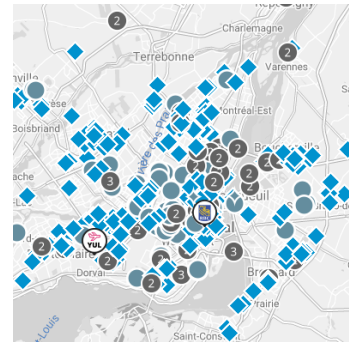
- **High quality and large quantities of water**
- **A highly competitive price for sugar**
 - Nearly 35% less expensive than in the USA
 - No import tariffs
 - Key players in the field provide a unique expertise





The largest concentration of food processing companies in Québec

Overview of foreign subsidiaries and local businesses in Greater Montréal:



CAPTION

○ Foreign subsidiaries
◇ Local businesses
◇ Universities

A seamlessly integrated ecosystem that combines **agriculture production**, the **knowledge-based industry**, a **vast network of suppliers** and a **high-quality labour force**, and contributes to expertise development and networking opportunities.

Examples of food processing businesses in Greater Montréal

Dairy products

Saputo

LACTALIS
CANADA

DANONE

agropur

bel

SAVENCIA
FROMAGE & DAIRY

Beverages

Labatt

SLEEMAN

Cott

Coca-Cola

PEPSICO

MOLSON Coors

Pastry & bakery goods

BRIDOR

Weston

P
PREMIÈRE
MOÏSON

BOULART.

Sugar & confectionery

HERSHEY

Lantic

Fruits & vegetables

Bonduelle

Alaska

Meat products

OLYMET

EXCELDOR

Processed food

Kraft

sodexo
newrest

Fleury Michon
expresco

Plats
du
Chef

Flour & GRAINS

Ardent Mills.

World-class companies

The top three food processing businesses with the **most substantial revenue growth** in Québec are based in Greater Montréal:

Saputo

+83 %
since 2011



+63%
since 2012



+48%
since 2012

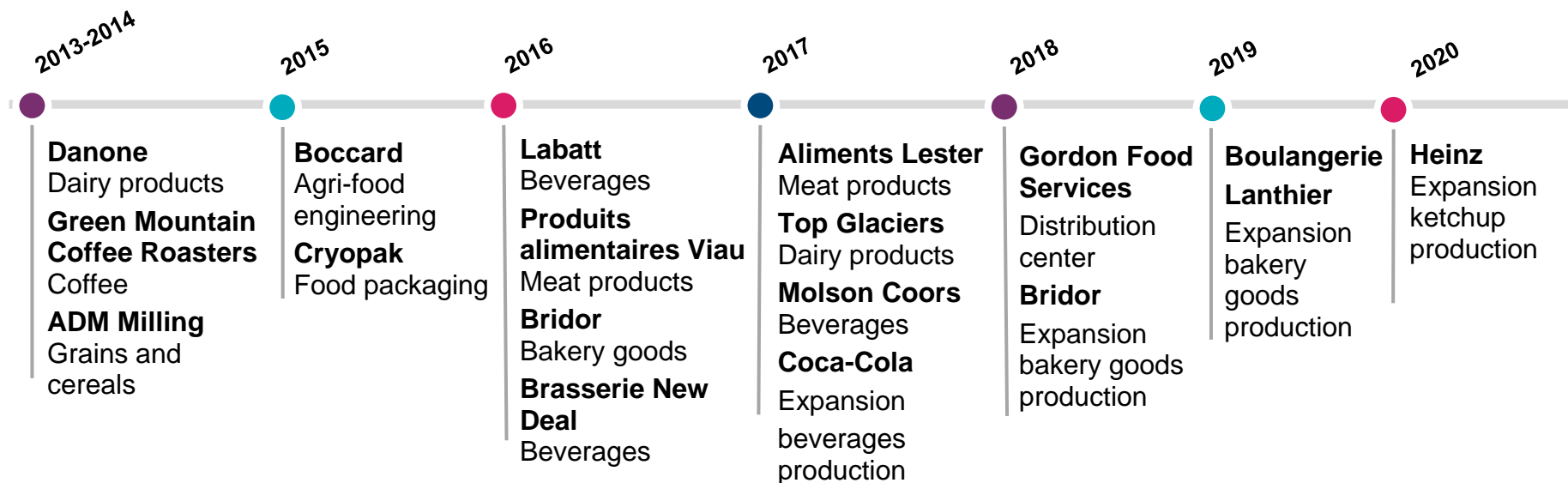
Six leading food processing companies have **more than \$1B** in revenues and alone generate **42% of all shipments** originating from the Québec food processing sector.

