

PART III--Proposed New Industry Structure for Food Manufacturing and Beverage and Tobacco Product Manufacturing

Section A--NAICS Structure

North American Industry Classification System (NAICS)

Agreement Number 6

This Document represents the proposed agreement on the structure of the North American Industry Classification System (NAICS) for the following industries:

Food Manufacturing

Beverage and Tobacco Product Manufacturing

The detailed NAICS structure along with a brief description of the structure is attached (Attachments 1 and 2). Each country agrees to release a copy of the proposed NAICS structure to interested data users. Comments received will be shared among the countries and discussions held before a final decision on the structure is made. Each country may add additional detailed industries, below the 4-digit level of NAICS, as necessary to meet national needs, so long as this additional detail aggregates to a 4-digit NAICS level in order to ensure full comparability among the three countries. This NAICS structure was presented and provisionally accepted at the NAICS Committee meeting held on August 30, 1995 through September 1, 1995 in Washington, D.C.

Accepted:	Signature	Date
Canada	/S/ Jacob Ryten	9/1/95
Mexico	/S/ Enrique Ordaz	9/1/95
United States	/S/ Jack E. Triplett	9/1/95

Attachment 1--NAICS STRUCTURE

XX	Food Manufacturing
XXX	Animal Food Manufacturing
XXXX	Animal Food Manufacturing
XXX	Grain and Oilseed Milling
XXXX	Flour Milling and Malt Manufacturing
XXXX	Starch and Vegetable Fats and Oils Manufacturing
XXXX	Breakfast Cereal Manufacturing
XXX	Sugar and Confectionery Product Manufacturing
XXXX	Sugar Manufacturing
XXXX	Chocolate and Confectionery Manufacturing from Cocoa Beans
XXXX	Confectionery Manufacturing from Purchased Chocolate
XXXX	Non-Chocolate Confectionery Manufacturing
XXX	Preserved Fruit, Vegetable, and Specialty Manufacturing
XXXX	Frozen Food Processing
XXXX	Canning, Pickling and Drying
XXX	Dairy Product Manufacturing
XXXX	Dairy Product, Except Frozen Dairy Product Manufacturing
XXXX	Ice Cream and Frozen Dessert Manufacturing
XXX	Meat and Seafood Product Manufacturing
XXXX	Animal Slaughtering and Processing
XXXX	Seafood Product Preparation and Packaging
XXX	Bakeries and Tortilleries
XXXX	Bread and Bakery Product Manufacturing
XXXX	Cookie, Cracker, and Pasta Manufacturing
XXXX	Tortilleries
XXX	Miscellaneous Food Manufacturing
XXXX	Snack Food Manufacturing
XXXX	Coffee and Tea Manufacturing
XXXX	Flavoring Syrup and Concentrate Manufacturing
XXXX	Seasoning and Dressing Manufacturing
XXXX	Other Miscellaneous Food Manufacturing
XX	Beverage and Tobacco Product Manufacturing
XXX	Beverage Manufacturing
XXXX	Soft Drink and Ice Manufacturing
XXXX	Breweries

XXXX	Wineries
XXXX	Distilleries
XXX	Tobacco Manufacturing
XXXX	Tobacco Stemming and Redrying
XXXX	Tobacco Product Manufacturing

Attachment 2--North American Industry Classification System

Draft Classification for:

Food Manufacturing
Beverage and Tobacco Product Manufacturing

Representatives of the statistical agencies of Canada, Mexico, and the United States agree to a draft industrial classification for these industries.

The draft classification provides for two subsectors, Food Manufacturing and Beverage and Tobacco Product Manufacturing. These subsectors are sub-divided into ten industry groups and twenty eight industries. The subsectors are part of the Manufacturing sector of the classification.

A General Outline

Food Manufacturing includes establishments that transform livestock and agricultural products into products for intermediate or final consumption. The industry groups are distinguished by the processes and the nature of the raw materials used. The first two categories, Animal Food Manufacturing and Grain and Oilseed Milling, are characterized by the grinding process. Excluded from this industry group is the nixtamal milling carried out in Mexico, due to the integration of this activity with the preparation of corn tortillas.

The Sugar and Confectionery Product Manufacturing industry group includes establishments that process agricultural inputs such as sugar cane, beet, and cocoa to give rise to a new product (sugar or chocolate) and those that begin with sugar and chocolate and process these further.

