



CAPI

*The Canadian Agri-Food
Policy Institute*



ICPA

*L'Institut canadien des
politiques agro-alimentaires*

Agri-business Processing

Capturing the Economic Benefits for Rural Canada

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Tisdale Alfalfa Dehy Ltd.
February 13-14, 2006

A Matter of Rural Development

Rural and Agricultural Policy Relationship

Agricultural Policy is Related to Rural Policy

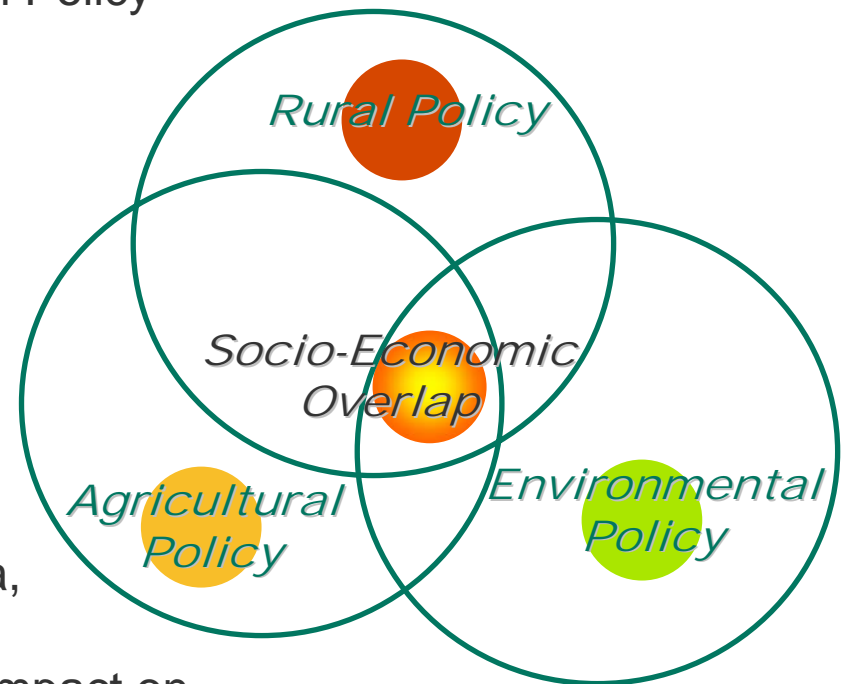
- These policies should be
 - Separate
 - Complimentary

Capturing Development Potential

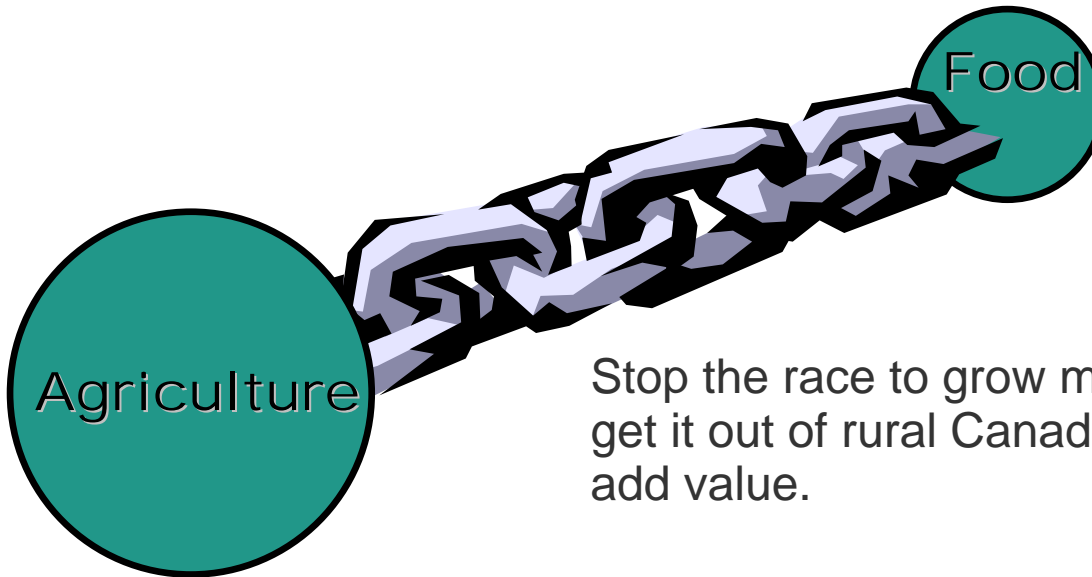
Saskatchewan has about 46% of Canada's Arable Land yet only has 2% of Canada's food processing.