Three of them are located in the Greater Montréal:



Companies are investing in Greater Montréal

Investment projects related to food processing in Greater Montréal



A large and diverse network of research and innovation centres

The Greater Montréal Area hosts a wide variety of research and technology transfer centres focused on a number of food processing subsectors.

Main technology transfer and expertise centres

CINTECH
AGROALIMENTAIRE

ITEGA

Institut de technologie des emballages
et du génie alimentaire

CEFQ



Centre d'expertise fromagère
du Québec



**CENTRE DES
TECHNOLOGIES DE L'EAU**

Main R&D Centres



Agriculture et
Agroalimentaire Canada



CEROM

Centre de recherche sur les grains inc.

Saint-Hyacinthe Research and Development Centre



McGill

Consortium RITA

Recherche. Innovation. Transformation. Alimentaire.

Canada

CRC-RC

irda

CRAM

INSTITUT DE RECHERCHE
ET DE DÉVELOPPEMENT
EN AGROENVIRONNEMENT

Main promotion agencies



CONSEIL DE LA
TRANSFORMATION
ALIMENTAIRE
DU QUÉBEC



C I B I M

Conseil des Industries
Bioalimentaires de l'Île de Montréal

Industry 4.0 plays a key role in food processing

- The **Productivity innovation** initiative, launched by the Québec government and Investissement Québec encourages companies to focus on innovation in its various forms and on the adoption of technologies and processes such as digitization, automation, robotization and the use of artificial intelligence
- The food and beverage processing sector is the **second-largest manufacturing market for robotics**



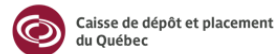
Many companies provide equipment and services specialized in robotics and automation





A booming startup ecosystem

- Canada is the most attractive country in the world for entrepreneurs according to the OECD
- **More than US\$2.7 B in VC** in Montréal between 2018 and 2020
- **Six of Canada's ten most active VCs** in 2020 are based in Greater Montréal



Source: OECD Indicators of Talent Attractiveness, 2019; "Global Ecosystem Report" 2018; Credo, "Montréal Startup Ecosystem Report", 2016; "Midterm Report" – Smart City, February 2017; Canadian Venture Capital & Private Equity Association, 2018, 2019 and Q3, 2020.

A world-class innovation zone in agtech and bioproducts

- The first of its kind in Canada, the **Zone Agtech** offers to agtech and plant bioproduct companies levers for their acceleration and growth, both in Québec and internationally
- Access to financing, strategic support, talent, market and a strong ecosystem
- **15 km² hub** in the Greater Montréal area
- 10,000 square feet **incubator**
- 60,000 square feet **accelerator**
- **Up to \$250,000** of funding per project
- **3,000** scientists, partners and potential users



Homegrown Greater Montréal successes



Sollum offers a foresighted LED lighting solution to create optimal growing conditions for your field and improve efficiency.



Nectar's mission is to ensure the health of honey bees by helping beekeepers apply the right care at the right time through bee-friendly and human technology.



Motorleaf's AI services provide automated harvest yield forecasts preventing harvest loss and optimizing growing conditions.



Lufa Farms opened the world's first commercial rooftop greenhouse right in Montréal, setting the groundwork for a more ecological and economical model for urban farming.



Impactful Health R&D develops compostable active packaging to prolong the shelf life of fresh fish.



ChrysaLabs develops of autonomous robotic solutions for urban agriculture.



Larvatría manufactures antiparasitic organic fertilizer and antimicrobial insect proteins through an innovative biorefining process.



Eocycle produces compact and affordable proximity wind turbines for the agricultural sector.