The Preserved Fruit, Vegetable and Specialty Manufacturing industry group includes two types of establishments: those that freeze food and those that combine preservation processes such as pickling, canning, dehydrating and so forth. Both types begin their productive process with inputs of vegetable or animal origin.

The establishments that manufacture dairy products and meat products are defined by the inputs used: milk and meat, respectively.

Industry group, Bakeries and Tortilleries have a common denominator, the kneading and cooking process that takes place in ovens or flat earthenware pans. In this industry group is the nixtamal mill.

The industry group Miscellaneous Food Manufacturing includes industries with different productive processes such as snack food manufacturing; coffee and tea manufacturing; concentrate, syrup, condiment, and spice manufacturing; and in general an entire range of other miscellaneous products.

The Beverage and Tobacco Product Manufacturing subsector has two industry groups. The first one, Beverage Manufacturing, includes three types of establishments: those that manufacture non-alcoholic beverages; those that manufacture alcoholic beverages through the fermentation process; and those that produce distilled alcoholic beverages. Ice manufacturing, while not a beverage, is included with non-alcoholic beverage manufacturing because it is the same production process as water purification.

In the case of activities related to the manufacture of beverages, the structure follows the defined productive processes. Brandy, a distilled beverage, was not placed under distillery product manufacturing, but rather under the NAICS class for winery product manufacturing since the productive process used in the manufacturing of alcoholic grape-based beverages, produces both wines (fermented beverage) and brandies (distilled beverage).

The second industry group, Tobacco Product Manufacturing, includes two types of establishments: those engaged in redrying and stemming tobacco and those that manufacture cigarettes and cigars.

Limitations and Constraints of the Classification

There are a few factors that constrained the structure and detail of the classification in the area under consideration. In the Food Manufacturing subsector, most activities that were identified in one country exist in the others. However, the way activities are combined in establishments differs to some extent in the different countries. For example, in Canada and the United States, corn oil is produced in the same establishments that manufacture corn starch and corn sweeteners. In Mexico, corn oil is produced in specialized establishments. All of the establishments that produce these products along with those producing other vegetable fats and oils, are combined into one NAICS industry, Starch and Vegetable Fats and Oils Manufacturing. Each country will publish additional categories that comprise subdivisions of NAICS industries to present data for activities that are nationally significant.

For those users requiring detailed commodity information, each country will publish information on products of these industries. Efforts are also underway to harmonize the commodity classifications to allow comparability of these statistics.

Relationship of ISIC

Most 4-digit NAICS industries in these subsectors are contained within Division 15, Manufacture of Food Products, of the current International Standard Industrial Classification of all Economic Activities (ISIC, Revision 3) of the United Nations. The following NAICS industry cannot be assigned to an ISIC division. Wineries that grow their own grapes and then manufacture wine are classified in ISIC as an agriculture activity and in NAICS as a manufacturing activity.

Some Changes to the National Classifications

A significant change for all three countries is the inclusion of malt manufacturing in the NAICS industry Flour Milling and Malt Manufacturing. Malt was formerly included in the beer manufacturing industry in Mexico and the United States and in Miscellaneous Manufacturing in Canada, but was moved to the flour milling and malt manufacturing NAICS industry because the production process used to manufacture malt is similar to that of the flour milling industry.

Grouping the production of starches and vegetable fats and oils in a single class also is a significant change for all three countries. In Canada and the United States, corn oil is produced in the same establishments that produce starch products, while in Mexico, corn oil is

produced in establishments that manufacture vegetable fats and oils. Thus, the difference in the production processes across the three countries necessitated this grouping.

The creation of two industries for chocolate and confectionary products made from cocoa beans and confectionery made from purchased chocolate is a change for Canada since these

industries were previously combined. The NAICS industry Non-Chocolate Confectionery Manufacturing is new for all three countries, and includes chewing gum.

Other Miscellaneous Food Manufacturing includes the preparation of food to be consumed fresh (e.g., salads, sandwiches, etc. that are sold for immediate or almost immediate consumption). It is characterized by the preparation of food in volume that the manufacturer sells to a specialized establishment that sells it either through a service or a retail establishment. It is not specifically defined in the existing classification systems of the three countries.

