

# **Achieving Sustainable Agri-food Growth Compatible with a National Food Policy**

**CFA-FPT Meeting  
St. John's, NL  
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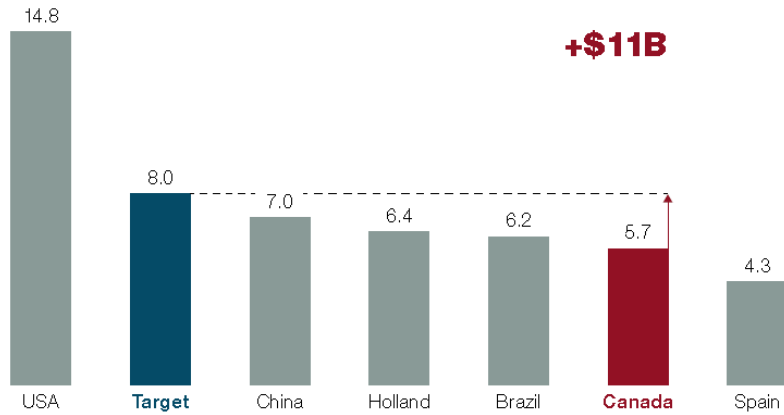
# The vision of the *Advisory Council on Economic Growth*



*“A vision statement — such as ‘Canada will become the trusted global leader in safe, nutritious, and sustainable food for the 21st century’—would reflect the strength of our starting position, as well as the global trends we can exploit.”*

Exhibit 2 **Canada could target an 8 percent global market share in agricultural products by 2027.**

Exports of agricultural products, 2015  
Share of global exports

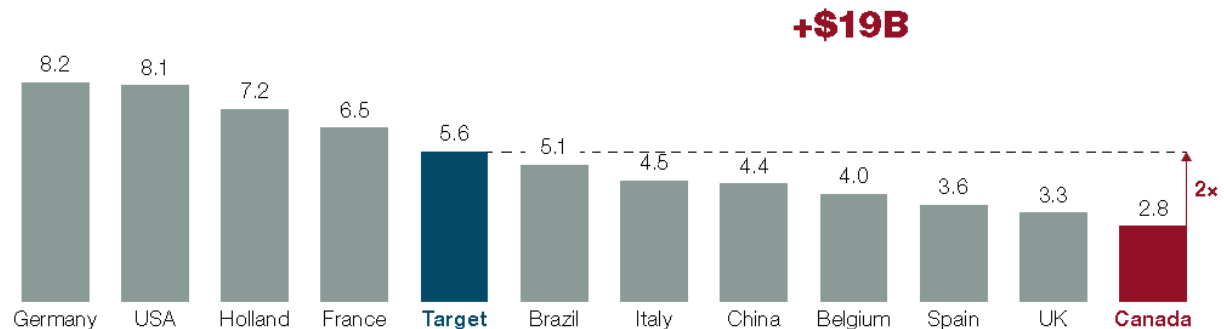


**Goal:  
Unleashing Growth**

Source: World Trade Organization

Exhibit 3 **Canada could aim to double its global market share in agfood products by 2027.**

Exports of agri-food products, 2015  
Share of global exports



Source: World Trade Organization

# The strategy needs to be consistent with Canada's National Food Policy

- How do we meet the goals of the growth strategy and the objectives of our Food Policy simultaneously?
- How do we reconcile the growth targets, particularly with the sustainable use of resources?
- How do we succeed better in global markets that are glutted with subsidized food?

**A FOOD POLICY FOR CANADA**  
Consulting with Canadians

Food matters. The decisions we make as individuals and as a country about food have a direct impact on our health, environment, economy, and communities. Working together, we can put more affordable, safe, healthy, food on tables across the country, while protecting the environment. The Government of Canada is asking Canadians for their views on what should be included in A Food Policy for Canada.