02

A Deep and Growing Pool of Highly Qualified Talent

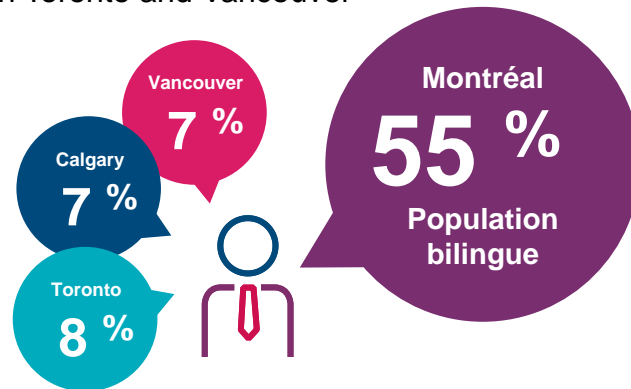


A labour pool of highly qualified workers

- A diversified network that includes 15 academic institutions and many colleges and vocational training centres:
- **The best student city in the Americas**, according to QS Best Student Cities 2022 tied with Boston
- **More than 200,000 university students**
- **35,500 international students**
- **2 Montréal institutions ranked** among the **world's top universities** by QS World University Ranking 2021
 - McGill University (#31)
 - Université de Montréal (#118)



- **Most bilingual and trilingual** population in Canada
- **2.5 million residents speak English**, which is 9% more than in Vancouver
- **55% of the population is bilingual** (English and French), compared to less than 8% in Toronto and Vancouver



Specialized training centres

Vocational and technical training



Public higher education institution offering training programs in agriculture production and food processing, including 3 specialized technical programs in food processing and food quality technology; agricultural business management and technologies; and horticultural production and environmental technology.



Vocational training centre offering 5 Diploma of Vocational Studies (DVS) in agri-food and motorized equipment maintenance. Thanks to a partnership with Collège Lionel-Groulx, they also offer 2 collegial programs related to agriculture.



At Campus de Saint-Hyacinthe, this technological training centre offers 6 training programs leading to a Diploma of College Studies (DCS) and a diploma in agri-food technology.



This institution offers a program in processing leading to an Attestation of College Studies (ACS) aiming at training a highly qualified workforce in food manufacturing and supervision of personnel.

University



The Faculty of Agricultural and Environmental Sciences focuses on strategic research activities, from basic molecular sciences to applied sciences in agriculture, food and environmental sciences, with applications in the medical and industrial fields.

A new generation ready to take over

In Greater Montréal, more than 14,000 students were enrolled in a university program related to food processing in 2019-2020, and more than 3,000 graduated in 2019.

University programs related to food processing	Students enrolled 2019-2020
Rural and Agricultural Economy, Agriculture	75
Food science and technology	193
Rural and Agricultural Engineering	368
Chemistry	984
Chemical Engineering	1,039
Production Management	1,093
Biochemistry	1,424
Electrical Engineering	3,613
Mechanical Engineering	5,263
Total	14,052



Université du Québec
Institut national
de la recherche
scientifique

McGill
UQAM

Université
de Montréal

UNIVERSITÉ DE
SHERBROOKE

Concordia
ÉTS

POLYTECHNIQUE
MONTREAL
LE SECTEUR
EN PREMIÈRE CLASSE

22,500 workers in food processing

Number of workers in Greater Montréal in 2020

Occupations related to food processing	Number of jobs
9213 - Supervisor in food and beverage processing	3,900
9617 - Labourers in food and beverage processing	5,200
2211 - Chemical technologists and technicians	6,700
9461 - Process control and machine operators, food and beverage processing	6,700
TOTAL	22,500

Highly qualified workforce available in complimentary sectors:

- Mechanical engineering
- Air conditioning systems
- Refrigeration systems
- Product preparation
- Packaging
- Distribution and transportation of food products

Ease of recruitment

According to Aon Hewitt*, Montréal ranks 3rd in North America in the lowest overall risk associated with recruiting, employing and relocating workers.

*Overall workforce risk includes relocation and expatriation; mergers, acquisitions and partnerships; absenteeism; employee health and well-being programs; internal relationships; employment in general; globalization; cultural differences; and talent sources.

Source: National Occupational Classification (NOC), 2020; Aon Hewitt Consulting, Global Research Center, 2013.