The inclusion of bakeries that prepare the dough, bake the bread, and sell on the premises in manufacturing is a major change for Canada and the United States. These establishments formerly were included in the retail sector in both countries. The manufacture of ice, an activity that up to now had been considered by the three countries to be part of food, has been transferred to beverage manufacturing.

The grouping of Beverage and Tobacco Manufacturing into a subsector represents a major restructuring for all three countries. In Canada, the current two-digit groups for Beverages (CSIC 10, 11) and Tobacco (CSIC 12) have been combined in one NAICS subsector, Beverage and Tobacco Product Manufacturing. For Mexico, the current subsector Food Products, Beverages, and Tobacco has been split into two subsectors. In the United States, tobacco is a separate two-digit major group (Major Group 21, Tobacco Products) while beverages is a three-digit industry group, (Industry Group 208, Beverages).

Achievement of Objectives

The classification meets the objectives for the North American Industry Classification System (NAICS). It is comprised of industries that group establishments with similar production processes, that is, it applies the production-oriented economic concept. In the main, the hierarchical structure of the classification also follows the production concept.

The classification achieves comparability for the three participating countries. Based on existing data, all three countries expect to be able to publish data regularly at the industry (4-digit) level of the structure. All countries agree on the detailed definitions of the industries.

The classification improves comparability with other countries. Most industries are compatible with the two-digit level of the current International Standard Industrial Classification of all Economic Activities (ISIC, Revision 3) of the United Nations. This means that each comparable NAICS industry is the same as, or part of, a single ISIC two-digit Division.

Other objectives of the NAICS project are not as relevant in this area of the classification as in others. These objectives are the delineation of new and emerging industries, service industries and industries engaged in the production of advanced technologies. The industrial sector in question is relatively mature, generally produces goods, and employs relatively stable technology. Therefore, the emphasis was on the objectives listed above.

The industries have high specialization ratios, and with the exception of tortillas in Canada, they are economically significant. The detail (4-digit) and structure of the classification are balanced in size. This enhances the classification's suitability for sampling and other aspects of survey operations. Finally, disruptions to time series, while they exist, have been minimized. Most of the changes to existing classifications are marginal. The major changes

are well-identified and can be taken into account in linking time series.

Section B-Annex: United States National Industry Detail

As explained in the *Structure* presentation of this notice, for a number of reasons 4-digit industries in the two NAICS industry subsectors presented in *Part I, Section A--Attachment 1*, contain less detail than is currently in the U.S. SIC system, and less detail than is required to meet important analytical requirements in the U.S. The three country agreement on NAICS envisions that each country may develop national detailed industries below the NAICS industry level, so long as the national detail can be aggregated to the NAICS classification, thus assuring full North American comparability.

The ECPC is proposing U.S. 5-digit industry detail for the two NAICS industry subsectors covered in Part I of this notice. For cases where no 5-digit detail is shown, the ECPC is proposing that NAICS 4-digit industries will also represent the most detailed U.S. industries.

TABLE 1

The definitions of status codes are as follows: E = existing industry; N = new industry; R = revised industry; and * means "part of". The abbreviation NEC is used for Not Elsewhere Classified.

1997 NAICS and US description	Status code	1987 SIC code	1987 SIC description
XX Food Manufacturing			
XXX Animal Food Manufacturing			
XXXX Animal Food Manufacturing			
XXXXX Dog and Cat Food Manufacturing	E	2047	Dog and Cat Food
XXXXX Other Animal Food Manufacturing	R	*2048	Prepared Feeds, NEC (Except Slaughtering Animals for Pet Food)
XXX Grain and Oilseed Milling			
XXXX Flour Milling and Malt Manufacturing			
XXXXX Flour Milling	R	*2034	Dehydrated Fruits, Vegetables and Soups (Vegetable Flour)
		2041	Flour and Other Grain Mill Products
XXXXX Rice Milling	E	2044	Rice Milling
XXXXX Malt Manufacturing	E	2083	Malt
XXXX Starch and Vegetable Fats and Oils Manufacturing			
XXXXX Soybean Processing	E	2075	Soybean Oil Mills
XXXXX Wet Corn Milling	E	2046	Wet Corn Milling
XXXXX Other Oilseed Processing	N	2074	Cottonseed Oil Mills
		2076	Vegetable Oil Mills, NEC
XXXXX Edible Fats and Oils Manufacturing	R	*2077	Animal and Marine Fat and Oil (Vegetable Oil Foots)
		2079	Edible Fat and Oil, NEC