**WHAT IS A FOOD POLICY?**  
A Food Policy for Canada will set a long-term vision for the health, environmental, social, and economic goals related to food, while identifying actions we can take in the short-term. A food policy is a way to address issues related to the production, processing, distribution, and consumption of food.

**WHAT AREAS COULD THE FOOD POLICY COVER?**  
In order to make healthy eating choices, Canadians depend on sufficient access to affordable, nutritious, and safe food, and require information to make healthy food choices. In turn, having a reliable supply of affordable, nutritious, and safe food, depends on maintaining Canada's natural resources in a way that supports and grows our agriculture and food sector.

The federal government is consulting Canadians on four closely connected themes that have a direct impact on the food they eat:

- increasing access to affordable food;
- improving health and food safety;
- conserving our soil, water, and air; and,
- growing more high quality food.

As we develop A Food Policy for Canada, the Government of Canada is exploring how best to align and coordinate current and future federal initiatives strongly linked to a agriculture and food.

**WHY IS COLLABORATION IMPORTANT?**  
There are many actors in Canada's food system, including farmers, processors, retailers, consumers, academia, non-government organizations, and all orders of government. Collaboration that draws from a variety of experiences and perspectives among Canadians and stakeholders will be critical to the success of developing and implementing A Food Policy for Canada.

**INCREASING ACCESS TO AFFORDABLE FOOD**  
Improving Canadians' access to affordable, nutritious, and safe food. We need to do more to improve the affordability and availability of food, particularly among more vulnerable groups, such as children, Canadians living in poverty, Indigenous peoples, and those in remote or Northern communities.

**IMPROVING HEALTH AND FOOD SAFETY**  
Increasing Canadians' ability to make healthy and safe food choices. Canada's world-class food safety system continues to provide for citizens with safe food to eat. Additional efforts to promote healthy living through nutritious and safe food choices, can improve the overall health of Canadians, while lowering health care costs.

**CONSERVING OUR SOIL, WATER, AND AIR**  
Using environmentally sustainable practices to ensure Canadians have a long-term, reliable and abundant supply of food. The way our food is produced, processed, distributed, and consumed - including the losses in a waste of food - can have environmental implications, such as greenhouse gas emissions, soil degradation, water quality and availability, and wildlife loss. While much is being done to conserve our natural resources, further opportunities exist to do more.

**GROWING MORE HIGH-QUALITY FOOD**  
Enabling Canadian farmers and food processors are able to adapt to changing conditions to provide more safe and healthy food to consumers in Canada and around the world. Investing in farm and food processors, large and small, across the country, to grow will make more high-quality Canadian food available domestically and internationally. Budget 2011 investments clearly recognize the importance of the agriculture and food sector as a driver of economic growth.

[www.canada.ca/food-policy](http://www.canada.ca/food-policy)

Government of Canada / Gouvernement du Canada

# National Food Strategy aligns with the demand of fast growing high quality export markets

## China Growth Trends

- Young middle class consumers showing buying power (China's high-end markets grew in Q1 2017 around 40% y-o-y!)
- “The pursuit of health and safety is the major trend in consumer upgrades in China” – Nielsen Research

