

ECONOMIC SECTOR PROFILE: FOOD PROCESSING

CHILLIWACK, BRITISH COLUMBIA

...the best place in Canada for food processing.

“Chilliwack has excellent road and rail transportation corridors that will enable us to easily receive raw materials and efficiently ship finished products to our target markets. We also selected Chilliwack as the site of our new mill because of the community’s commitment to agriculture and agricultural infrastructure.”

Vic Bell, President of Rogers Foods Ltd.



The Chilliwack region has grown to become home to one of the highest concentrations of food processors in British Columbia (BC). Its popularity can be attributed to its strong history in agriculture, its proximity to major markets and suppliers (in fact Chilliwack provides 11 percent of the province’s raw materials for food processing) and the lowest land costs in the region.

THE FOOD PROCESSING INDUSTRY

Food processing represents about 44 percent of Canada’s total agricultural food exports. British Columbia represents about 9 percent of Canada’s food processing companies (about 300 BC firms) and 17 percent of Canada’s beverage processing companies (about 40 BC firms).

BC’s food processing market is roughly estimated at \$6.18 billion, which is smaller than would be expected given that BC’s population is 13.2 percent of Canada’s population. As such, BC imports approximately \$3.4 billion worth of processed food products. In total, BC imported 73 percent of its processed food products while Canada imported 75 percent.

GROWTH OPPORTUNITIES

BC has the potential to increase its domestic market by one third by replacing currently imported goods (from other

provinces) with BC produced goods. On the larger scale, there are also new opportunities in export markets due to free trade with the USA, Latin America and Asia. These abundant opportunities underscore the importance of attracting more food processing companies to British Columbia.

EMPLOYMENT

BC’s food processing industry has about 31,000 workers. Of these, the majority work in the Lower Mainland as 55 percent of the province’s food processing firms are located within a 60 minute commute of Chilliwack. The Chilliwack region has a proportionately higher degree of employment as food processors prefer to locate closer to their suppliers to reduce associated time and costs. (Note: most BC food processors (about 75 percent) are small employers with less than 50 employees.)

Although employment in Canada’s food processing industry is not expected to climb as significantly as its projected exports (due to increased efficiencies in the industry), employment in BC has the potential to continually increase (based on the high degree of imports from other provinces).

KERR AVENUE FOOD PROCESSING PARK

This food processing park was created to accommodate growth in the agri-food sector. In August 2007, the first tenant,

Vantage Foods, opened a 65,000 sq. ft. state-of-the-art facility. Chilliwack Economic Partners Corporation (CEPCO) is working with a local developer on 15 acres within the park that will provide a wide variety of alternatives, including leasing, build to suit and land sales.

For further information, please contact CEPCO at 604-792-7839.

Major Employers

Company	Employees
Vantage Foods	110
Johnston Packers	110
Fraser Valley Meats	70
Agropur Division Natrel	45
Sandel Foods	40
Coast Mountain Dairy	33
Rogers Foods	28

Source: Chilliwack Economic Partners Corporation, 2010



CHILLIWACK, BRITISH COLUMBIA

Population Est. 92,308

...everything a business needs to succeed!

EFFICIENT GLOBAL ACCESS AND A WORLD CLASS INFRASTRUCTURE

Chilliwack, British Columbia maintains well-established economic, cultural, communications and transportation ties with Asian, American and European markets. Located on the Trans Canada Highway, the city is only 20 minutes away from a USA border crossing and Abbotsford's International Airport, 90 minutes from Vancouver's International Airport and one hour from the nearest shipping sea port.



DYNAMIC AND DIVERSE ECONOMY

Chilliwack's economic strength is based on the success of established resource sectors such as agriculture, food processing and forestry. However, recent dramatic growth in technology and knowledge-based industries is bringing new diversity and energy to the community, creating numerous investment and business opportunities.