03

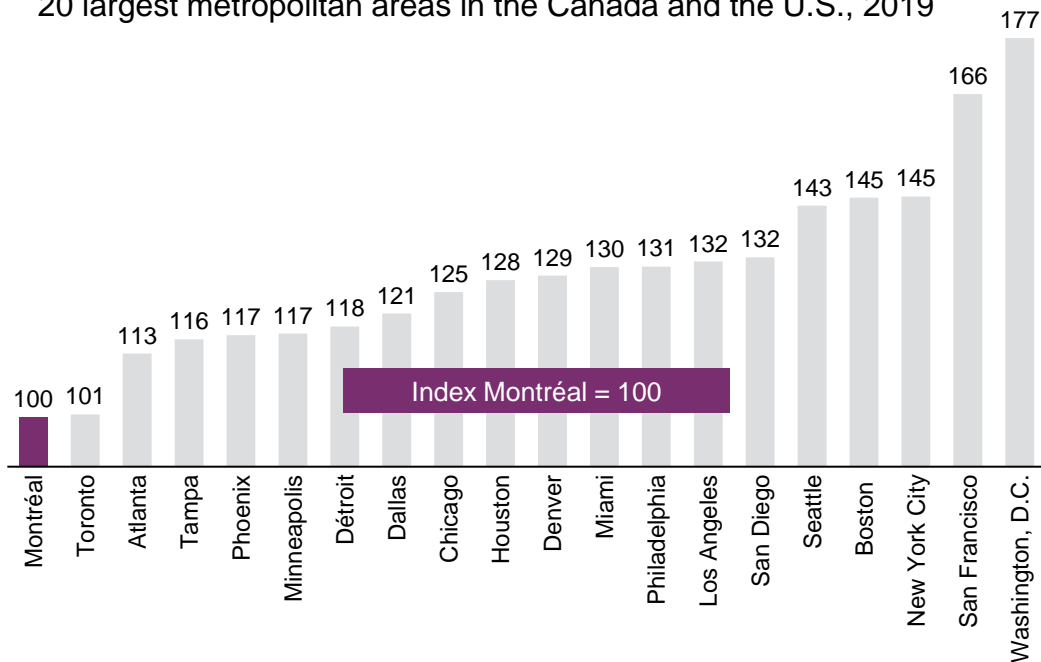
Attractive Operating Costs and Incentives



Operating a business costs less in Greater Montréal than in any other major metropolitan area in Canada and the U.S.

Operating costs index for a food processing business

20 largest metropolitan areas in the Canada and the U.S., 2019



23% cost advantage

compared to the average
20 largest metropolitan
areas in Canada and
the U.S.

Note: The annual operating cost calculations are based on labor, property and utility costs in US\$.

Source: fDi Benchmark, 2019.

Competitive salaries

Median annual salaries* (CA\$) for 8 typical professions in food processing

	Montréal	Toronto
Production helper	\$36,609	\$39,070
Process control and machine operators	\$44,622	\$47,705
Machinery and heavy equipment electrician	\$64,664	\$69,176
Biologist	\$69,744	\$74,665
Operations supervisor	\$74,721	\$79,953
Food chemist	\$73,053	\$77,901
Quality assurance technician	\$77,229	\$82,214
Quality assurance manager	\$96,715	\$103,213



*Salaries based on 5 years of experience. Code NAICS 311000, Food Manufacturing.
Source: Economic Research Institute, March 2021.

Low mandatory benefit costs for employers

Examples of mandatory benefit costs for employers, 2021

Gross annual salary*	\$50,000	\$100,000	\$125,000
Québec Public Pension Plan (employee: 5.9%; employer: 5.9%, max. \$3,427.90)	2 743,50 \$	3 427,90 \$	3 427,90 \$
Québec Parental Insurance Plan (employee: 0.494%, employer: 0.692%, max. sal. of \$83,500)	346,00 \$	577,82 \$	577,82 \$
Employment Insurance (employee: 1.18%, employer: 1.65%, max. sal. of \$56,300)	826,00 \$	930,08 \$	930,08 \$
Health Services Fund (max. 4.26% if global salary total is more than \$6,5M)	2 130,00 \$	4 260,00 \$	5 325,00 \$
Commission des normes du travail (Labour standards board) (0.07%, max. sal. of \$83,500)	35,00 \$	58,45 \$	58,45 \$
Commission de la santé et sécurité du travail (Occupational health and safety board) (0.42% in service sector, max. sal. of \$83,500)**	210,00 \$	350,70 \$	350,70 \$
Workforce Skills Development and Recognition Fund - Québec Training Law 1% (1% of their total payroll in training for employers with total annual payroll over \$2M)	500,00 \$	1 000,00 \$	1 250,00 \$
Total benefit costs	6 790,50 \$	10 604,95 \$	11 919,95 \$
Total cost	56 790,50 \$	110 604,95 \$	136 919,95 \$
Total benefits in % of gross annual salary	13,58 %	10,60 %	9,54 %