## Proposed National Food Policy

Growing more high quality food

Improving health and food safety

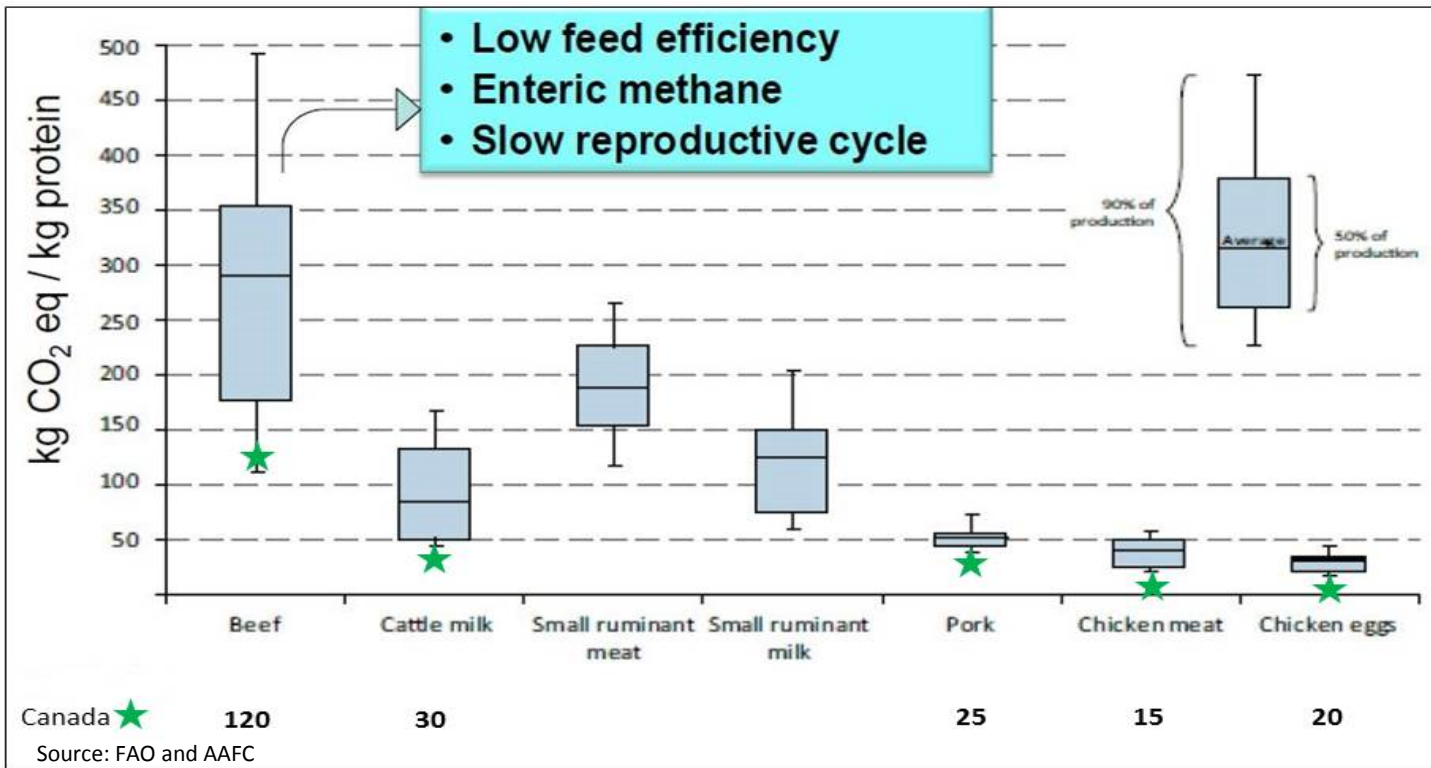


# Could ACEG targets be reconciled with the sustainable use of resources?

- ACEG compares Canadian agri-food to the Netherlands industry, -2nd largest agri-food exporter.
- Netherlands' success in growing agri-food exports using intensive production came with high environmental cost.
  - The industry generates an average of €10,341 million annually
  - Negative externalities — Netherlands ag: €1,868 million annually (mostly associated with GHG emissions)
  - Estimated value of external benefits: €263 million,
  - Net external costs — the Netherlands: €1,605 million or 15.5% of production value annually. (a cost of €988.4 per hectare – considerably higher than €19.74-64.14 in the U.S.,)

Source: G. Cornelis van Kooten, et.al.

# Canadian agriculture has steadily reduced GHG emission intensity, particularly in livestock



Canada is one of the most GHG efficient producers of animal protein. How do we leverage this?