XXXX	Breakfast Cereal Manufacturing	E	*2043	Cereal Breakfast Foods (Breakfast Cereal)
XXX	Sugar and Confectionery Product Manufacturing			
XXXX	Sugar Manufacturing			
XXXXX	Sugarcane Mills	E	2061	Raw Cane Sugar
XXXXX	Cane Sugar Refining	E	2062	Cane Sugar Refining
XXXXX	Beet Sugar Manufacturing	E	2063	Beet Sugar
XXXX	Chocolate and Confectionery Manufacturing from Cocoa Beans	E	2066	Chocolate and Cocoa Products
XXXX	Confectionery Manufacturing from Purchased Chocolate	N	*2064	Candy and Other Confectionery Products (Chocolate Confectionery)
XXXX	Non-Chocolate Confectionery Manufacturing	N	*2064	Candy and Other Confectionery Products (Non-Chocolate Confectionery)
			2067	Chewing Gum
			*2099	Food Preparations, NEC (Marshmallow Creme)
XXX	Preserved Fruit, Vegetable, and Specialty Manufacturing			
XXXX	Frozen Food Processing			
XXXXX	Frozen Fruit, Juice, and Vegetable Processing	E	2037	Frozen Fruits and Vegetables
XXXXX	Frozen Specialty Processing	E	2038	Frozen Specialties, NEC
XXXX	Canning, Pickling, and Drying			
XXXXX	Fruit and Vegetable Canning	R	2033	Canned Fruits and Vegetables
			*2035	Sauces, and Salad Dressings (Pickled Fruits and Vegetables)
XXXXX	Specialty Canning	R	*2032	Canned Specialties (Except Canned Puddings)
XXXXX	Dried and Dehydrated Food Manufacturing	R	2034	Dried and Dehydrated Fruits, Vegetables and Soups (Except Vegetable Flour)
			*2099	Food Preparation, NEC (Bouillon)
XXX	Dairy Product Manufacturing			
XXXX	Dairy Product, Except Frozen Dairy Product Manufacturing			

XXXXX	Fluid Milk Manufacturing	E	2026	Fluid Milk
XXXXX	Creamery Butter Manufacturing	E	2021	Creamery Butter
XXXXX	Cheese Manufacturing	E	2022	Cheese, Natural and Processed
XXXXX	Dry, Condensed, and Evaporated Milk Manufacturing	E	2023	Dry, Condensed and Evaporated Products
XXXX	Ice Cream and Frozen Dessert Manufacturing	E	2024	Ice Cream and Frozen Desserts
XXX	Meat and Seafood Product Manufacturing			
XXXX	Animal Slaughtering			
XXXXX	Animal Slaughtering and Processing	R	*0751	Livestock Services, Except Veterinary (Custom Slaughtering)
			2011	Meat Packing Plants
			*2048	Prepared Foods, NEC (Animal Slaughtering for Pet Food)
XXXXX	Meat Processed From Purchased Carcasses		*2013	Sausage and Other Prepared Meats (Meat Processing)
			*5147	Meat and Meat Products (Boxed Beef)
XXXXX	Poultry Processing	R	*2015	Poultry Processing (Poultry Processing)
XXXXX	Rendering and Meat By-product Processing	N	*2013	Sausage and Other Prepared Meats (Lard)
			*2077	Animal and Marine Fats and Oils (Animal Fat and Oil)
XXXX	Seafood Product Preparation and Packaging			
XXXXX	Seafood Canning	R	*2077	Animal and Marine Fats and Oils (Canned Marine Fat and Oil)
			2091	Canned and Cured Fish and Seafood
XXXXX	Fresh and Frozen Seafood Processing	R	*2077	Animal and Marine Fats and Oils (Fresh and Frozen Marine Fats and Oil)
			2092	Fresh or Frozen Prepared Fish
XXX	Bakeries and Tortilleries			
XXXX	Bread and Bakery Product Manufacturing			
XXXXX	Commercial Bakeries	R	2051	Bread, Cake, and Related Products