As a prime example of Rural Canada, any meaningful Rural Processing Development will have a significant impact on Saskatchewan's Rural Economy.

POLICY LINKAGES



Drop the Agri-Food Model



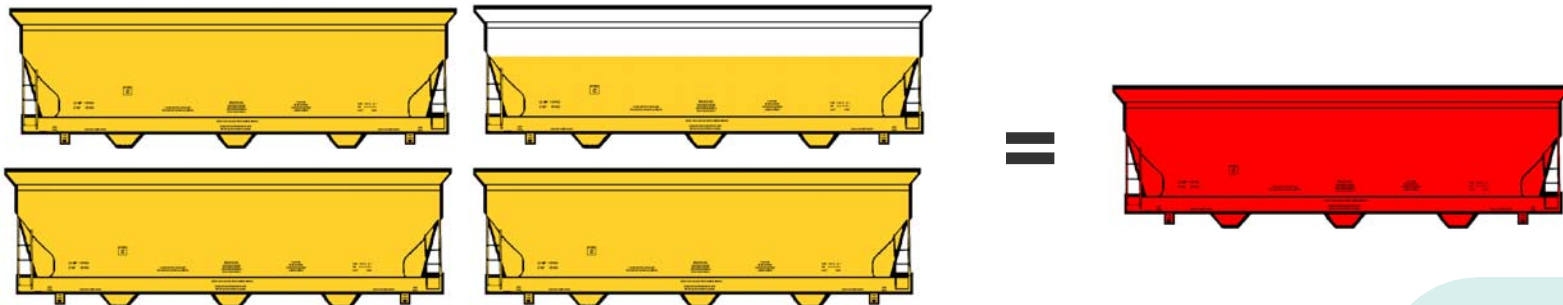
Conventional Wisdom?

Break the conventional thinking of agriculture as just a source of food.

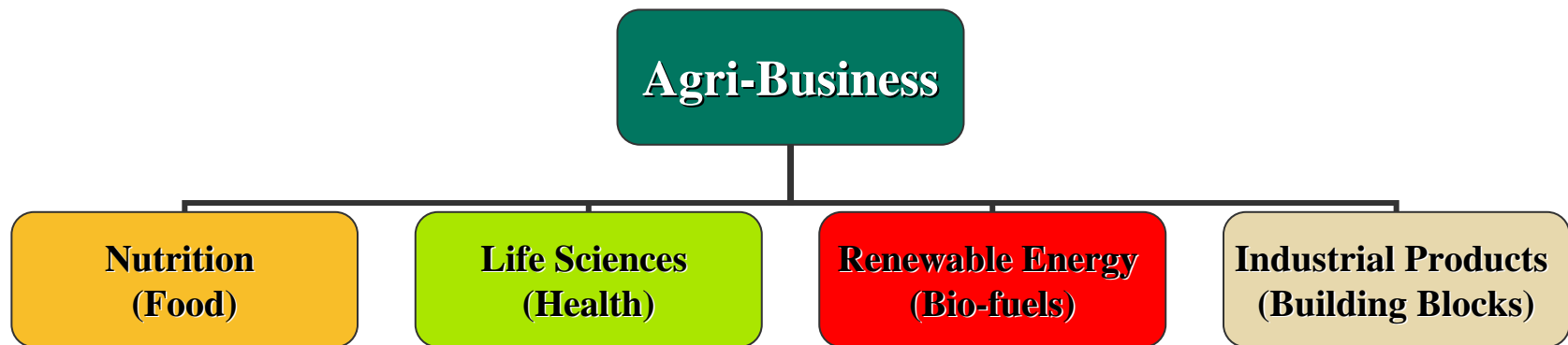
Stop the race to grow mass generic volumes and get it out of rural Canada for someplace else to add value.

Broader Processing Options Change the Model

Such as converting 3.6 railcars of **grain** into **ethanol**.



Adopt an Agri-Business Model



Expand the View with a Broader Vision

The Agri-Business Sector grows nutritious food, life products, renewable energy, and industrial materials for a stronger, healthier, cleaner, and safer Canada.

