BC Food and Beverage Processors' Survey

Survey Results

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Executive Summary

Overview
Schroeder Research Inc., in collaboration with representatives from Nova Quality Training and Consulting and Dan Wong and Associates, developed the *BC Food and Beverage Processors' Survey*. The survey was designed to obtain information from individuals who work in British Columbia's food and beverage processing industry about their views on a proposed umbrella organization that could help them meet competitive challenges the industry faces and address areas where industry joint action would be beneficial.

Description of the Sample
618 potential survey respondents were identified using lists provided by the Department of Agriculture and Agri-Food Canada, and the Investment Agriculture Foundation of BC. Nova representatives attempted to contact all of these individuals, and succeeded in reaching 414 business owners or senior executives. 136 surveys were completed, 84 in telephone interviews, and 52 in electronic (facsimile or email) form.

Importance of Issues
Respondents rated the importance of six issues identified by leaders in the food and beverage industry. Respondents used a scale that ranged from 1 = Not At All Important to 10 = Very Important. The issue of Responsive and Equal Regulations was rated as most important and Research and Education was rated as least important.

Issue		
	n	***Mean***
Responsive and Equal Regulations	132	7.34
Labour Costs	133	7.06
Access to Capital	135	6.56
Support Infrastructure and Market Information	135	6.13
Coordination and Strategic Focus	132	6.13
Research and Education	135	5.87

Respondents were asked whether there were other issues that should be priorities for the food and beverage industry; 32 of the 136 respondents mentioned market access.

Respondents were asked to indicate the issues they thought would have the greatest impact on their business in the next three to five years. Competitive cost structure and equity with other jurisdictions, information about and application of trade rules, and competition (new competitors and global competitors) were most frequently mentioned.

Industry Associations
Fifty-eight percent of respondents reported that they belonged to one or more food and beverage associations or sector processing groups. The main reasons they provided for having a membership were access to information, lobbying, or because membership was mandatory.

The most frequently mentioned service that a new organization could provide that they were not currently receiving was lobbying the provincial government. The reader should note that only nine people mentioned this service in response to the unaided question.

Respondents indicated that they were receiving good value for the cost of their industry group memberships. Almost one-half provided a rating of 8 or higher on the 10-point scale used to assess membership value.

Specific Services
Respondents were asked to indicate how interested they were in each of 15 specific services that a BC food and beverage association might provide. Over 40% of respondents indicated that they were *Very Interested* in the following services.

- Information about government programs, and how to access grants and funds (53% Very Interested).
- Lobbying the provincial government about issues of importance to the food and beverage industry (50%).
- Education seminars on topics such as changes in legislation or industry regulations, workplace health and safety, labeling, and shipping to the US (45%).
- A website that would provide information about issues of relevance to the food and beverage industry (43%).
- Lobbying the federal government about issues of importance to the food and beverage industry (43%).
- Lobbying local governments about issues of importance to the food and beverage industry (41%).

Respondents expressed least interest in help with staff recruitment, development, or training (21%) and information about or help with importing products (17%).

Respondents were asked what kind of association model they preferred.

- 44% preferred an organization of individual processors.
- 27% preferred a confederation of existing sector organizations.
- 21% did not express a preference.

Respondents were asked to indicate what specific role an umbrella organization should play and what services it should offer. Advocacy and lobbying, and providing general information and education were the two most frequently mentioned topics. This unaided question was answered by 76 of the 136 respondents.

Interest in Joining an Industry Association

Respondents were asked to rate how interested they would be in joining a BC-based food and beverage industry association using a scale where 1 was Not At All Interested and 10 was Very Interested. The mean rating was 6.20; 46 of the 129 respondents (36%) provided a rating of 8 or higher.

Over 60% of respondents indicated that the annual fee should not exceed $250.

Just over one-third of respondents expressed interest in being involved in an industry association as a board or committee member, 40% were not interested, and 27% did not know.

Overview

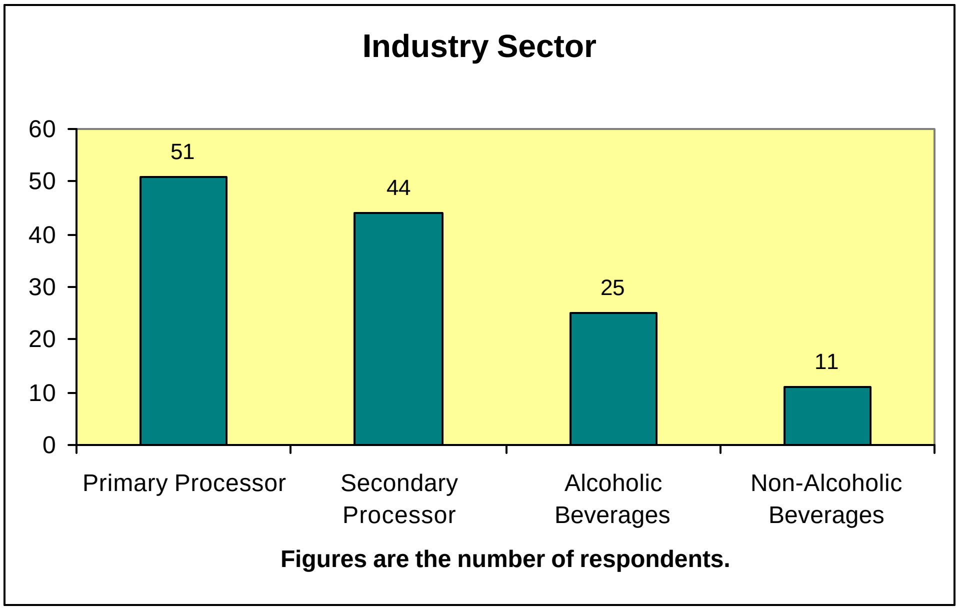
Schroeder Research Inc., in collaboration with representatives from Nova Quality Training and Consulting and Dan Wong and Associates, developed the *BC Food and Beverage Processors' Survey*. The survey was designed to obtain information from individuals who work in British Columbia's food and beverage processing industry about their views on a proposed umbrella organization that could help them meet the competitive challenges the industry faces and address areas where industry joint action would be beneficial. A sample survey is provided in Appendix A.