			*2052	Cookies and Crackers (Unleavened Bread)
XXXXX	Retail Bakeries	N	*5461	Retail Bakeries (Bread, Cake and Related Products Baked and Sold on Premise)
XXXXX	Frozen Bakery Product Manufacturing	E	2053	Frozen Bakery Products
XXXX	Cookie, Cracker, and Pasta Manufacturing			
XXXXX	Cookie and Cracker Manufacturing	R	*2052	Cookies and Crackers (Cookies and Crackers)
XXXXX	Flour Mixes and Dough from Purchased Flour Manufacturing	E	2045	Prepared Flour Mixes and Doughs
XXXXX	Pasta Manufacturing	E	2098	Macaroni and Spaghetti
XXXX	Tortilleries	N	*2099	Food Preparations, NEC (Tortillas)
	Miscellaneous Food Manufacturing			
XXX				
XXXX	Snack Food Manufacturing			
XXXXX	Roasted Nuts and Peanut Butter Manufacturing	R	2068	Salted and Roasted Nuts and Seeds
XXXXX	Other Snack Food Manufacturing			
			*2099	Food Preparations, NEC (Peanut Butter)
		R	*2052	Cookies and Crackers (Pretzels)
			2096	Potato Chips and Similar Product
XXXX	Coffee and Tea Manufacturing	N	*2043	Cereal Breakfast Foods (Coffee Substitute)
			*2095	Roasted Coffee (Roasted Coffee)
			*2099	Food Preparations, NEC (Tea)
XXXX	Flavoring Syrup and Concentrate Manufacturing	R	*2087	Flavoring Extracts and Syrups (Flavoring Syrup and Concentrate)
XXXX	Seasoning and Dressing Manufacturing			
XXXXX	Mayonnaise, Dressing, and Other Prepared Sauce Manufacturing	N	*2035	Pickles, Sauces and Salad Dressings (Sauces and Salad Dressing)
			*2099	Food Preparations, NEC (Vinegar)
XXXXX	Spice and Extract Manufacturing	N	*2087	Flavoring Extracts and Syrups (Flavoring Extracts)

			*2095	Roasted Coffee (Coffee Extracts)
			*2099	Food Preparations, NEC (Spices, Dip Mix, Salad Dressing Mix, and Seasoning Mix)
			*2899	Chemical Preparations, NEC (Salt)
XXXX	Other Miscellaneous Food Manufacturing			
XXXXX	Perishable Prepared Food Manufacturing	N	*2099	Food Preparations, NEC (Perishable Prepared Food)
XXXXX	All Other Miscellaneous Food Manufacturing	R	*2015	Poultry and Egg Processing (Egg Processing)
			*2032	Canned Specialties (Canned Pudding)
			*2087	Flavoring Extracts and Syrups (Powered Drink Mix)
			*2099	Food Preparations, NEC (Except Marshmallow Cream, Peanut Butter, Perishable Prepared Foods, Tortillas, Tea and Vinegar)
XX	Beverage and Tobacco Product Manufacturing			
XXX	Beverage Manufacturing			
XXXX	Soft Drink and Ice Manufacturing			
XXXXX	Soft Drink Manufacturing	R	*2086	Bottled and Canned Soft Drinks (Except Purified Water)
XXXXX	Ice Manufacturing and Water Purification	N	2097	Manufactured Ice
			*2086	Bottled and Canned Soft Drinks (Purified Water)
XXXX	Breweries	E	2082	Malt Beverages
XXXX	Wineries	E	2084	Wines, Brandy, and Brandy Spirits
XXXX	Distilleries	R	2085	Distilled Spirits
			*2869	Industrial Organic Chemicals (Potable Ethyl Alcohol)
XXXX	Tobacco Stemming and Redrying	R	*2141	Tobacco Stemming and Redrying (Redrying and Stemming)
XXXX	Tobacco Product Manufacturing			
XXXXX	Cigarette Manufacturing	E	2111	Cigarette, Including Non-tobacco Cigarettes
XXXXX	Other Tobacco Product Manufacturing	N	2121	Cigars

2131	Chewing and Smoking Tobacco
*2141	Tobacco Stemming and Redrying (Reconstituted Tobacco)

TABLE 2

The abbreviation "pt" means "part of". @ means time series break has been created that is greater than 3% of the 1992 value of shipments for the 1987 SIC industry. The abbreviation NEC is used for Not Elsewhere Classified.

