



# Quarterly report on progress

Q3 2018 July | August | September





Photos courtesy of GrowForce

# Cannabis a fast-growing opportunity in Winnipeg



On October 17, the federal government legalized the sale and consumption of recreational cannabis. A seismic policy shift, this placed Canada as only the second country in the world to legalize marijuana.

The economic potential associated with legal cannabis is thought to be unprecedented, and presents new business opportunities for a variety of

companies. In Manitoba alone, a report co-developed by Manitoba Liquor and Lotteries (MLL) forecasted the current provincial cannabis market cap at \$120 million, including both medical and recreational marijuana. The same report predicted a massive industry growth potential, with a potential forecasted market cap as high as \$500 million by 2020 – a 417 per cent growth rate in only two years.

Leading up to Canada’s legalization date, a brand-new industry was scaling up across the country to meet the expected demand for recreational cannabis. The production, distribution, and retail

jobs that are being created in the cannabis industry will have a significant economic impact in Winnipeg, and create hundreds of new jobs. Many of these positions will be in the cutting-edge plant science industry, requiring highly technical and skilled candidates. The city has a strong advantage in accessing this talent pool, since there is an established and industry-leading plant science research and development community in Manitoba stemming from our agricultural expertise.

Winnipeg presents a great opportunity for cannabis companies looking to establish both a local and national presence. The city offers some of the lowest energy rates in North America, low labour costs and a strong talent pipeline featuring a skilled workforce. Low warehouse leasing costs and a low-humidity climate are competitive assets specific to the cannabis production industry. On the distribution front, our city’s central location and established tri-modal transportation hub allows companies located in Winnipeg to easily ship products from coast to coast.

Several Winnipeg-based companies are making a splash in the national cannabis market. Delta 9 is a true Winnipeg success story, and an example of the city’s entrepreneurial spirit. Founded in Winnipeg in 2012, the company is now publicly traded on the

TSX Ventures market. Currently, Delta 9 operates an 80,000 sq. ft. production facility in Winnipeg, with plans to increase their production capacity and create 300 new jobs by 2020. They are also industry innovators, creating 'grow pods' from shipping containers which have helped the company maintain one of the lowest cost of goods sold anywhere in the industry.

Another locally-based cannabis producer, Bonify operates a 320,000 sq. ft. production facility in Winnipeg, focusing specifically on medical cannabis. With a variety of products available to customers who have a prescription, the company ships cannabis dosages directly to patients, and is now supplying strains to licensed retailers in Manitoba and Saskatchewan. Operating a mail-order strategy has allowed Bonify to expand their network across Canada. When fully scaled up, Bonify is anticipating a full staff complement of 150 employees.

A YES! Winnipeg success, GrowForce is a vertically integrated cannabis company. With their national headquarters in Winnipeg, they are opening a local 120,000 sq. ft. facility that is creating 200 full-time jobs, and an investment of \$40 million. The company has partnered with the MJardin Group, North America's largest legal cannabis operator, to spearhead a national expansion strategy into Canada. They are also partnering with Manitoba First Nations groups, providing expertise through joint-venture partnerships, to develop future production facilities. Growforce understands that being in Winnipeg means fast access to the rest of the country, and better transportation channels for faster and more reliable shipping.

Retail stores are another important part of the cannabis industry landscape. When recreational cannabis retail stores opened their doors on October 17, there were lines out the door and sales were high, validating the forecasted demand for their products. To meet this consumer demand, more qualified cannabis retailers are expected to be open for business in the coming months. The Government of Manitoba has expressed its desire for 90 per cent of Manitobans to have access to

legal cannabis within a 30-minute drive or less within two years of legalization. Each retail outlet creates additional jobs and investments into Winnipeg's retail industry, and is a benefit to the city's overall tax base.

There are other opportunities available to related agencies now that cannabis is legal. For example, Delta 9 has partnered with Fort Garry Brewing Company to develop a hemp beer, and is intending to develop an alcohol-free cannabis beverage in the near future. Cannabis edibles, which will be legal at some point in the next year, will represent another opportunity for Manitoba and its plant science, agribusiness, and nutraceuticals markets.

Indirect opportunities for economic growth are also impacting Winnipeg. Other related industries who are part of the industry's supply chain include growth chambers, HVAC systems, by-product processing, industry-specific logistics software, and more.

As the cannabis industry grows across Canada, more companies will see Winnipeg's advantage grow along with it.