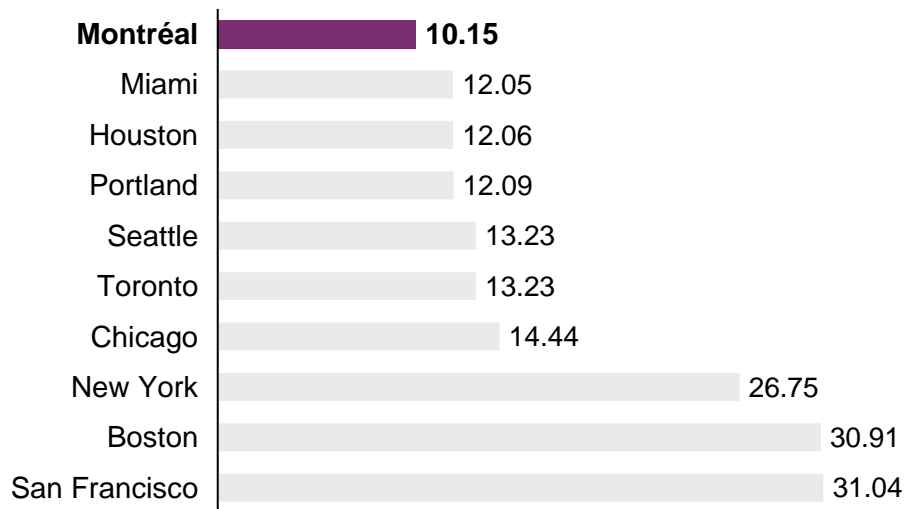
Note: *Paid vacation represents a minimum of 4% of salary and is included in gross salary. Some rates apply up to a maximum insurable revenue.

**The rate for the service sector (65110 - *Bureau de courtage; bureau de services professionnels; bureau offrant des services de soutien administratif*) is 0.42%. The average premium rate in 2021 is \$1.77 per \$100 of payroll.

Source: Revenu Québec, 2021.

Low and stable energy costs for small-power customers

**Average electricity rates
Small-power customers
(¢/kwh – excluding tax, CA\$)**
Selected metropolitan areas in Canada and the U.S.,
December 2021

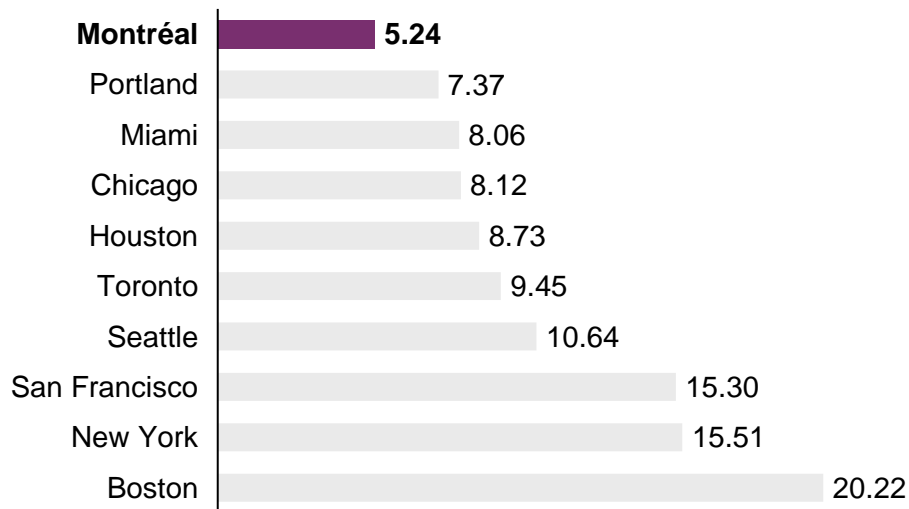


- **Stable electricity rates:** Our water resource is a great collective asset, and it helps protect electricity rates from the volatility of oil and gas prices
- Hydro-Québec generates **more than 99%** of its electricity from water, a source of **clean, renewable energy**
- The **quality** and **reliability** of the power grid are also two major advantages

Low and stable energy costs for large-power customers

Average electricity rates Large-power customers (¢/kwh – excluding tax, CA\$)

Selected metropolitan areas in Canada and the U.S.,
December 2021



- **No. 1 in North America for the electricity rates for large-power customers**
- **Preferential energy rates are also available for major consumers** (aluminum smelters, data centres, etc.)

