



CAPI

*The Canadian Agri-Food
Policy Institute*



ICPA

*L'Institut canadien des
politiques agro-alimentaires*

How Regulations Can Create Value

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Innovation Through Farm Processes

Consumers demand high standards for human health, and safety and protection of the environment

- Therefore, there are opportunities for companies to innovate via barn process, or feed, to provide consumers with choice
- Base product provides a suitable/trusted platform to launch from

Consumers demand to be well-informed about their choices

- Claims need to be backed up via solid and auditable process
- Regulation provides this assurance to consumers



How Regulation Creates Value

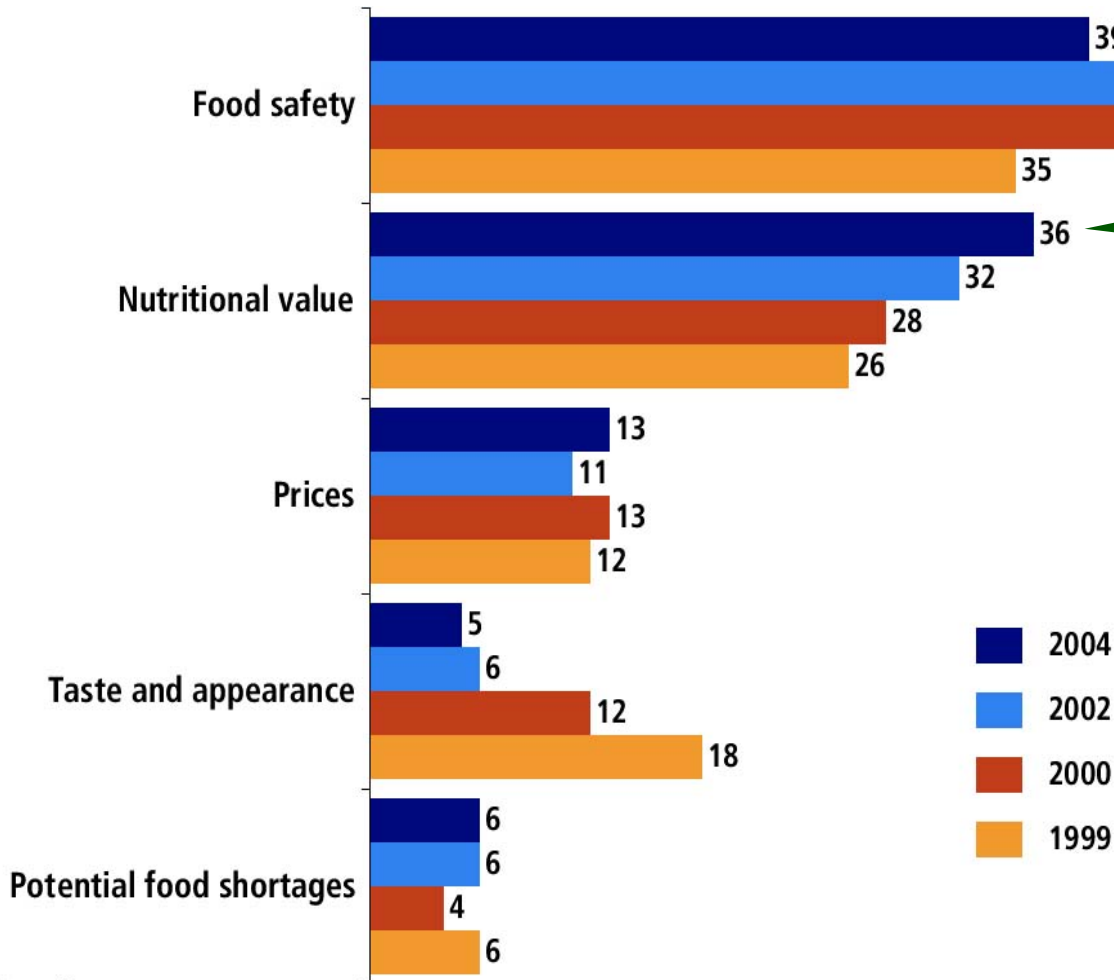
Some regulations affecting food products help create value for marketers and producers