**Dayna Spiring**  
President & CEO  
Economic Development Winnipeg Inc.

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## About Economic Development Winnipeg

Economic Development Winnipeg Inc. (EDW) is the champion for economic development in Winnipeg. With key framework mandates which include Tourism Winnipeg and YES! Winnipeg, EDW provides market data, assistance and support to grow Winnipeg's economy by helping to make business success in Winnipeg easier and more attractive, and encouraging more people to come and see what Winnipeg has to offer.

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## YES! Winnipeg

### Cumulative and Current Successes

#### Successes, Q2 2018

Jobs (at maturity)	700
Capital investment (at maturity)	Confidential
Value of payroll	Confidential

#### Successes, 2018 to date

Jobs (at maturity)	2,210
Capital investment (at maturity)	\$77 million+
Value of payroll	\$65.2 million+

#### Successes, Campaign 2020 (2016-current)

Jobs (at maturity)	2,865
Capital investment (at maturity)	\$143.9 million+
Value of payroll	\$76.1 million+

### Business Development

**Canada Goose** A high-end winter clothing manufacturer, Canada Goose is a worldwide brand with a commitment to “made in Canada” production. The company has been active in Winnipeg for years, with two well-established production facilities in the city. In September 2018, Canada Goose opened its third and largest manufacturing facility to date in Winnipeg.

YES! Winnipeg assisted with this expansion by articulating to Canada Goose the advantage of Winnipeg’s affordable labour force relative to other jurisdictions, and provided a detailed demographic analysis to help them determine the best area

of the city for their third facility. Meetings with the provincial government were held to ensure continued support for training, and YES! Winnipeg advocated in support of the client to ensure funding was received in a timely manner. 700 full-time jobs created, 128,000 sq. ft. occupied

**International Recruitment Information Session** On September 20, YES! Winnipeg hosted representatives from the Canadian Embassies in Paris (France) and Rabat (Morocco). They provided information on the most direct and effective way to recruit qualified bilingual foreign workers overseas.

**Consider Canada City Alliance** The Consider Canada City Alliance (CCCA) unites 13 of Canada’s largest municipal regions to build a sustainable and globally competitive national economy built upon the collective strength of each member’s ecosystem. Economic Development Winnipeg hosted their Fall Meetings on September 20-21. This was the first time that the coalition met in Winnipeg.

### Reactive Opportunities

Throughout this quarter, YES! Winnipeg responded to more than 6 inquiries from companies looking for assistance with local launches, expansions and/or attractions.

### Referrals

Throughout this quarter, YES! Winnipeg provided 43 referrals to investors and other collaborators. This included providing targeted business enquiries, introductions for potential project partnership opportunities, and acting as a resource hub for startup companies looking to build their local networks.

## Tourism Winnipeg

Tourism Winnipeg held its annual client event in Ottawa, to ensure Winnipeg is top-of-mind as the majority of association clients headquartered in the national capital. Tourism Winnipeg and 10 Team Winnipeg partners hosted 25 convention clients to a Hermetic Code of the Manitoba Legislative Building-themed evening reception, to attract future meetings and conventions business.



A culinary strategy was developed to increase visitation and motivate visitors to extend stays. Tourism Winnipeg will increase investment by elevating the PegCityGrub food blog, promoting top places to eat in a biannual brochure, expanding culinary information on the website and strengthening partnerships with culinary related stakeholders.

**Bid opportunities**

Tourism Winnipeg developed:

**29 bids** for future conventions, sports and events which represents approximately

**14,875** delegates/participants

**24,381** room nights

**\$14,455,460** million in direct spending

**Future confirmed business**

Notable wins this quarter include:

**2019 National Gathering of Elders**

8,000 delegates	15,000 room nights	\$8,776,000 direct spend
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**2020 Canadian Dental Annual Meeting & Convention**

2,400 delegates	622 room nights	\$2,668,000 direct spend
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**2019 Canadian Credit Union National Conference**

1,000 delegates	2,180 room nights	\$1,097,000 direct spend
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**Market Intelligence**

**Market Intelligence Research Tools**

Market Intelligence has developed two economic impact tools that will enable EDW to evaluate the impact of proposed new investments into Winnipeg. Both models will evaluate the impact on tax revenue generated at the municipal and provincial levels, as well as the indirect and induced impact of job growth and future revenues back to the community.