Tax credits and programs



Major and Innovative Projects

ESSOR Program

Support to major projects with refundable (interest-free & low interest loans) and non-refundable contributions. Investment projects with eligible expenditures of **\$250,000** or more to start a new business or expand (including modernizing) an existing business.

Strategic Innovation Fund

Repayable and non-repayable contributions of **up to 50%** of eligible costs for a project of at **least \$10 M.**

Productivity innovation

Term loan of **\$50,000** or more to finance the implementation of innovative projects.



Research and Development tax credit

Québec's tax credit for Research and Development (R&D)

14% tax credit on salaries and subcontractor fees paid in Québec, fully refundable, whether or not the business makes a profit.

Canada's Scientific Research and Experimental Development (SR&ED) tax incentive

15% federal tax credit on eligible activities and expenditures.

AgriInnovate Program – Agriculture and Agri-Food Canada

Funding up to 50% of total eligible costs, to a maximum of \$10 million for R&D activities and commercialization and adoption of innovations.



Project Development

Financial Assistance for Job Creation and Training

25% of eligible costs for the implementation of a training program and **50% of costs** incurred for the creation of a human resources department with the creation of 50 jobs or more over two years.

Innov'action agroalimentaire – MAPAQ

3 sections are available to help **increase competitiveness for businesses** in the agricultural and food processing sectors.

04

A Strategic Geographical Location





Montréal's Old Port

A gateway to 60% of the world's GDP

Thanks to **CUSMA, CETA, CPTPP**
and 12 other free trade agreements in force*

Direct access to **1.5 billion consumers**
and a **combined GDP** of **US\$50 trillion**
(60% of the world's output of goods and services)

**Only Canada has free trade agreements
with all other G7 countries**

*Canada-United States-Mexico Agreement (CUSMA), Comprehensive Economic and Trade Agreement (CETA) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
Source: World Trade Organization, 2020; World Bank, 2019; Census Bureau, 2020..

A world-class logistics hub



Major maritime hub: port of Montréal

- **Largest container port** in eastern Canada and main port for Québec and Ontario shippers
- More than 2,000 ships/year, 2,500 trucks/day and 60–80 trains/week
- Close to 40,6 M tonnes of merchandise in 2019: 40% liquid bulk, 37% containers and 23% solid bulk
- Canada invests \$18.5 M and Québec invests \$6.3 M in Port of Montréal to increase transport efficiency, capacity, and security at the Port of Montréal.

High-quality transportation infrastructure

- **Intermodal transportation hub:** air, maritime, road and rail transportation
- More than **142 million tonnes** of goods handled
- **3 industrial port zones (IPZ)** in greater Montréal (Montréal, Contrecoeur, Côte-sainte-catherine) dedicated to transportation and logistics projects



A logistics hub with many advantages



- **Transit times**
Shortest transit times from Europe and the Mediterranean to North America
- **Strategic location**
Closest international container port to North America's industrial heartland
- **Speed**
One-stop port, with no intermediate calls
- **Reliability**
Dedicated weekly services from the leading global carriers
- **Cost efficiency**
Balanced equipment flows through full vessel discharge and load
- **Flexibility**
Partners are flexible to extraordinary requests and can accommodate needs on a case-by-case basis
- **Efficiency**
Container dwell time lower than North American East Coast standards
- **Choice**
Directly connected to two Class 1 North American rail networks, with daily departures to Toronto, Chicago and Detroit
- **Market reach**
Access to 70 M consumers in 36 hours and 110 M consumers in 48 hours
- **Supply chain collaboration**
Continuous communication among terminal operators, the Montréal Port Authority and railway companies to ensure seamless operations and low dwell times

05

An Exceptional
Quality of Life

MTL
INTL

Montréal
International



The new food capital of North America

Well known for its creative and cosmopolitan character, Montréal's food scene is supported by its diverse immigration which contributes to a great gastronomic diversity, quality and originality. Greater Montréal was selected as:

- **The food capital of North America**
- *Town & Country*, 2016
- **Rising star foodie destination**
- *Gogobot*, 2016

Discover Montréal's top chefs

- Normand Laprise (Toqué!)
- Laurent Godbout (Chez L'Épicier)
- Charles-Antoine Crête (Montréal Plaza)
- Patrice Demers (Patrice Pâtissier)
- And more...

