

Providing a 'third voice' for Canada's agri-food sector

Welcome to the first newsletter of the Canadian Agri-Food Policy Institute (CAPI). In this inaugural issue, we wish to introduce readers to the organization, describe our history and objectives, and provide updates on some of our key projects.

Founded in 2004, CAPI is an independent, non-governmental organization dedicated to the success of Canada's agri-food sector. Thanks to long-term funding support announced by the Government of Canada in 2007, CAPI is now a permanent think-tank.

CAPI provides a "third voice" on critical issues facing government and industry, helping keep Canada at the leading edge of the global agri-food marketplace. Its vision is a more competitive, sustainable, and healthy agri-food sector.

Traditionally, CAPI has focused on farm income. From 2004 to 2006, CAPI produced numerous papers and held several forums on farm income issues. Based on this work, CAPI developed a vision and strategic direction statement for use by sector stakeholders.

In recent years the Institute has branched out. In 2007, CAPI produced a major report on the role the agri-food sector can play in the health of Canadians. In 2008, CAPI undertook a project on issues affecting rural economies in Canada as a whole.

As well, CAPI has initiated a project to stimulate more flexibility in the regulatory system in Canada. Our next newsletter will carry an



update on this work. Farm income also remains a key topic, and was the subject of a major CAPI study in 2008.

In 2009, the agri-food sector will continue to face major challenges, and will have to adapt to issues such as food safety and security, environmental impacts, rising energy costs, and an increasingly interdependent global economy.

"In view of globalization, Canada's agri-food sector will need to reinvent itself in order to compete and prosper," said CAPI executive chair Gaëtan Lussier. "I foresee CAPI making a significant contribution to this renewal."

We hope readers will enjoy the CAPI newsletter. Please visit our website to learn more about the Institute at www.capi-icpa.ca.



The CAPI vision foresees a more competitive, sustainable, and healthy agri-food sector.



The emergence of CAPI: An interview with Gaëtan Lussier

Gaëtan Lussier, CAPI executive chair, is a former deputy minister of both the Quebec Ministry of Agriculture and of Agriculture and Agri-Food Canada, and is a member of the Order of Canada. Mr. Lussier is also the former President of Weston Bakeries Quebec and former President and CEO of Culinar.

Why was CAPI created?

CAPI came about by the will of Agriculture and Agri-Food Canada, which wanted to have a third party analyze the future policy requirements of the country's agriculture and agri-food economy. The hope was that this third party would help maintain the competitiveness of the sector, by inviting stakeholders and representatives of the value chain to have a forum for discussing the future and exchanging points of view on issues and opportunities that could affect the future of the agri-food economy in Canada.

What have been CAPI's major developments?

By examining the evolution of farm income in Canada, CAPI was able to bring attention to the financial performance of the sector, and the regulations affecting the sector. CAPI devised a vision on agriculture and agri-food in order to influence the policies of the federal and provincial governments. This vision influenced the Agricultural Policy Framework (APF), the federal government's policy document for agriculture.

What have been CAPI's major accomplishments?

In terms of farm income, establishing a regular reporting of the main financial performance indicators is a big accomplishment. We held consultations across the country, and collaborated with Agriculture and Agri-Food Canada and Statistics Canada.

Now we have ways to measure the performance and profitability of the sector, by farm type and size and by province. Another big project for us is our work to improve linkages between agriculture and health, and reducing the health deficit in Canada. Since late 2007, we have been working toward an integrated health and agri-food strategy.

We are also proud of our efforts to draw attention to the plight of rural economies in Canada. We held an international symposium in 2008 to look at what needs to happen to improve the economic fortunes of rural communities in Canada.

What are CAPI's major challenges?

One of our biggest challenges has been getting base financing. This allows us to continue pursuing our three themes for the sector: competitiveness, health and sustainability. Our role is to influence the decision-makers, so to ensure they recognize the agri-food sector as fundamental to our economy, and so they set in place the appropriate policies.



CAPIUpdate

is a regular publication
of the Canadian Agri-Food Policy Institute,
an independent, non-governmental organization
dedicated to the long-term success
of Canada's agri-food sector.

To comment or request copies, contact us:

Telephone: 613-232-8008 or toll-free 1-866-534-7593
Fax: 613-232-3838 email: info@capi-icpa.ca
www.capi-icpa.ca

Canadian Agri-Food Policy Institute
960 Carling Avenue, CEF
Building 49, Room 318
Ottawa, ON K1A 0C6

Canada

CAPI is committed to the protection of personal information
within its control in accordance with the privacy laws of Canada.
For CAPI's full privacy policy, please see www.capi-icpa.ca.

CAPI does not share, sell or lend mailing list information with or to third parties.



CAPI promotes the development of safe and nutritious foods for Canadians and the world.