1987 SIC code	1987 SIC description	1997 U.S. description
2011	Meat Packing Plants	Animal Slaughtering
2013@	Sausages and Other Prepared Meats Meat Processing Lard	Meat Processed From Purchased Carcasses Rendering and Meat By-product Processing (pt)
2015@	Poultry Slaughtering and Processing Poultry Processing Egg Processing	Poultry Processing All Other Miscellaneous Food Manufacturing (pt)
2021	Creamery Butter	Creamery Butter Manufacturing
2022	Cheese, Natural and Processed	Cheese Manufacturing
2023	Dry, Condensed, and Evaporated Products	Dry, Condensed, and Evaporated Milk Manufacturing
2024	Ice Cream and Frozen Desserts	Ice Cream and Frozen Dessert Manufacturing
2026	Fluid Milk	Fluid Milk Manufacturing
2032	Canned Specialties Canned Specialty Canned Pudding	Specialty Canning (pt) All Other Miscellaneous Food Manufacturing (pt)
2033@	Canned Fruits and Vegetables	Fruit and Vegetable Canning (pt)
2034	Dehydrated Fruits, Vegetables, and Soup Dried and Dehydrated Fruit, Vegetable, and Soup Mix Vegetable Flours	Dried and Dehydrated Food Manufacturing (pt) Flour Milling (pt)

2035	Pickles, Sauces and Salad Dressings Pickled Fruit and Vegetable Sauce and Salad Dressing	Fruit and Vegetable Canning Mayonnaise, Dressing, and Other Prepared Sauce Manufacturing
2037	Frozen Fruits, and Vegetables	Frozen Fruit, Juice, and Vegetable Processing
2038	Frozen Specialties, NEC	Frozen Specialty Processing
2041	Flour and Other Grain Mill Products	Flour Milling (pt)
2043	Cereal Breakfast Foods Coffee Substitute Breakfast Cereal	Coffee and Tea Manufacturing (pt) Breakfast Cereal Manufacturing
2044	Rice Milling	Rice Milling
2045	Prepared Flour Mixes and Doughs	Flour Mixes and Dough Manufacturing from Purchased Flour
2046	Wet Corn Milling	Wet Corn Milling
2047	Dog and Cat Food	Dog and Cat Food Manufacturing
2048	Prepared Feed, NEC Animal Slaughtering, for Pet Food Except Slaughtering Animals for Pet Food	Animal Slaughtering (pt) Other Animal Food Manufacturing
2051	Bread, Cakes and Related Products	Commercial Bakeries (pt)
2052@	Cookies and Crackers Cookie and Cracker Pretzels Unleavened Bread	Cookie and Cracker Manufacturing Other Snack Food Manufacturing (pt) Commercial Bakeries (pt)
2053	Frozen Bakery Products, Except Bread	Frozen Bakery Product Manufacturing
2061	Raw Cane Sugar	Sugarcane Mills
2062	Cane Sugar Refining	Cane Sugar Refining
2063	Beet Sugar	Beet Sugar Manufacturing
2064@	Candy and Other Confectionery Products Chocolate Confectionery Non-Chocolate Confectionery Manufacturing	Chocolate and Confectionery Manufacturing from Purchased Chocolate Non-Chocolate Confectionary Manufacturing (pt)

2066	Chocolate and Cocoa Products	Chocolate and Confectionery Manufacturing from Cocoa Beans
2067@	Chewing Gum	Chewing Gum and Other Non-Chocolate Confectionery Product Manufacturing (pt)
2068@	Salted and Roasted Nuts and Seeds	Roasted Nuts and Peanut Butter Manufacturing (pt)
2074@	Cottonseed Oil Mills	Other Oilseed Processing, (pt)
2075	Soybean Oil Mills	Soybean Processing
2076@	Vegetable Oil Mills, NEC	Other Oilseed Processing (pt)
2077@	Animal and Marine Fats and Oils	
	Animal Fat and Oil	Rendering and Meat By-product Processing (pt)
	Canned Marine Fat and Oil	Seafood Canning (pt)
	Fresh and Frozen Marine Fat and Oil	Fresh and Frozen Seafood Processing (pt)
	Vegetable Oil Foot	Edible Fats and Oils Manufacturing (pt)
2079	Edible Fat and Oil, NEC	Edible Fats and Oils Manufacturing (pt)
2082	Malt Beverages	Breweries
2083	Malt	Malt Manufacturing
2084	Wines, Brandy, and Brandy Spirits	Wineries
2085	Distilled and Blended Liquors	Distilleries
2086	Bottled and Canned Soft Drinks	
	Soft Drinks	Soft Drink Manufacturing
	Purified Water	Ice Manufacturing and Water Purification (pt)
2087@	Flavoring Extracts and Syrups NEC	
	Flavoring Syrup and Concentrate	Flavoring Syrup and Concentrate Manufacturing
	Flavoring Extracts	Spice and Extract Manufacturing (pt)
	Powered Drink Mix	All Other Miscellaneous Food Product Manufacturing (pt)
2091@	Canned and Cured Fish and Seafood	Seafood Canning (pt)