Methodology and Description of the Sample

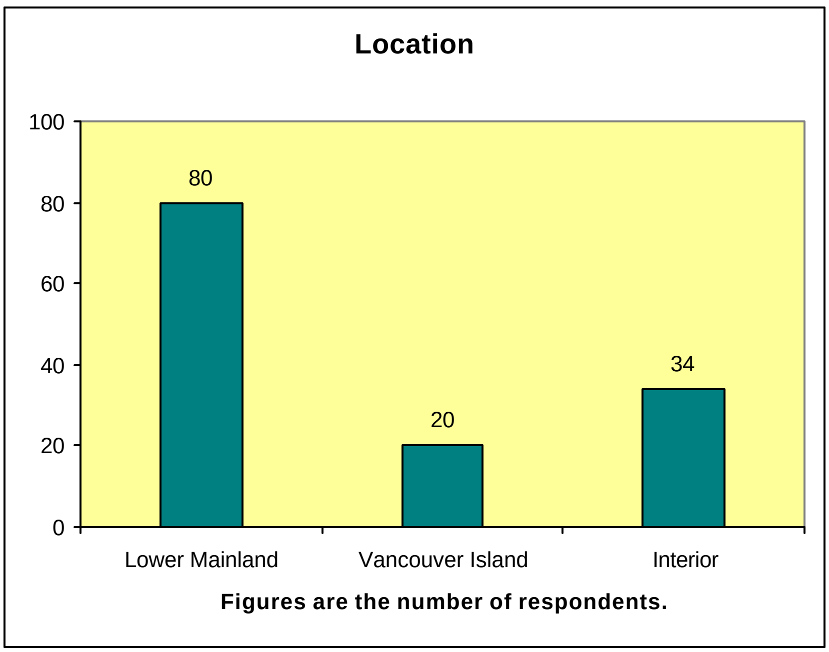
Potential survey respondents were identified by obtaining lists from the Department of Agriculture and Agri-Food Canada, and from the Investment Agriculture Foundation of BC. Nova consolidated the two lists, removing duplicate businesses and businesses not directly involved in food processing. This resulted in a list of 618 food and beverage processors. Nova representatives attempted to contact all of these individuals, and succeeded in reaching 414 business owners or senior executives. Of these, 84 completed the survey in a telephone interview, and 52 requested and returned an electronic (facsimile or email) version of the survey. The list of participating companies is contained in Appendix B; six surveys were returned without identifying information.

Assuming that the 618 food and beverage processors define the population of interest, the completion rate for the survey is 22%. We cannot know how representative the 136 respondents are of the population of all processors. Only 22 individuals verbally declined to participate. We do not know why other potential participants failed to complete the survey.

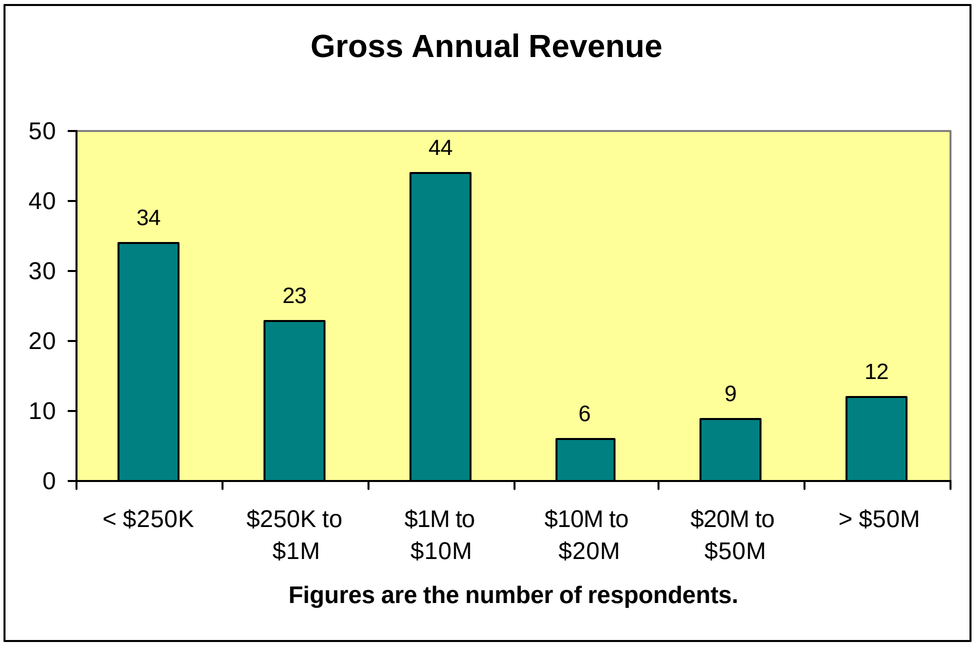
Survey respondents were classified according to their industry sector (primary food processor, packaged food processor, producer of alcoholic beverages, producer of non-alcoholic beverages), business location (Lower Mainland, Vancouver Island, Interior, Northern BC), business' gross revenue, and number of full-time equivalent employees. The following graphs show the breakdown of the sample on these variables. We created five categories for number of employees to simplify presentation. The total number of responses in the graphs is less than 136 because some respondents did not provide the information.



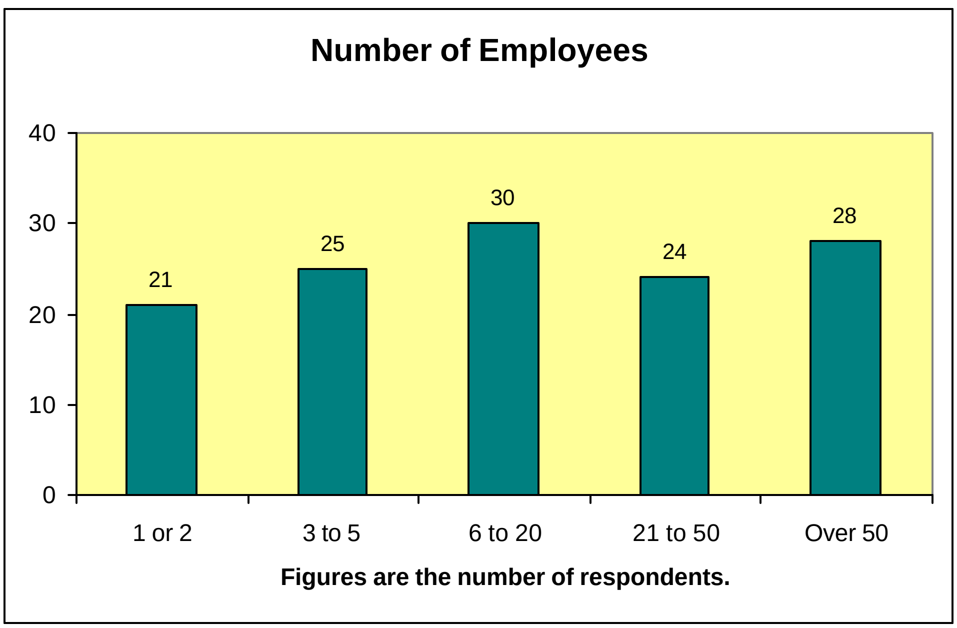
Industry Sector
60
50
40
30
20
10
0
51
44
25
11
Primary Processor
Secondary Processor
Alcoholic Beverages
Non-Alcoholic Beverages
Figures are the number of respondents.