# Conserving soil, water and air will sustain profitable growth

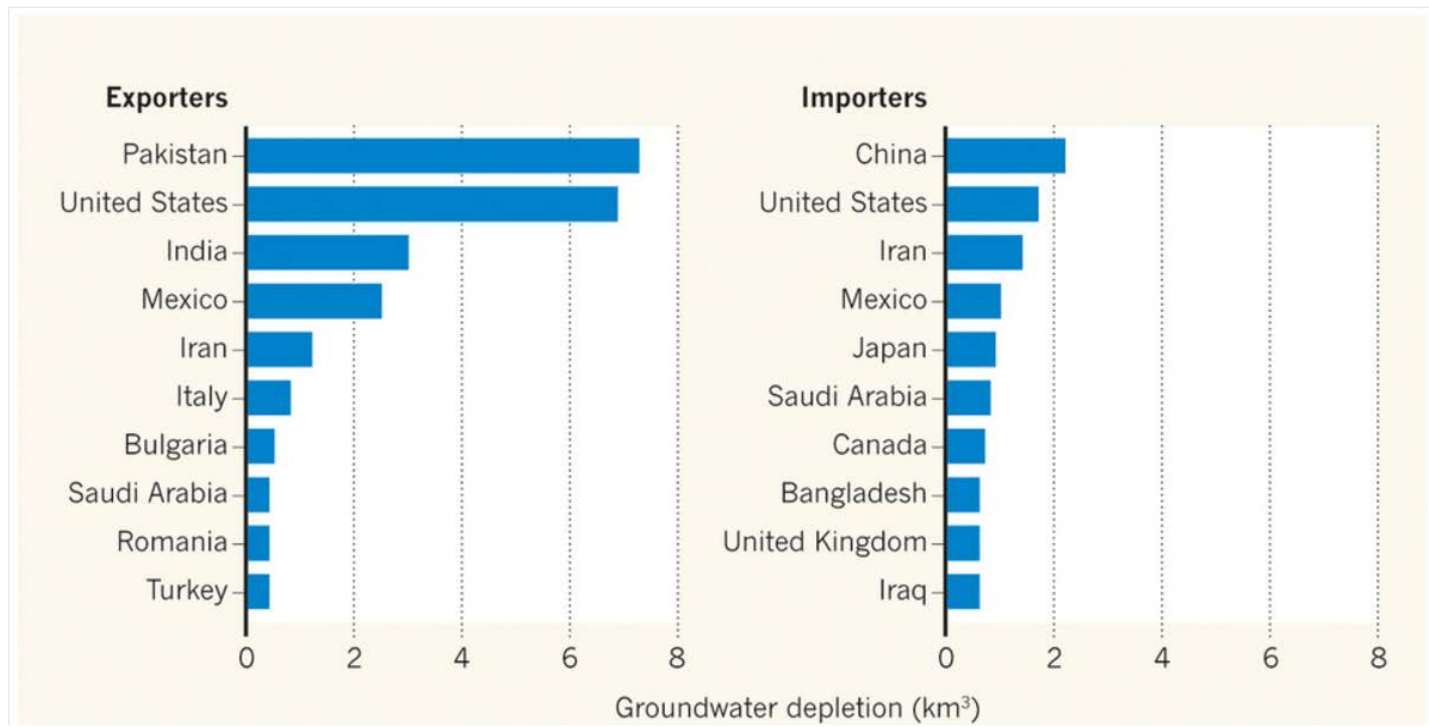
Figure 1: Top ten exporters and importers of groundwater depletion embedded in the food trade.