...and french chefs living in montréal

- Daniel Boulud (Maison Boulud, Ritz-Carlton)
- Jérôme Ferrer (Europea)
- Christian Faure (Maison Christian Faure)
- André Loiseau (Carte Blanche)

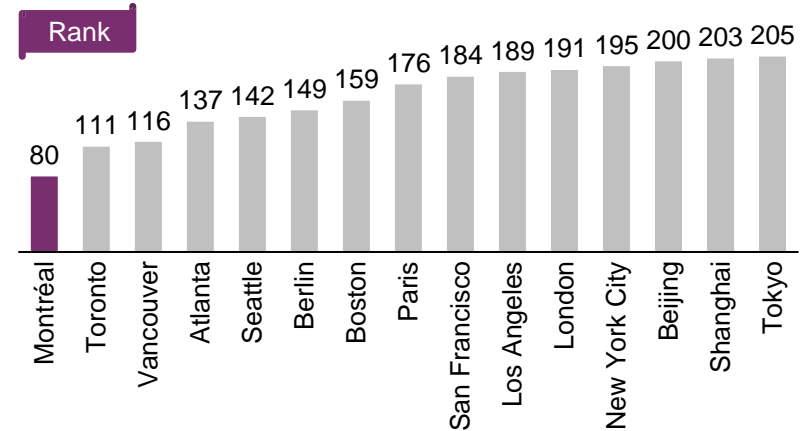




A low cost of living

Greater Montréal is **cheaper than almost all other large cities** in North America, Western Europe, China and Japan:

Mercer Cost of Living Index
World rank from least to most expensive*, 209 cities



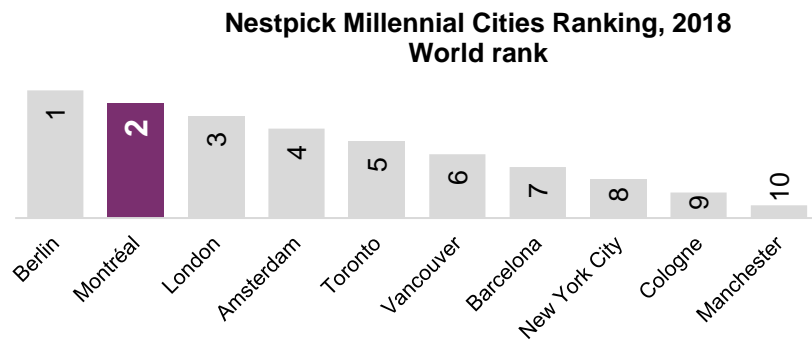
Greater Montréal offers a higher purchasing power thanks to:

- **Cheap housing**
- **Low medical insurance costs**
- **Generous family allowances**
- **Affordable child care**

* Montréal International's analysis.
Source: Mercer, "Cost of Living Survey," 2021.

An exceptional quality of life

- Montréal is the **2nd best city in the world** for millennials:



- Lowest homicide rate** among the 20 largest metropolitan areas in Canada and the U.S.
- Health care universals**
- Lowest education tuition fees** in North America
- Vibrant cultural metropolis** with 100+ festivals and 70 museums





Montréal's Olympic Stadium © Parc olympique

Globally recognized

Most reputable city in the Americas

Reputation Institute, 2018

Best city in Canada and 6th in the world

Time Out, 2019

Best student city in the Americas tied with Boston

QS Best Student Cities Rankings, 2022

Best city in the Americas for its quality of life

Knight Frank, City Wellbeing Index, 2020

Most affordable major city in Canada and the U.S.

UBS Prices and Earnings, 2018

Best Cycling City in North America

Coya, Global Bicycle Cities Index, 2019

Second most walkable city in Canada

Walk Score, 2020

UNESCO City of Design since 2006

Top host city in North America for international association events

Union of International Associations (UIA), 2020

06

Montréal International's Personalized, Free and Confidential Services



Montréal International, a single point of access to a series of personalized, free and confidential services



**Long-term
strategic support**



**Economic data
and communication
services**



**Government
relations facilitation**



**Incentive programs
assistance**



**Foreign workers
immigration
assistance**



**International
recruiting solutions**



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