Location
100
80
60
40
20
0
80
20
34
Lower Mainland
Vancouver Island
Interior
Figures are the number of respondents.



Gross Annual Revenue
50
40
30
20
10
0
34
23
44
6
9
12
< $250K
$250K to $1M
$1M to $10M
$10M to $20M
$20M to $50M
> $50M
Figures are the number of respondents.



Number of Employees
40
30
20
10
0
21
25
30
24
28
1 or 2
3 to 5
6 to 20
21 to 50
Over 50
Figures are the number of respondents.

Survey Results

In this section of the report we provide information about the number and percentage of individuals who answered the survey questions. Because of rounding some percentages do not sum exactly to 100%. Multiple responses were allowed to some questions. The percentages for these questions exceed 100% because we have provided the percentage of respondents who gave a particular response.

SECTION ONE – Importance of Issues

The first section of the survey asked respondents to indicate how important six issues were for their company. These issues were identified in meetings and forums held by leaders in the food and beverage industry. Respondents were asked to provide a rating on a 10-point scale where 1 was Not At All Important and 10 was Very Important. The following table shows the number of respondents who provided a rating (*n*), the mean rating, and the percentage of respondents who provided each rating. Two issues received mean importance ratings greater than 7 on the 10-point scale: Responsive and Equal Regulations (7.34) and Labour Costs (7.06). Research and Education was rated as the least important issue.

Issue			**Percentage of respondents who provided ratings of …**									
	n	***Mean***	***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***	***9***	***10***
Research and Education	135	5.87	12	2	10	10	9	8	13	19	10	8
Support Infrastructure and Market Information	135	6.13	7	7	5	8	10	11	12	21	9	10
Access to Capital	135	6.56	7	3	12	6	10	6	2	19	18	17
Responsive and Equal Regulations	132	7.34	5	2	4	1	14	8	12	17	14	26
Coordination and Strategic Focus	132	6.13	5	2	10	9	14	10	14	20	8	8
Labour Costs	133	7.06	6	3	3	5	12	11	6	17	14	24

For each of the six issues, respondents who provided a rating of 7 or higher were asked if there were particular activities, functions, or topics of interest to them. Responses to these questions, and to all other open-ended survey questions, are provided in a separate document.

Respondents were asked, unaided, if there were other issues that they thought should be priorities for the food and beverage industry. Most responses were coded into categories. The *Other* responses are provided in a separate document. The 79 individuals who responded to this question identified 122 issues, many of which were specific to their industry sector.

Other issues that should be priorities for the food and beverage industry	Number of Respondents	Percentage of Respondents
Market access	32	41%
Networking	13	16%
Regulations	11	14%
Advocacy	7	9%
BC brand identification	7	9%
Taxes	6	8%
Affinity/discount programs	1	1%
Other	45	57%

Respondents also were asked, unaided, what issues they thought would have the greatest impact on their business in the next three to five years. Most responses were coded into categories. The *Other* responses are provided separately. The 123 people who answered this question identified 296 issues.

Issues that respondents thought would have the greatest impact on their business in the next three to five years.	Number of Respondents	Percentage of Respondents
Competitive cost structure/Level playing field with other jurisdictions	38	31%
Trade rules (information on/application of)	25	20%
Competition (new competitors/global competitors)	21	17%
Labeling (including foreign labeling requirements)	19	15%
Food safety	18	15%
Regulations	16	13%
Supply of raw materials	14	11%
Currency	12	10%
Transportation/distribution	11	9%
Health and safety	10	8%
Environmental concerns	8	7%
Supply chain consolidation/Trade relations	8	7%
US customs	7	6%
Market access	7	6%
Shifts in consumer demand	6	5%
New technology	5	4%
Industry diversification	5	4%
US trade	5	4%
Genetically modified foods	3	2%
Increased fuel costs	2	2%
Other	56	46%

SECTION TWO – Industry Associations

Respondents were asked whether they were a member of any food and beverage associations or sector processing groups. Of the 133 individuals who answered this question, 77 (58%) reported that they belonged to one or more groups.

Respondents who belonged to one or more groups were asked why they were members. The following table indicates that the main reasons for membership were to have access to information and to have a voice.

Reasons for Industry Association Membership	Number of Respondents	Percentage of Respondents
To obtain or have access to information	22	31%
For lobbying or to have a voice	17	24%
Because membership is mandatory or traditional	15	21%
For networking	9	13%
For marketing purposes	6	8%
To enhance status or reputation of the business	2	3%
Because of Affinity programs	1	1%
	72	**100%**

Respondents were asked whether there were any services they did not currently receive that a BC food and beverage association could provide. Nine people mentioned lobbying the provincial government, six mentioned networking, and four mentioned market access. The few *Other* responses that did not fall into the categories included in the survey are provided separately.

Respondents were asked to rate the value of their association memberships considering what they pay on a scale where 1 was Poor Value and 10 was Excellent Value. Most respondents rated membership value favourably. The mean rating was 7.28; 36 of the 75 respondents (48%) provided a rating of 8 or higher. Only 10 respondents gave a rating lower than 6. These individuals were asked for the reason for their rating. Three mentioned a lack of benefits, two did not provide a reason, and a few respondents mentioned very specific reasons. These reasons are contained in a separate document.

			Percentage of respondents who provided ratings of …									
	n	***Mean***	***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***	***9***	***10***
Value of association membership considering what you pay	75	7.28	0	1	4	3	5	17	21	27	4	17

SECTION THREE – Specific Services

In this section of the survey, respondents were asked how interested they were in each of 15 specific services that a BC food and beverage association might provide. The services listed in the following table are sorted according to the percentage of respondents who indicated that they were *Very Interested* in the service.