UNBEATABLE QUALITY OF LIFE

Chilliwack is one of the world's most desirable places to live and work... with the country life and proximity to major urban centers, a mild climate, gorgeous scenery and a low cost of living.

QUALIFIED WORKFORCE

Chilliwack's first rate education system, supported by the University of the Fraser Valley and other advanced education opportunities, provide a wealth of qualified local talent. In fact 66 percent of British Columbia's employees have post secondary education with 21 percent holding a university degree.

BUSINESS - FRIENDLY GOVERNMENT

Chilliwack holds a reputation for being the most business-friendly community in the province. Our Municipal Government believes that the strength of our local economy is a direct result of assistance to business. They have a commitment to satisfy the needs of business, to reduce tax costs and go the extra mile to ensure quick approvals.

COMPETITIVE BUSINESS COSTS AND INCENTIVES

Chilliwack is one of the most cost-competitive locations for business. Municipal taxation and provincial tax cuts are reducing business costs and increasing Chilliwack's competitiveness. Since 2001, the provincial government has introduced dramatic changes designed to strengthen the economy and make British Columbia the best place to invest in North America.

REDUCING TAXES TO ATTRACT INVESTMENT AND TALENT

- **Thirty-one provincial tax relief measures** including a 30 percent cut in the corporate income tax rate, elimination of the general capital tax and a 25 percent cut in personal income tax rates.
- **New or enhanced tax credits** and exemptions for software development, manufacturing, mining, oil and gas, film and TV production, new media and international financing activities.
- **Employer-paid payroll taxes** average about 50 percent lower than in the US.
- **No property taxes on machinery, equipment** and other non-real estate assets, unlike most US jurisdictions.
- **Federal and provincial research and development tax credit programs.**

Federal Corporate Tax	BC	WA	OR	CA
\$50,000 - \$75,000	11%	25%	25%	25%
\$75,000 - \$100,000	11%	34%	34%	34%
\$100,000 - \$335,000	11%	39%	39%	39%
\$335,000 - \$500,000	11%	34%	34%	34%
\$500,000 - \$10M	15%	34%	34%	34%
Provincial / State Corporate Tax	BC	WA	OR	CA
\$0 - \$250,000	2.5%	N/A	6.6%	8.84%
\$250,000 - \$500,000	2.5%	N/A	7.6%	8.84%
\$500,000 and over	10%	N/A	7.6%	8.84%

Source: Province of BC, 2012 / WA, OR, and CA States, 2012

Provincial

Corporate Tax BC AB ON

Income

General	10%	10%	11.5%
Mfg. & Processing	10%	10%	11%
Small Business	2.5%	3%	4.5%

Source: Province of BC, AB and ON, 2012

UTILITIES

In British Columbia, hydroelectric power is our most reliable (99.923%) and biggest source of energy. BC Hydro (a Provincial Crown Corporation) serves 94% of all of British Columbia's residents including Chilliwack. Gas distribution throughout British Columbia is provided by Fortis BC. Natural gas from the Peace River region is transmitted by pipeline to Chilliwack through to Vancouver.

ELECTRICITY AND GAS RATES

HYDRO RATES	Business (under 35kWh for 2 mo.)
Basic/Minimum Charge:	18.53 cents per day
	All kWh: \$0.0881 kWh
Rate Rider:	2.5% applied to all charges before taxes and levies

*different rates available for different consumption uses.

Source: BC Hydro, 2012

GAS RATES

Small Commercial Rate 2 (less than 2,000 GJ annually)

Basic Charge per day	\$0.8161
Delivery Charge per GJ	\$2.896
Midstream Charge per GJ	\$1.352
Cost of Gas per GJ	\$4.005

*different rates available for different consumption uses.

Source: Fortis BC, 2012



1-800-561-8803

Chilliwack Economic Partners Corporation
#201-46093 Yale Road, Chilliwack, BC V2P 2L8
T: 1-604-792-7839 F: 1-604-792-4511
info@chilliwackpartners.com

www.chilliwackeconomicpartners.com