From

Environmental science: Eating ourselves dry

Maite M. Aldaya

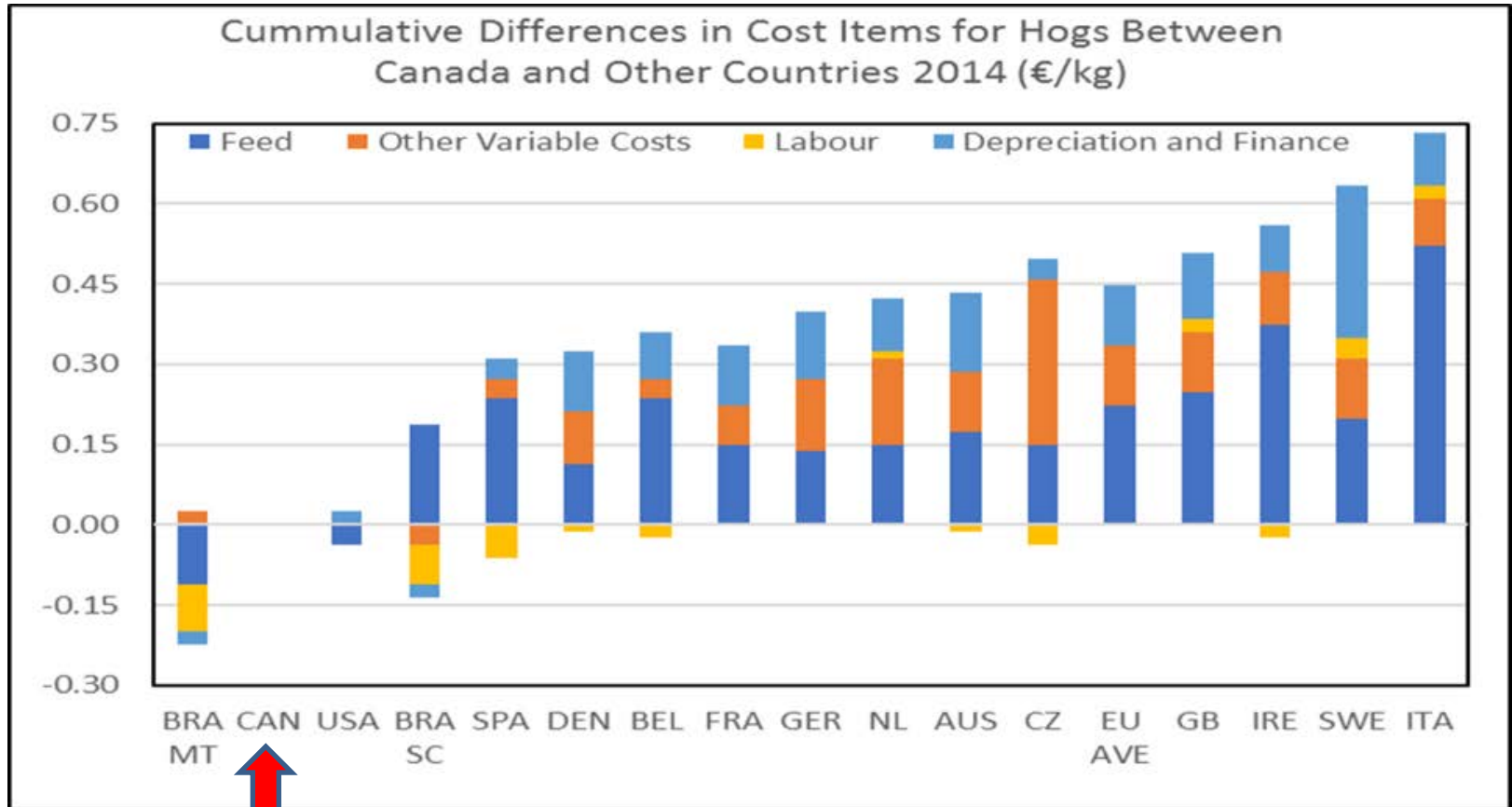
Nature 543, 633–634 (30 March 2017) | doi:10.1038/543633a



Canadian agriculture is largely rain-dependent – Globally 11% of all food traded internationally relies on groundwater depletion