		Percentage of respondents who answered …			
Service	***N***	**Not At All Interested**	**Somewhat Interested**	**Very Interested**	**Already have this service**
Information about government programs, and how to access grants and funds.	134	7	35	53	4
Lobbying the provincial government about issues that are important to the food and beverage industry.	135	9	32	50	10
Education seminars on topics such as changes in legislation or industry regulations, workplace health and safety, labeling, shipping to the US.	136	10	35	45	10
A website that provides information about issues relevant to the food and beverage industry.	136	10	42	43	5
Lobbying the federal government about issues that are important to the food and beverage industry.	134	14	32	43	11
Lobbying local governments about issues that are important to the food and beverage industry.	135	24	29	41	6
The provision of technical services such as HACCP (Hazard Analysis Critical Control Points) or ISO.	135	21	32	39	8
Participation in generic food and beverage product promotions like *Buy BC.*	134	20	38	38	4
Information about or help with product marketing and exporting, including joint venture exporting opportunities.	134	22	34	36	8
Information about or help with product marketing, including shipping to and from areas in Canada outside of BC.	134	24	34	36	6
Affinity programs that provide discounts for such things as VISA, telephone long distance service, or business insurance.	136	26	37	29	9
Meetings and forums with food and beverage organizations that would provide you with networking opportunities with the trade.	134	12	51	27	10
Meetings and forums with other individuals working in the food and beverage industry that would provide you with networking opportunities.	136	15	52	25	8
Help with staff recruitment, development, or training.	133	38	35	21	5
Information about or help with importing products.	135	45	30	17	7

Respondents were asked to indicate which of two industry association models they thought would best meet their company's needs. The following table indicates that an organization of individual processors was preferred over a confederation of existing sector organizations.

Preferred Association Model	Number of Respondents	Percentage of Respondents
A confederation of existing sector organizations that would jointly fund an umbrella association that would address common issues.	36	27%
An organization consisting of individual food and beverage processors who would pay a membership fee and fees for additional services.	58	44%
A combination of the two models	2	2%
Don't Know	28	21%
Other	7	5%
	131	**100%**

Respondents were asked, unaided, to indicate what specific role an umbrella organization should play and what services it should offer. Most responses were coded into categories. The *Other* responses are provided separately. The 76 individuals who responded to this question identified 157 topics. Thirty-two respondents indicated that they did not know what role the organization should play and 28 did not answer the question.

What specific role should an umbrella organization play and what services should it offer?	Number of Respondents	Percentage of Respondents
Advocacy/Lobbying	34	44%
General information/Education	21	28%
Networking	17	22%
Formal education (seminars, training, certification, etc.)	15	20%
Access to industry programs and funding	14	18%
Coordination of food and beverage sector interests	11	14%
Technical services/Technical support	9	12%
Media relations	2	3%
Affinity programs	2	3%
Other	32	42%

Respondents were asked to rate how interested they would be in joining a BC-based food and beverage industry association on a scale where 1 is Not At All Interested and 10 is Very Interested. The mean rating was 6.20; 46 of the 129 respondents (36%) provided a rating of 8 or higher. The following table provides a breakdown of all responses.

			Percentage of respondents who provided ratings of …									
	n	***Mean***	***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***	***9***	***10***
Interest in joining an industry association	129	6.20	7	4	8	5	12	10	18	16	11	9

Respondents were asked to indicate what they thought a realistic annual membership fee would be for a company like theirs. Over 60% of respondents indicated that the annual fee should not exceed $250. Seven respondents did not know what a realistic fee would be and two individuals did not provide an answer.

What would be a realistic annual membership fee?	**Number of Respondents**	**Percentage of Respondents**
Under $100	35	28%
$100 to $250	48	38%
$250 to $500	17	13%
$500 to $1000	16	13%
$1000 to $5000	11	9%
Over $5000	0	0%
	127	**100%**

The final question of the survey asked respondents whether they would be interested in being involved in an industry association, for example, as a board member or committee member.

Would you be interested in being involved in an industry association as a board or committee member?	**Number of Respondents**	**Percentage of Respondents**
Yes	45	34%
No	53	40%
Don’t Know	36	27%
	134	**100%**

Subgroup Differences

In this section of the report we provide breakdowns by industry sector, revenue, number of employees, and geographic location. We examined mean ratings provided to the top six issues, the percentage of respondents who were very interested in the 15 specific services, and the percentage of respondents who belonged to industry associations. In addition, we looked at subgroup differences to determine how interested respondents were in joining a new food and beverage association. There were no significant differences in interest by subgroup in joining an association. Finally, we examined subgroup differences in the percentage of individuals who indicated that a realistic membership fee for a company like theirs was $250 or less compared to individuals who thought that a membership fee of over $250 was appropriate.

Breakdown of Results by Industry Sector

In this section of the report we present the results broken down by the four industry sectors. The reader should keep in mind that there are only 11 respondents in the non-alcoholic beverage sector. In addition, the majority of the respondents in the primary and secondary food processor sectors were from the Lower Mainland, while the majority of respondents in the alcoholic beverage sector were from the Interior.

The first table contains the average importance rating provided to each of the six top issues. No statistically significant group differences were found. This means that differences among groups are no larger than would be expected by chance alone.

	Industry Sector			
Issue	**Primary Food Processor**	**Secondary Food Processor**	**Alcoholic Beverages**	**Non-Alcoholic Beverages**
Research and Education	6.00	5.79	5.80	5.27
Support Infrastructure and Market Information	6.37	6.56	5.16	5.27
Access to Capital	6.98	6.21	6.16	6.64
Responsive and Equal Regulations	7.94	7.05	6.38	7.20
Coordination and Strategic Focus	6.33	6.02	5.48	6.40
Labour Costs	7.14	7.65	5.84	7.18

The table below shows the percentage of respondents in each sector that reported belonging to any food and beverage associations or sector processing groups. As can be seen, respondents in the alcoholic beverage sector were most likely to have memberships in these organizations.

Primary Food Processor	**Secondary Food Processor**	**Alcoholic Beverages**	**Non-Alcoholic Beverages**
59%	48%	80%	55%

The following table contains the percentage of respondents who indicated that they were very interested in each of the 15 specific proposed services. Where the difference between the highest and lowest group is at least 20 percentage points we have shaded these scores. The results show that respondents in the alcoholic beverage sector often were least interested in receiving these services.