2092@	Fresh or Frozen Prepared Fish	Fresh and Frozen Seafood Processing (pt)
2095@	Roasted Coffee	
	Roasted Coffee	Coffee and Tea Manufacturing (pt)
	Coffee Extracts	Spice and Extract Manufacturing (pt)
2096@	Potato Chips, and Similar Snacks	Other Snack Food Manufacturing (pt)
2097	Manufactured Ice	Ice Manufacturing and Water Purification (pt)
2098	Macaroni and Spaghetti	Pasta Manufacturing
2099	Food Preparations, NEC	
	Bouillon	Dried and Dehydrated Food Manufacturing
	Marshmallow Creme	Non-Chocolate Confectionery Manufacturing (pt)
	Peanut Butter	Roasted Nuts and Peanut Butter Manufacturing (pt)
	Perishable Prepared Food	Perishable Prepared Food Manufacturing
	Tortillas	Tortilleries
	Tea	Coffee and Tea Manufacturing (pt)
	Vinegar	Mayonnaise, Dressing, and Other Prepared Sauce Manufacturing (pt)
	Other	All Other Miscellaneous Food Manufacturing (pt)
2111	Cigarettes	Cigarette Manufacturing
2121	Cigars	Other Tobacco Product Manufacturing (pt)
2131@	Chewing and Smoking Tobacco	Other Tobacco Product Manufacturing (pt)
2141@	Tobacco Stemming and Redrying	
	Reconstituted Tobacco	Other Tobacco Product Manufacturing (pt)
	Redrying and Stemming	Tobacco Redrying and Stemming

Description of Changes to the U.S. System

A number of the changes listed in this section were made for reasons of international comparability. Where one or more of the three North American countries had different definitions of an industry classification, adjustments to the definitions in one or more countries were required. In constructing NAICS, the three countries agreed to move, where change was required to attain international comparability, in the direction of the country or countries whose existing classification definitions most closely corresponded to the production-oriented concept adopted for NAICS. Cases where the U.S. changed are listed below; other cases where Canada or Mexico moved toward the U.S. classification are not, of course, listed in this section.

Structure - The 1987 Major Groups 20, Food and Kindred Products, and 21, Tobacco Products, were reorganized to create two new subsectors. Beverages were separated from food and combined with tobacco. A number of activities that were included in 1987 Industry Group 208, Beverages, were retained in the Food Manufacturing subsector:

Malt manufacturing from 1987 industry group 208. This was done to promote comparability with ISIC and because malt production is a milling operation, not a beverage operation.

Flavoring syrup and concentrate manufacturing from part of 1987 SIC 2087, Flavoring Extracts and Syrups, NEC, to improve comparability with Mexico.

Flavoring extracts from part of 1987 SIC 2087, Flavoring Extracts and Syrups, to create a new 1997 industry for spices and extracts. This is consistent with Canada and ISIC. Powdered drink mixes from part of 1987 SIC 2087, Flavoring Extracts and Syrups, into part of All Other Miscellaneous Food Manufacturing to improve comparability with Canada.

Manufactured ice was previously part of 1987 industry group 209, Miscellaneous Food Preparations and Kindred Products. NAICS includes this in Beverage Manufacturing.

Food Manufacturing - Ten new industries were added to the 1997 industry structure for this subsector. New industries were created for:

Other Oilseed Processing by combining 1987 SIC 2074, Cottonseed Oil Mills, and 1987 SIC 2076, Vegetable Oil Mills, NEC. Cottonseed processing is very small and the production function is identical except for the inputs used.