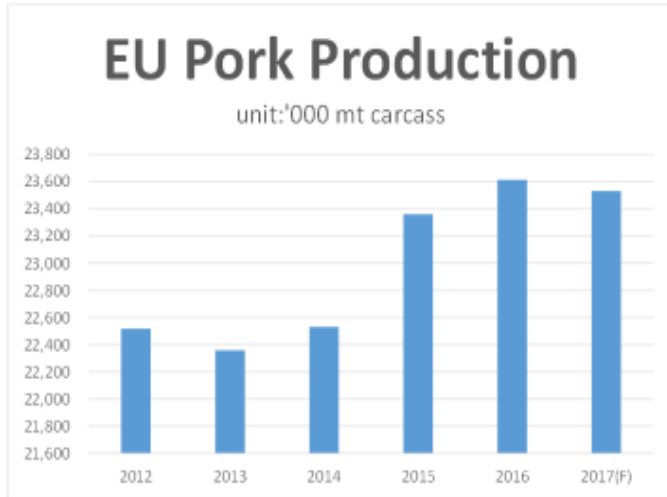


# The Netherlands also benefits from large E.U. subsidies Canada is also one of the lowest cost producers of hogs



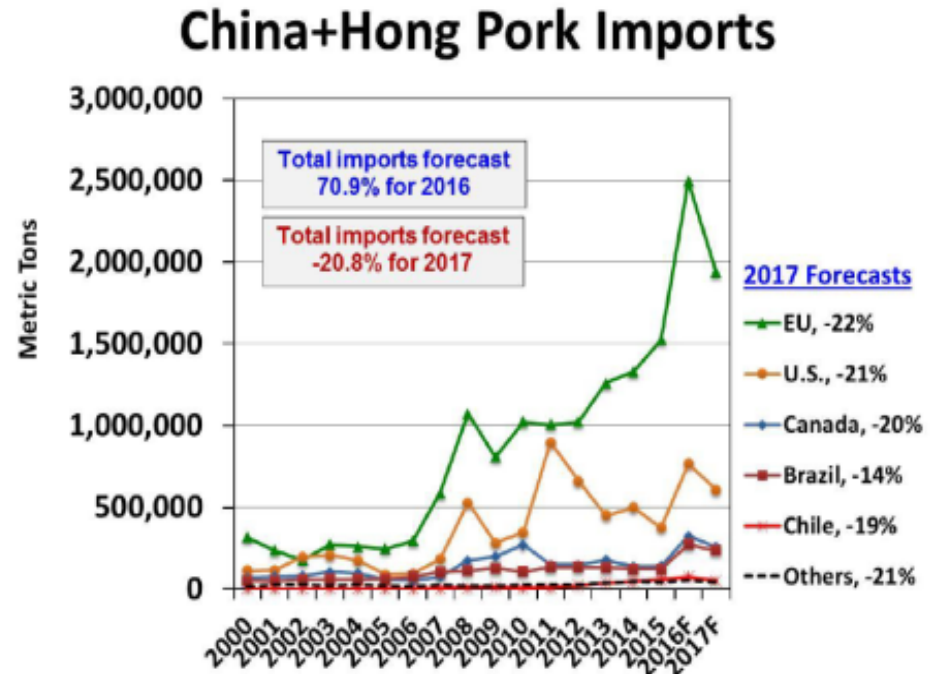
Source: Agri-Food Economic Systems Trade study prepared for CAPI, 2 May 2017, page 128, figure 5.20

# But higher cost producers glut the growth market



- EU expects to have slight reduction of production in 2017.
- However, that volume is still much higher than previous Russian ban and Chinese export volume will be the key to sustain the price of pork in EU 2017.
- Piglets are very expensive in the beginning of Jan in all Europe.
- In Denmark, The Netherlands, Belgium, Germany, there has been a decrease in the pig population.
- The exports to third countries are firm: Japan and China lead important growth.