- Provides differentiation in traditional categories
- Provide consumers with informed choice and reassurance
 - Omega 3 eggs
 - Fortified bread products – flax, 12 grain, Omega 3
 - Vitamin D in milk



Lifestyles and Values

Food Safety 1999-2004



#1 concern in all provinces except Quebec

#1 concern in Quebec (48%)

Promoting Canada As A Brand

In Japan, Canadian Pork is advertised behind the natural platform that we have as a country – regulation assures a certain set of attributes

あなたは知っていますか？

空気が大 水が大きい

カナダをおいしくします。



カナダの大目
カナダは世界有数のポーク輸出国です。



美しい国、

美しい大自然が、
とびきりの自然をもつ国には、たとえ
それはきつと、清らかな空気と水と
とびきりおいしくてヘルシーなカナダ。

こだわりのポークを



カナダが育んだ



● **すぐれた原料が低脂肪・高タンパクなポークを育てます。**
カナダの中央部は世界有数の穀倉地帯。そこから収穫された小麦を主な原料に育った豚は、低脂肪・高タンパクで、ビタミンB群をたっぷり含んだポークになります。また、ジューシーで柔らかい肉質としみのある肉質、脂質をもつように安心です。おいしくてヘルシーなカナダポークは、世界で高く評価されています。



● **厳しい衛生管理**
広大な自然の中で健康的に飼育され、選別し、自然素材にこだわったカナダポークの

● **豊富な飼料が、ポークの旨みの決め手です。**
世界有数の穀倉地帯であるカナダ、国の中央部を走る農業地帯から収穫される小麦や小麦、トウモロコシ、大豆、大麦、飼料を飼育して育ったポークは、ひとときおいしい肉質を誇ります。きめ細かな食感としみのある肉質、ジューシーで柔らかい肉質をもつように安心です。おいしくてヘルシーなカナダポークは、世界で高く評価されています。



清らかな空気と水と大地が、
とびきりのポークを育てます。



豊かな飼料が、
ポークの旨みの決め手です。



厳しい衛生管理が、
ポークの品質を守ります。



カナダポークの生産は、世界一厳しいといわれる衛生基準によって、安心といわれる肉質を実現しています。豊かな自然環境に育ったカナダ高品質ポークの安心の味を、この自然環境で育ったカナダポークの肉質を世界に発信する。カナダポークは、ひとときおいしい肉質を誇ります。きめ細かな食感としみのある肉質、ジューシーで柔らかい肉質をもつように安心です。おいしくてヘルシーなカナダポークは、世界で高く評価されています。

The Opportunity – Canada Differentiation

Regulation should ***NOT*** be a “means to expedite the race to the bottom”

Regulation ***CAN*** be value-added by raising the bar carefully on things that Canadians do best, or can do better than other countries

- Creates momentum for improvement in the global economy
- Drives consumer confidence in Canadian product being better
- Creates a sales attribute that is fact-based for exporters

How Deregulation Can De-Value

On the flip side, value can be destroyed when regulations are not adequate *OR* not enforced

Consumer or country perception and skepticism has significant economic implications

Examples would include:

- **Brazil FMD – lack of enforcement on OIE approved zoning**
- **Canadian adoption of US Fat Free definition – consumers became skeptical**
 - **Decline in Fat Free categories**
- **US slow recovery on beef exports to Japan – Japan is not yet confident of controls in place**

The lesson:

- **In some cases, regulations are hard and burdensome because they are thorough, and the difficulty gives consumers confidence in the authenticity of what they are receiving**

Benefits of Regulation

- **Creates consumer confidence**
- **Provides critical and consistent information to consumers**
- **Creates a platform for differentiation**
- **Can support a Canadian “identity” and brand**
- **We are only as strong as our weakest link**
 - e.g., meat issue in Ontario provided negative impact in general
 - Biosecurity must be adhered to by all
- **Creates a level playing field for all**
 - Costs and expectations for manufacturers, producers, etc.
- **Supports environmental, social policy, etc., that contributes to our identity**

It's All In The Process!

Without regulation due diligence...

- True differentiation cannot occur
- Base consumer confidence is at risk
- Value can be destroyed if not adequately enforced

Most companies are likely frustrated with the process, not the outcome

Let's not throw the baby out with the bath water

- Stay true to the philosophy of what it wants to accomplish, while executing it better

Thank -you