- An Agri-business view promotes multi-disciplines and profitability
- The wider view will address broader Provincial and National items from the environment to the costs of energy
- The other Agri-Food Chain and Non-Food components have higher economic benefits suitable to Rural Development
- A new approach for Agriculture Policy is beneficial to Rural Renewal

Capture the Economic Benefits

Add Value to Rural Economies

- Further agri-food activity benefits rural employment, since 7.5% of rural employment is from primary agriculture compared to 10.6% from agri-food
- Further non-food ag processing injects export revenue into the economy

A Source of Strong Agri-products

- Agricultural Policy can no longer treat producers as a source of cheap feed products and expect to continue to maintain a supply
- ***Producers need the opportunity to participate in food processing & bio-energy value added activity to realize profits, otherwise the current dependency on income support programs will intensify***
- A broader approach requires the right mechanisms so that farmers can participate in the upstream linkages with processors and customers through buying groups, marketing groups, and processing-ownership

Balance Expectations with Achievable Results

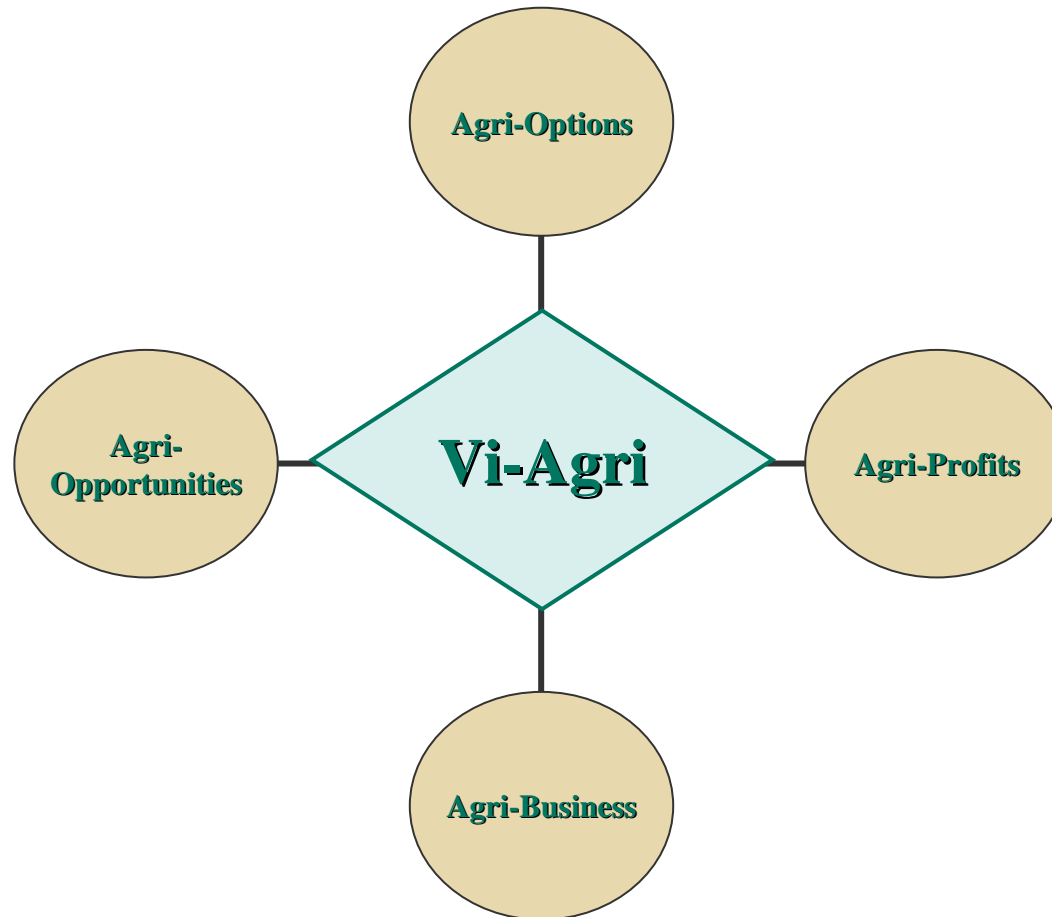
What kind of Rural Canada do we want?

- Producers that can rely on agricultural based income to sustain healthy business activities
- Other domestic uses or value add to agricultural products in Rural Canada
- Public Agricultural Policy that supports investment in processing, distribution, marketing, research & development, commercialization and smart operators changing the economic fortunes of Rural Canadians

Realistically, what kind of Rural Canada can we have?

- There are other competing interests - public policy is gravitating to urban Canada, relevant linkages to the broader national agenda are essential to garner any support for agricultural or rural interests
- Without hope, opportunity, and advancement the downward cycle of rural depopulation and loss of services will continue (critical mass)
- Rural Canadians have vested interests to live in smaller centres through employment, family, and ownership (property & enterprise)

Viabile Agriculture



The new vision must be for Viable Agri-business

This should drive Agricultural Policy and benefit Rural Policy