	Service	Primary Processor	Secondary Processor	Alcoholic Beverages	Non-Alcoholic Beverages
a.	Meetings and forums with food and beverage organizations that would provide you with networking opportunities with the trade.	25	33	16	18
b.	Meetings and forums with other individuals working in the food and beverage industry that would provide you with networking opportunities.	31	27	8	9
c.	Lobbying the federal government about issues that are important to the food and beverage industry.	39	44	45	36
d.	Lobbying the provincial government about issues that are important to the food and beverage industry.	53	44	52	45
e.	Lobbying local governments about issues that are important to the food and beverage industry.	43	50	33	18
f.	Affinity programs that provide discounts for such things as VISA, telephone long distance service, or business insurance.	33	27	28	18
g.	Education seminars on topics such as changes in legislation or industry regulations, workplace health and safety, labeling, shipping to the US.	47	52	20	54
h.	A website that provides information about issues relevant to the food and beverage industry.	51	48	12	55
i.	Help with staff recruitment, development, or training.	18	26	8	27
j.	Information about or help with product marketing, including shipping to and from areas in Canada outside of BC.	30	43	29	27
k.	Information about or help with product marketing and exporting, including joint venture exporting opportunities.	38	44	12	36
l.	Information about or help with importing products.	16	21	4	27
m.	Participation in generic food and beverage product promotions like *Buy BC*.	39	40	38	27
n.	The provision of technical services such as HACCP (Hazard Analysis Critical Control Points) or ISO.	36	45	24	45
o.	Information about government programs, and how to access grants and funds.	56	56	52	27

The following table shows the percentage of individuals who believed that a realistic membership fee was less than or more than $250. Although respondents in the non-alcoholic beverages sector thought that more than $250 was appropriate, this difference is not statistically significant because of the small number of respondents in this sector.

Realistic Annual Fee	Primary Food Processor	Secondary Food Processor	Alcoholic Beverages	Non-Alcoholic Beverages
Under $250	68	70	63	45
Over $250	32	30	37	55

Breakdown of Results by Revenue

This section of the report contains a breakdown of results by gross annual revenue. For these analyses we combined the highest three categories to create the category *Over $10 Million* which contains 28 respondents. We did this because of the small number of respondents in the *$10 Million to $20 Million*, and *$20 Million to $50 Million* categories. The reader should keep in mind that 20 of the businesses in the *Over $10 Million* category are located in the Lower Mainland.

The first table contains the average importance rating provided to each of the six top issues. We found no statistically significant group differences.

	Gross Revenue			
Issue	<$250K	$250K to $1M	$1M to $10M	>$10M
Research and Education	5.91	5.35	6.50	5.85
Support Infrastructure and Market Information	6.29	6.26	6.27	5.78
Access to Capital	6.65	6.83	7.25	5.63
Responsive and Equal Regulations	7.38	6.70	7.41	7.73
Coordination and Strategic Focus	6.44	5.32	6.35	5.93
Labour Costs	6.36	6.57	7.19	7.67

The table below shows the percentage of respondents in each revenue category that reported belonging to one or more food and beverage associations. As can be seen, respondents with gross revenue above $1 million were more likely to have memberships in these organizations.

<$250K	$250K to $1M	$1M to $10M	>$10M
50%	38%	66%	69%

This table contains the percentage of respondents who indicated that they were very interested in each of the 15 specific proposed services.

Where the difference between the highest and lowest group is at least 20 percentage points we have shaded these scores. There are only three substantial differences by revenue group. Respondents with revenue of over $10 million were least interested in affinity programs, information about product marketing, and information about how to access government programs.

	Service	<$250K	$250K to $1M	$1M to $10M	>$10M
a.	Meetings and forums with food and beverage organizations that would provide you with networking opportunities with the trade.	32	18	35	19
b.	Meetings and forums with other individuals working in the food and beverage industry that would provide you with networking opportunities.	29	17	27	26
c.	Lobbying the federal government about issues that are important to the food and beverage industry.	42	43	47	44
d.	Lobbying the provincial government about issues that are important to the food and beverage industry.	53	57	43	54
e.	Lobbying local governments about issues that are important to the food and beverage industry.	48	35	39	44
f.	Affinity programs that provide discounts for such things as VISA, telephone long distance service, or business insurance.	35	26	32	15
g.	Education seminars on topics such as changes in legislation or industry regulations, workplace health and safety, labeling, shipping to the US.	41	43	55	41
h.	A website that provides information about issues relevant to the food and beverage industry.	50	43	45	41
i.	Help with staff recruitment, development, or training.	25	26	21	15
j.	Information about or help with product marketing, including shipping to and from areas in Canada outside of BC.	47	43	34	26
k.	Information about or help with product marketing and exporting, including joint venture exporting opportunities.	36	48	33	37
l.	Information about or help with importing products.	18	26	12	19
m.	Participation in generic food and beverage product promotions like *Buy BC.*	32	39	47	35
n.	The provision of technical services such as HACCP (Hazard Analysis Critical Control Points) or ISO.	35	32	48	37
o.	Information about government programs, and how to access grants and funds.	58	57	64	39

The following table shows the percentage of individuals who believed that a realistic membership fee was less than or more than $250. Revenue was highly related to what individuals believed was a realistic annual fee. In particular, of the 25 individuals from companies with revenue of over $10 million, 8 thought that between $500 and $1000 dollars was appropriate and 6 thought that between $1000 and $5000 was appropriate. Of the 42 people from companies with revenue between $1 million and $10 million, 9 indicated that between $500 and $5000 was an appropriate annual fee. Only one individual from a company with revenue less than $1 million thought that an annual fee of $1000 or more was appropriate.

Realistic Annual Fee	**<$250K**	**$250K to $1M**	**$1M to $10M**	**>$10M**
Under $250	88	91	57	24
Over $250	12	9	43	76

Breakdown by Number of Employees

This section contains breakdowns by the number of employees grouped into the five categories described previously. The reader should keep in mind that the number of employees is substantially related to gross revenue.

The first table contains the average importance rating provided to each of the six top issues. For Labour Costs, the rating provided by respondents with one or two employees was significantly lower than the average ratings provided by the other groups. We found no other statistically significant group differences.

	Number of Employees				
Issue	**1 or 2**	**3 to 5**	**6 to 20**	**21 to 50**	**Over 50**
Research and Education	5.33	5.40	6.03	6.17	5.96
Support Infrastructure and Market Information	6.10	5.88	6.17	6.21	6.18
Access to Capital	6.29	6.72	6.80	7.21	5.57
Responsive and Equal Regulations	7.00	6.92	7.70	7.00	7.70
Coordination and Strategic Focus	6.37	5.79	6.41	6.04	5.82
Labour Costs	5.00	6.83	7.55	7.08	7.75

The table below shows the percentage of respondents in each employee size category that reported belonging to any food and beverage associations. As can be seen, respondents with over 20 employees were somewhat more likely to have memberships in these organizations than were respondents with fewer employees.

1 or 2	**3 to 5**	**6 to 20**	**21 to 50**	**Over 50**
57%	38%	60%	67%	73%

This table contains the percentage of respondents who indicated that they were very interested in each of the 15 specific proposed services.