An additional research tool, Gazelle.ai, has been added to EDW's toolkit. This research tool uses an artificial intelligence algorithm to identify company prospects globally that fit Winnipeg's value proposition. This tool will support EDW's foreign direct investment (FDI) and business retention expansion (BRE) efforts.

**Coalition of Advanced Manufacturing (CAM)**

CAM continues to expand its activities in support of growing Winnipeg's Advanced Manufacturing sector. CAM will be submitting a proposal to the federal government's Strategic Innovation Fund, which provides funding support for advanced manufacturing companies to develop, test and implement new technology into their operations.

The Strategic Innovation Fund will be seeking matching funding between industry and institutions for technology application funding. Companies will be asked to submit project proposals, to access a funding pool of approximately \$40 million over 5 years.

**Marketing & Communications**

**Significant Marketing Campaigns**

- Tourism Winnipeg completed a leisure summer advertising campaign which increased engagement through several key social, digital and multimedia targeted advertising strategies, resulting in 435,387 video views, 57,872 website visits, and 5,365 partner packages & deals being selected.
- 360-degree video site tours were produced for the Holiday Inn South, Delta Winnipeg, Assiniboine Park Conservancy, The Fort Garry Hotel and Manitoba Museum. These videos are key content to aid selling in the M&C market, as well as optimizing EDW's reach on Google.
- Completed a brand assessment process with YES! Winnipeg to enhance and define its value proposition. The new tagline "Growing your business here" will be officially unveiled at the Investor Breakfast, and has been incorporated into EDW's print and digital content.
- Updated and recaptured skyline air/drone video. Targeting key areas in Downtown and around the city these stunning video assets are incorporated into EDW's videos as well as provided to third parties for promotional use of Winnipeg.



- Hosted five Instagram photo tours, partnering with the Delta Winnipeg, Downtown Winnipeg BIZ, Thermea Winnipeg, Rainbow Stage and Lower Fort Garry. The walks collectively hosted 46 photographers and Instagram influencers, which resulted in 172 posts, reaching an audience of 69,113 people and generating 14,521 interactions with #onlyinthepeg

### Other Marketing Highlights

- Completed and launched the 2019 Destination Marketing Plan and Partnership Opportunities, which includes the sales and marketing activities for the next year.
- Produced three Facebook Live segments featuring the Nonsuch at the Manitoba Museum, Mandela exhibit at the Canadian Museum for Human Rights, and the new summer beach at Thermëa Spa. These live hits collectively reached 120,796 people and received 67,376 video views
- Produced a M&C video featuring the passion of the Whiteout, which was presented at a summer summit. The video was a huge success at the event and was further promoted via social media. A promoted Twitter campaign garnered 219,816 views and 694,970 impressions. The YouTube version received an additional 8,700 organic views online.
- Produced a brand new bid book template for the sports & special events market. The new, much more polished bid includes engaging imagery and information on sporting venues, visitor information and much more.

## Winnipeg in the News

### Corporate Media

13 corporate media articles were generated this quarter, with an earned media value of \$272,692.

Significant articles included:

- Winnipeg's towering ambitions coming to fruition", *Globe and Mail* [read more](#)
- Winnipeg balanced on four pillars of real estate", *The Western Investor* [read more](#)
- Winnipeg a hotbed for film production" *Winnipeg Free Press* [read more](#)

Start-up Visa Program hopes to attract immigrants with business ideas", *Winnipeg Free Press*

[read more](#)

### Travel Media

A total of 18 travel writers were hosted this quarter, and 49 travel media articles were generated during the same time period for an earned media value of \$362,459.

Significant articles included:

"Canada's Winnipeg surprises Connoisseurs", *Cheese Connoisseur Magazine*

[read more](#)

"Things to do in Winnipeg", *Look about Lindsey*

[read more](#)

7 fun things to do in Winnipeg, Manitoba, *Gone with the Family*

[read more](#)

In partnership with Travel Manitoba, Tourism Winnipeg secured hugely popular Canadian Youtuber *Hey Nadine* to visit Winnipeg in early July, anchored around the Winnipeg Folk Festival. Her 8-minute Winnipeg travel video garnered 75,000 views on YouTube

[read more](#)

Tourism Winnipeg and Travel Manitoba hosted 3 group familiarization tours in July and August with Instagrammers, Canadian bloggers, and international print media, which resulted in great coverage of Winnipeg, including a stunning series of photos in a blog post by Instagrammer Kirsten Alana.

[read more](#)