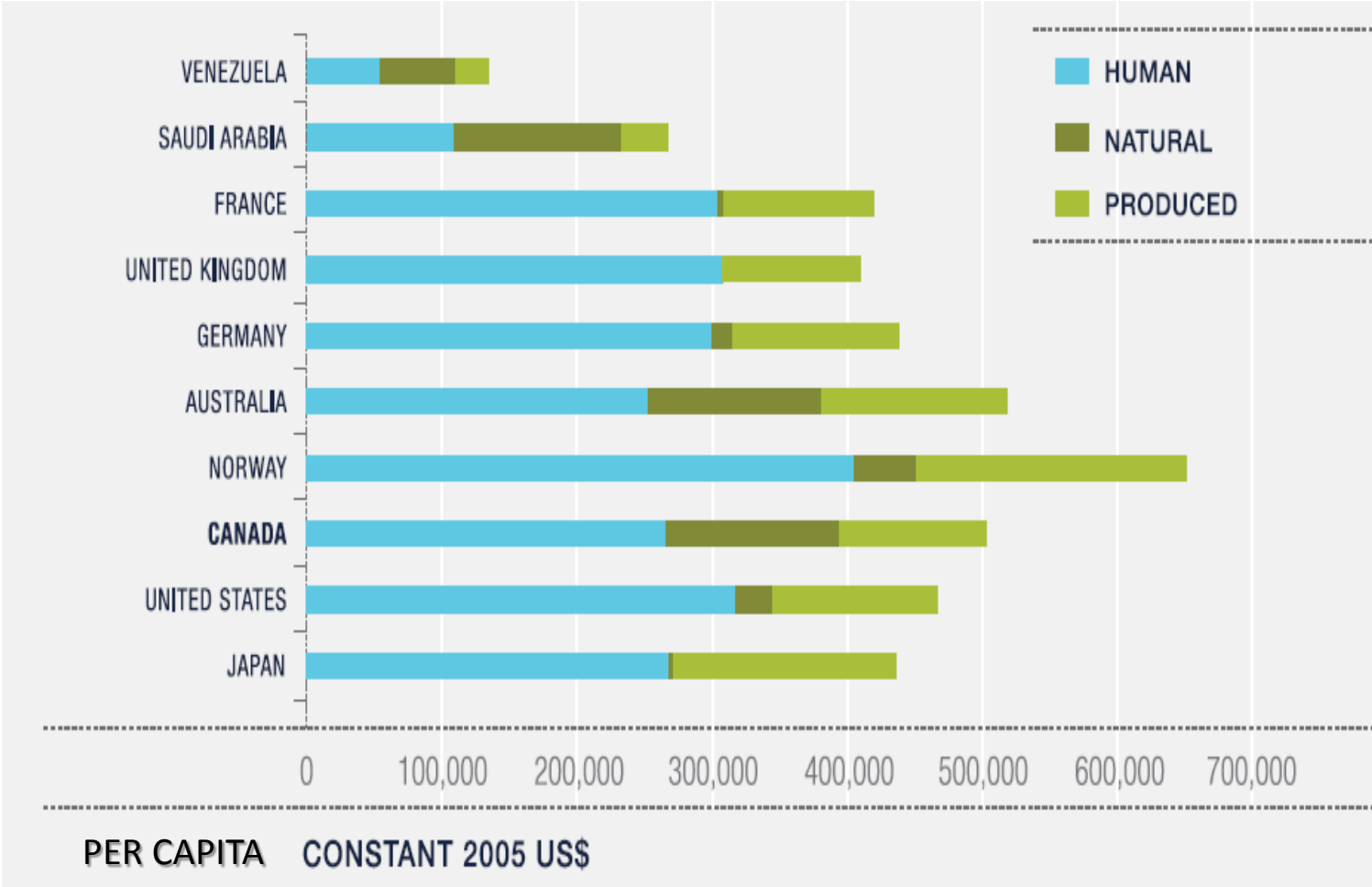
Source:EUROSTAT



Source: BPEX, USDA, U.S. Fed, AgriTrends, includes variety meats

How do we succeed in sustainably growing the Canadian industry? Living in a bubble of abundance is not the best place to see the opportunities or threats ahead.

# Capacity will be key in improving a balanced growth in inclusive wealth



Source: Smart Prosperity Institute