Where the difference between the highest and lowest group is at least 20 percentage points we have shaded these scores. Respondents with one or two employees were most interested in lobbying the provincial government and having access to a website containing industry information. These respondents were least interested in information about importing products and the provision of technical services. Respondents with over 50 employees were least interested in lobbying the federal or provincial government, affinity programs, and the website.

	Service	1 or 2	3 to 5	6 to 20	21 to 50	Over 50
a.	Meetings and forums with food and beverage organizations that would provide you with networking opportunities with the trade.	24	25	28	29	25
b.	Meetings and forums with other individuals working in the food and beverage industry that would provide you with networking opportunities.	24	28	20	25	21
c.	Lobbying the federal government about issues that are important to the food and beverage industry.	50	36	41	54	32
d.	Lobbying the provincial government about issues that are important to the food and beverage industry.	62	48	43	54	41
e.	Lobbying local governments about issues that are important to the food and beverage industry.	50	32	37	46	39
f.	Affinity programs that provide discounts for such things as VISA, telephone long distance service, or business insurance.	33	40	30	29	18
g.	Education seminars on topics such as changes in legislation or industry regulations, workplace health and safety, labeling, shipping to the US.	38	52	47	50	39
h.	A website that provides information about issues relevant to the food and beverage industry.	62	36	40	46	39
i.	Help with staff recruitment, development, or training.	15	28	21	17	14
j.	Information about or help with product marketing, including shipping to and from areas in Canada outside of BC.	35	46	33	33	32
k.	Information about or help with product marketing and exporting, including joint venture exporting opportunities.	29	46	33	35	29
l.	Information about or help with importing products.	0	24	23	13	19
m.	Participation in generic food and beverage product promotions like *Buy BC.*	33	32	40	45	43

	Service	1 or 2	3 to 5	6 to 20	21 to 50	Over 50
n.	The provision of technical services such as HACCP (Hazard Analysis Critical Control Points) or ISO.	24	36	47	46	30
o.	Information about government programs, and how to access grants and funds.	55	48	53	58	52

The following table shows the percentage of individuals who believed that a realistic membership fee was less than or more than $250. As was the case with revenue, number of employees was highly related to what individuals believed was a realistic annual fee. The larger the company the more likely individuals were to indicate that a fee over $250 was appropriate.

Realistic Annual Fee	1 or 2	3 to 5	6 to 20	21 to 50	Over 50
Under $250	94	91	72	46	32
Over $250	6	9	28	54	68

Breakdown by Geographic Location

This section contains breakdowns grouped by geographic location. The reader should keep in mind that this variable is substantially related to gross revenue, sector, and number of employees.

The first table contains the average importance rating provided to each of the six top issues. None of the group comparisons attained statistical significance.

	Location		
Issue	Lower Mainland	Vancouver Island	BC Interior
Research and Education	5.95	5.35	6.21
Support Infrastructure and Market Information	6.22	6.00	6.26
Access to Capital	6.71	6.40	6.44
Responsive and Equal Regulations	7.68	6.45	7.41
Coordination and Strategic Focus	6.17	6.00	6.27
Labour Costs	7.51	6.45	6.71

The table below shows the percentage of respondents in each location that reported belonging to any food and beverage associations. As can be seen, respondents in the Lower Mainland were least likely to have memberships in these organizations.

Lower Mainland	Vancouver Island	BC Interior
52%	65%	68%

This table contains the percentage of respondents who indicated that they were very interested in each of the 15 specific proposed services. For the most part, respondents on Vancouver Island expressed greatest interest in these services.

	Service	Lower Mainland	Vancouver Island	BC Interior
a.	Meetings and forums with food and beverage organizations that would provide you with networking opportunities with the trade.	24	40	26
b.	Meetings and forums with other individuals working in the food and beverage industry that would provide you with networking opportunities.	25	30	24
c.	Lobbying the federal government about issues that are important to the food and beverage industry.	44	50	38
d.	Lobbying the provincial government about issues that are important to the food and beverage industry.	48	65	48
e.	Lobbying local governments about issues that are important to the food and beverage industry.	41	50	38
f.	Affinity programs that provide discounts for such things as VISA, telephone long distance service, or business insurance.	28	40	26
g.	Education seminars on topics such as changes in legislation or industry regulations, workplace health and safety, labeling, shipping to the US.	46	65	32
h.	A website that provides information about issues relevant to the food and beverage industry.	45	55	35
i.	Help with staff recruitment, development, or training.	20	32	18
j.	Information about or help with product marketing, including shipping to and from areas in Canada outside of BC.	36	45	32
k.	Information about or help with product marketing and exporting, including joint venture exporting opportunities.	40	45	24
l.	Information about or help with importing products.	18	25	12
m.	Participation in generic food and beverage product promotions like *Buy BC.*	33	53	44
n.	The provision of technical services such as HACCP (Hazard Analysis Critical Control Points) or ISO.	42	45	29
o.	Information about government programs, and how to access grants and funds.	56	47	53

The following table shows the percentage of individuals who believed that a realistic membership fee was less than or more than $250. Although respondents from Lower Mainland companies were more likely to indicate that more than $250 was appropriate, this difference is not statistically significant. The previously described results show that company size is more predictive of individuals' perceptions of what fee is appropriate than location or industry sector.

Realistic Annual Fee	Lower Mainland	Vancouver Island	BC Interior
Under $250	58	75	73
Over $250	42	25	27

Appendix A – Sample Survey

BC Food and Beverage Survey

(Revised May 1, 2003)

Demographic Information (Complete before the interview, if possible. If not available, obtain the information at the end of the survey.)

Sector	
Revenue	
Location	
Number of full-time equivalent employees	

Good morning/afternoon. May I please speak with __________ (name)?

This is _______ (name) from Nova Consulting and Research. I am calling you for the appointment we set up to conduct the survey on behalf of the BC Food and Beverage Processors' Steering Committee. I want to ask you about your views on an umbrella organization that could help BC's food and beverage processors meet the competitive challenges that the industry faces and address areas where industry joint action could benefit your firm. My questions should take about 15 minutes. May I proceed? Thank you.

SECTION ONE – Importance of Issues

Technical Note. About one-half of surveys ordered the issues as presented here. In the other half, the order of the issues was 4, 5, 6, 1, 2, and 3.

In meetings and forums over the past year, leaders in the food and beverage industry have identified six top issues. I am going to ask you some questions to determine how important these issues are for your company. After that I am going to ask you some questions about food and beverage industry associations.