Confectionery Manufacturing from Purchased Chocolate from part of 1987 SIC 2064, Candy and Other Confectionery Products, to promote comparability with Mexico. This industry also is characterized by the production process as chocolate as an input to confectionery is unique and is distinguished by process.

Non-Chocolate Confectionery Manufacturing from parts of 1987 SIC 2064, Candy and Other Confectionery Products; 1987 SIC 2067, Chewing Gum; and 1987 SIC 2099, Food Preparations, NEC. Chewing gum is a disclosure in the U.S. and is too small in Canada.

Rendering and Meat By-product Processing from parts of 1987 SIC 2013, Sausage and Other Prepared Meats, and 1987 SIC 2077, Animal and Marine Fats and Oils, since there are specialized processes involved and they tend to be performed in separate establishments. This proposal is supported by The National Renderer's Association.

Tortilleries from part of 1987 SIC 2099, Food Preparations, NEC, in response to a proposal from the industry association and to promote comparability with Mexico. Coffee and Tea Manufacturing from parts of 1987 SIC 2043, Cereal Breakfast Foods; 1987 SIC 2095, Roasted Coffee; 1987 SIC 2099, Food Preparations, NEC, to promote comparability with Canada.

Mayonnaise, Dressing and Other Prepared Sauce Manufacturing from parts of 1987 SIC 2035, Pickles, Sauces and Salad Dressings, and 1987 SIC 2099, Food Preparations, NEC, to promote comparability with Mexico. The U.S. found a good production basis and more than sufficient data user interest for this change.

Spice and Extract Manufacturing from parts of 1987 SIC 2087, Flavoring Extracts and Syrups; 1987 SIC 2095, Roasted Coffee; 1987 SIC 2099, Food Preparations, NEC; and 1987 SIC 2899, Chemical Preparations, NEC resulted from a modification of a proposal to create a spice industry. There is considerable overlap between the production of extracts and spices. Spice production alone produced a low specialization rate (75%), but the combined industry exhibits good specialization (91%).

Retail Bakeries from part of 1987 SIC 5461, Retail Bakeries, to obtain comparability with Mexico. A new industry was created since their production function is different than that of a commercial bakery and in order to retain time series continuity.

Perishable Prepared Food Manufacturing from part of 1987 SIC 2099, Food Preparations, NEC, to reduce the size of SIC 2099 and improve comparability with Mexico.

Three activities were transferred into the 1997 Food Manufacturing subsector:

Custom slaughtering was transferred from 1987 SIC 0751, Livestock Services, Except Veterinary, into Animal Slaughtering because the production process is slaughtering whether done on a production or custom basis, and in response to a proposal.

Boxed beef from purchased carcasses was transferred from 1987 SIC 5147, Meat and Meat Products, into Meat Processed From Purchased Carcasses to improve comparability with Canada. The production function of these establishments is much more a manufacturing type operation, in that they are very large, highly automated plants that produce bulk products that must still be further broken down before they are ready for sale to the final consumer.

Salt was transferred from part of 1987 SIC 2899, Chemical Preparations, NEC, into Spice and Extract Manufacturing to promote comparability with Mexico.

Also there were several activities that transferred within the Food Manufacturing subsector. The number of food manufacturing except beverages manufacturing industries increased from 43 in 1987 to 47 in 1997. For time series linkage, 26 of the 43 1987 industries are comparable within three percent of the 1997 industries.

Beverage and Tobacco Product Manufacturing - Two new industries were created for this subsector.

Ice Manufacturing and Water Purification from 1987 SIC 2097, Manufactured Ice, and part of 1987 SIC 2086, Bottled and Canned Soft Drinks, to promote comparability with Mexico.

Other Tobacco Product Manufacturing by combining 1987 SIC 2121, Cigars; 1987 SIC 2131, Chewing and Smoking Tobacco; and Reconstituted Tobacco from part of 1987 SIC 2141, Tobacco Stemming and Redrying.

One activity transferred into the Beverage and Tobacco Product Manufacturing subsector:

Potable ethyl alcohol was transferred from part of 1987 SIC 2069, Industrial Organic Chemicals, into NAICS Distilleries to promote comparability with Canada.

The number of beverage and tobacco product industries decreased from ten in 1987 to eight in 1997. For time series linkage, five of the ten 1987 beverage and tobacco product manufacturing industries are comparable within three percent of the 1997 industries.