1. Research and Education (DO NOT READ HEADING)

Some food and beverage industry representatives believe that British Columbia's ability to compete in a larger marketplace is hindered by a lack of technical expertise and infrastructure that would help companies to develop innovative new products, processes, and services.

On a scale of 1 to 10, where 1 is Not At All Important and 10 is Very Important, how important will the availability of expanded research and education capabilities be for your company in the next three to five years?

Not At All Important									Very Important	Don't Know
1	2	3	4	5	6	7	8	9	10	x

1a. *If rating of 7 or higher, ask:* Are there any particular activities/functions or topics that are of interest to you?

____

2. Support Infrastructure and Market Information (DO NOT READ HEADING)
Some industry representatives believe that the industry would be more effective if information and intelligence regarding new market opportunities, product opportunities, import replacement, and technical developments were more readily available. In your opinion, how important will the availability of enhanced market information be for your company in the next three to five years?

Not At All Important									Very Important	Don't Know
1	2	3	4	5	6	7	8	9	10	x

2a. *If rating of 7 or higher, ask:* Are there any particular activities/functions or topics that are of interest to you?

____

3. Access to Capital (DO NOT READ HEADING)
Some food and beverage industry representatives believe that banks and other financial institutions are reluctant to lend money to food and beverage processors because they perceive the industry to be too risky. Industry representatives believe that limited access to capital is a significant obstacle to the industry's growth and development. In your opinion, how important will expanded access to capital be for your company in the next three to five years?

Not At All Important									Very Important	Don't Know
1	2	3	4	5	6	7	8	9	10	x

3a. *If rating of 7 or higher, ask:* Are there any particular activities/functions or topics that are of interest to you?

____

4. Responsive and Equal Regulations (DO NOT READ HEADING)
Some industry representatives experience frustration because they have to abide by different regulations in different markets. For example, export market factors like customs clearance and product labeling affect how easily products can be sold. Some industry representatives have called for harmonized regulations or the establishment of a common source of information that would help companies address regulatory barriers. In your opinion, how important will harmonized regulations or a common source of information be for your company in the next three to five years?

Not At All Important									Very Important	Don't Know
1	2	3	4	5	6	7	8	9	10	x

4a. *If rating of 7 or higher, ask:* Are there any particular activities/functions or topics that are of interest to you?

____

5. Coordination and Strategic Focus (DO NOT READ HEADING)
Some industry representatives believe that BC's food and beverage processors need to find a common ground in order to effectively address industry challenges and issues. They think there is a need to coordinate the diverse interests of industry sub-sectors so that the industry as a whole can take a strategic approach to competitiveness and growth. How important do you think it will be for the industry to have a coordinated, industry-wide strategy in the next three to five years?

Not At All Important									Very Important	Don't Know
1	2	3	4	5	6	7	8	9	10	X

5a. *If rating of 7 or higher, ask:* Are there any particular activities/functions or topics that are of interest to you?

____

6. Labour Costs (DO NOT READ HEADING)
Some industry representatives believe that high labour costs are an obstacle to the overall competitiveness of BC's food and beverage processors. For example, lower labour costs in Alberta and Washington State make those locations more attractive for food and beverage operations. Factors like WCB rates and personal income tax levels raise industry labour costs. In your opinion, how important will labour costs be to your company in the next three to five years?

Not At All Important									Very Important	Don't Know
1	2	3	4	5	6	7	8	9	10	X

6a. *If rating of 7 or higher, ask:* Are there any particular activities/functions or topics that are of interest to you?

____

7. Are there any issues, other than the ones we have just talked about, that you think should be priorities for the food and beverage industry over the next three to five years? (DO NOT READ, CIRCLE ALL THAT APPLY, PROBE)

1. Market access
2. Advocacy
3. Networking
4. Affinity/Discount Programs
5. Other (Specify) ______________________________________
6. Don't Know

8. What issues do you think will have the greatest impact on your business during the next three to five years? (DO NOT READ, CIRCLE ALL THAT APPLY, PROBE)

1. Competitive cost structure/level playing field with other jurisdictions.
2. Trade rules (information on/application of).
3. Environmental concerns.
4. Health and safety.
5. Supply of raw materials.
6. Supply chain consolidation/trade relations.
7. Genetically modified foods.
8. Labeling (including foreign labeling requirements).
9. Shifts in consumer demand.
10. Food safety.
11. Transportation/distribution.
12. Competition (new competitors/global competitors).
13. New technology.
14. Industry diversification.
15. Other (specify) _____________________________.
16. Don't Know

SECTION TWO – Industry Associations

1. I have a few questions about food and beverage industry associations and groups. Are you currently a member of any food and beverage associations or sector processing groups like the BC Dairy Council, BC Small Scale Processors Association, Food Processors of Canada (FPCMP), or the Alberta Food Processors Association (AFPA)?

    1. Yes (specify): _________________________________ GO TO Q2
    2. No GO TO SECTION THREE
    3. Refused GO TO SECTION THREE

2. If one group in Q1: Can you tell me why you belong to this group?
If more than one group in Q1: Can you tell me why you belong to these groups?

____

3. Are there any services that the groups you belong to do not provide that a BC food and beverage association could provide? (DO NOT READ, CIRCLE ALL THAT APPLY)

    1. Lobbying the Provincial Government
    2. Networking
    3. Affinity/Discount Programs
    4. Market Access
    5. Other (specify) ____
    6. Don't Know

4. Thinking about the association(s) you belong to, how would you rate the value of your membership considering what you pay? Please rate this on a scale ranging from 1 to 10, where 1 means you are receiving poor value for what you are paying and 10 means you are receiving excellent value for what you are paying.

Poor Value									Excellent Value	Don't Know
1	2	3	4	5	6	7	8	9	10	x

4a. If rating of less than 6, ask: Can you tell my why you say that? (DO NOT READ)

1. Too expensive
2. Too few benefits
3. Other (specify) ________________________
4. Don't Know

SECTION THREE – Specific Services

1. A few minutes ago I asked you to rate the importance of six general issues that food and beverage industry representatives have identified over the past year. Now I am going to read you a list of some very specific services that a BC food and beverage industry association might provide if there were sufficient interest. For each one please tell me how interested you would be in the service. Would you be Very Interested, Somewhat Interested, or Not At All Interested? Please let me know if you already receive the service from another group or association.

	Service	**Not At All Interested**	**Somewhat Interested**	**Very Interested**	**Already have this service**	**Don't Know**
a.	Meetings and forums with food and beverage organizations that would provide you with networking opportunities with the trade.					
b.	Meetings and forums with other individuals working in the food and beverage industry that would provide you with networking opportunities.					
c.	Lobbying the federal government about issues that are important to the food and beverage industry.					
d.	Lobbying the provincial government about issues that are important to the food and beverage industry.					
e.	Lobbying local governments about issues that are important to the food and beverage industry.					
f.	Affinity programs that provide discounts for such things as VISA, telephone long distance service, or business insurance.					
g.	Education seminars on topics such as changes in legislation or industry regulations, workplace health and safety, labeling, shipping to the US.					
h.	A website that provides information about issues relevant to the food and beverage industry.					
i.	Help with staff recruitment, development, or training.					

	Service	Not At All Interested	Somewhat Interested	Very Interested	Already have this service	Don't Know
j.	Information about or help with product marketing, including shipping to and from areas in Canada outside of BC.					
k.	Information about or help with product marketing and exporting, including joint venture exporting opportunities.					
l.	Information about or help with importing products.					
m.	Participation in generic food and beverage product promotions like *Buy BC*.					
n.	The provision of technical services such as HACCP (Hazard Analysis Critical Control Points) or ISO.					
o.	Information about government programs, and how to access grants and funds.					
p.	Is there anything else a BC food and beverage industry association might provide?					

INTERVIEWER: If there are any comments for a. to o., please place them here.

____

____

____

2. We have conducted extensive research on different food and beverage organizations in Canada, the US, and Europe. We have found several successful models. Please indicate which of the following two models you think would best meet your company's needs.

   1. The first is a confederation of existing sector organizations that would jointly fund an umbrella association that would address common issues.

   2. The second is an organization consisting of individual food and beverage processors who would pay a membership fee and fees for additional services.

   DO NOT READ

   3. I would you prefer a combination of these two models.
   4. Don't Know
   5. Other (specify): ____

3. If an umbrella organization were formed, what specific role should it play and what services would you want it to offer? (DO NOT READ, CIRCLE ALL THAT APPLY, PROBE)

1. Advocacy/Lobbying
2. Technical Services/Technical Support
3. Education
4. Networking
5. Coordination of Food and Beverage Sector Interests
6. Media Relations
7. Education (Seminars, training, certification, etc.)
8. Access to Industry Programs and Funding
9. Affinity Programs
10. Other (specify) ________________________________
11. Don't Know

4. On a scale of 1 to 10, where 1 is Not At All Interested and 10 is Very Interested, how interested would you be in joining a BC-based food and beverage industry association that would provide the services and address the issues we have discussed?

Not At All Interested									Very Interested	Don't Know
1	2	3	4	5	6	7	8	9	10	x

5. Whether or not you are interested in becoming a member, what do you think would be a realistic annual membership fee for a company like yours? Would it be …

1. Under $100
2. $100 to $250
3. $250 to $500
4. $500 to $1000
5. $1000 to $5000
6. Over $5000

DO NOT READ

7. Don't Know

6. Finally, would you be interested in being involved in an industry association, for example, as a board member or committee member?

1. Yes
2. No
3. Don't Know/Refused

Thank you for taking the time to talk to me today.

Appendix B – List of Participating Companies

Alderlea Vineyards
Allied Foods
Amano Trading
Amazing Almonds
Andres Wines
Anitas Organic Grain & Flour Mills
Arawak Int.
Avalon Dairy
Aviara Sales Inc
BC Research Inc
Bill's Beef Jerky
Birchwood Dairy
Blackwell Daries
Blossom Winery
Born 3 Marketing Corp
Bowen Island Botanical
Breadwinner Baked Goods
C.A.M. Diversified Trading
Canadian Emu Oil
Cancap Pharmaceutical Ltd
Cantebury Coffee Corp.
Caramoomel Products
Cascadia BrandsGranville Is. Brew
Cherry Point Vineyards
Columbia Bottled Water
Columbia Breweries
Cortina Foods
Cott Revelstoke (Selkirk)
Dairyland
Daniel Le Chocolate Belge
Delectibles By Dar
Domain Combret Ltd
Elephant Island Orchard Wines
Evergreen Herbs Ltd
Fairview Cellars
Forbes Meditech
Freybe Foods
Gabriola Gourmet Garlic
Gizella Pastry
Global H2o Resources Inc
Golden Valley Foods
Gormet Croirant (The)
Grantham Foods
Gray Monk Cellars
Grimms Fine Foods
Heritage Valley Bakery
Illichman and Son Sausages
Inniskillin Vineyards
Inovatech
International Sausage House
Island Bakery Ltd
J.D. Farms
Karin's Country Kitchen
La Baguette Et L'Echalote
Lentia Enterprises
Lucerne Foods
Mark Anthony Cellars
Medallion Meats
Millstream Flour Mills
Mojave Chile & Spice Company
Momo's Veggie Kitchen
Natanis Natural Foods
Natural Glacial Water
Nature's Formulae Health
Nature's Pop Sales
Nelson Brewing
Newton Meats
Nichol Vineyard
Norden Food
Nutri-Nation Functional
Omega Biotech Corp
Original Cakerie (The)
P&S Frozen Foods/Tolni Holdings
Pacific Coast Fruit
Paradise Island Foods
Petty's Meats Ltd
Phillips Brewing
Planet Bee World
Punjab Milk Foods
Purdys Chocolates
Quails Gate Winery
Que Pasa Mexican
Recline Ridge Winery
Rene Rey Swisss Choc
Rhema
Ritter & Son Sausages
Rodear Meats
Rogers Chcolate
Rogers Food
Russell Brewing
SA Sausage - Serengeti Trading
Saltspring Flour Mill
Saltspring Island Cheese
Sandel Foods
Saputo Cheese
Saturna Island Vineyard
Sawridge Waters
Sensient Flavours
Shady Creek Ice Cream
Snowcrest Packers
Speciality Bakery
Sprouting Health
St Hubertus Estate Winery
Stanford Seasonings
Stephen Cipes
Stuyvers Bakestudio
Sumac Ridge Winery
Summerland Sweets
Sun Plus Products
Sun Rich Fresh Foods
Sun Rype Products
Sunrise Poultry Processors
Sunrise Soya Foods
Sunshine Eggs
Tak Fung Foods
Tin Whistle Brewing
Toast of the Town
Township Vineyards
Van Island Tea Factory
Vancouver Island Brewing
Vanderpol's Eggs
Veekon Poultry Farm
Vignetti Zanata Ltd
Village Cheese Co.
Vitagold
Vitality Products Inc
West Pacific Enterprises
Win Full Food
Yves Veggie Cuisine