Looking to the future: An interview with Owen McAuley

Owen McAuley is a CAPI board member. He has had a distinguished career as a Manitoba farmer and member of numerous agricultural review panels. Mr. McAuley served as Vice-Chair of the Manitoba Farm Mediation Board for 11 years.



What are the major challenges facing the Canadian agriculture and agri-food sector?

The sector must sort out where we can be competitive in the global marketplace. With the new players like Brazil becoming a factor, our cost-comparable advantage in commodity exports is getting lost. Today, people are looking for safer, healthier, and identity-preserved food. People want to know where their food is coming from, and there is more demand for safe food. We are recognized around the world for high-quality food, so we need to focus on that strength.


What does the sector need to do to adapt to the future?

We have to look at the long-term alternatives to our traditional products like grain. For example, Pulse Canada has done some work looking at the positive health impacts of pulses. We need to turn that research into marketable products. We have to stop thinking about protecting what we had yesterday, and develop new opportunities for tomorrow.

How can CAPI help?

CAPI is not tied to any one sector, nor any section of the production chain, be it at the primary level or retail. So we are in a position to independently stand back and assess the prospects of the entire sector both in terms of what we're producing, and throughout the value chain.

Where should the sector be in 5-10 years?

If we are going to be self-sustaining, especially on the export side, we must expand into more value-added production and produce a wider variety of products that draw a premium from consumers within Canada, the U.S., and countries afar. We need to focus on our competitive advantage. But we need the right regulations, and we need a set of international rules that take the risk out of trade disputes, so the industry can have some predictability. In the next 5-10 years, CAPI can work on providing evidence-based research that shows where the sector needs to go, and how to get there to ensure a competitive industry for Canada. 

Toward an integrated health and agri-food strategy

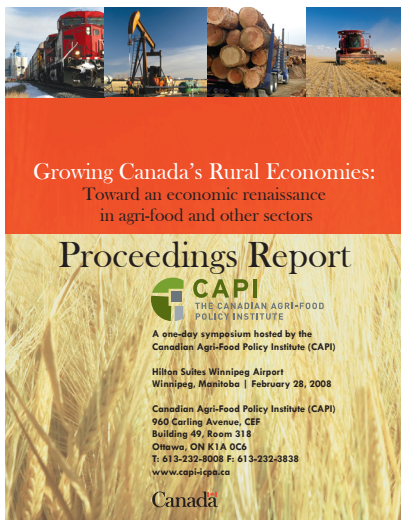
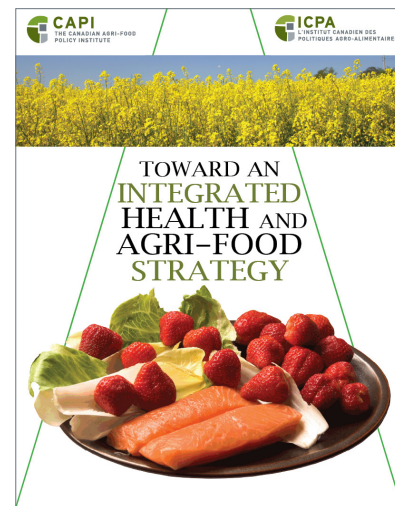
Canada's health expenditures over the past 30 years, and especially the past decade, have increased dramatically. Health issues such as obesity and chronic diseases are imposing a huge burden on the system.

In response, CAPI has launched a project to find ways that the agri-food sector could make a stronger contribution to the health of Canadians, while building on innovative and sustainable agriculture, food, and health sectors.

In 2007, CAPI retained a project team of experts to research examples of integrated health and food initiatives around the world. The team's findings are contained in the 2007 CAPI report *Finding Common Ground: Food for*

a Healthy Population and a Healthy Agri-Food Sector.

In the spring of 2008, CAPI commissioned the preparation of a framing paper that could lay the groundwork for an integrated health and agri-food strategy. The framing paper – to be posted on CAPI's website in the winter of 2009 – will build on previous efforts in Canada to promote the integration of human health and food.



Revitalizing rural economies

Canada's federal and provincial governments must revitalize rural economies by fostering greater economic diversity, increasing infrastructure investment, and shifting support from sector-based strategies to entrepreneurial projects.

These are the key findings of *Growing Canada's Rural Economies*, a report recently released by CAPI on the economic decline of rural areas and ways to rejuvenate them.

The report is based on a one-day symposium held February 28, 2008 in Winnipeg, Manitoba. Presenters at the symposium – who came from Canada, the U.S., and Europe – identified measures that must be taken to improve local economies.

CAPI is now exploring avenues of cooperation with organizations that may be better suited to represent rural communities. The report is available at: www.capi-icpa.ca.

Measuring farm profitability and financial performance

New measurements of farm income need to be published if farmers, governments, and suppliers of credit are to gain a better understanding of how the sector is faring in Canada, says a new CAPI report called *Measuring Farm Profitability and Financial Performance*.

Produced with the support and collaboration of Agriculture and Agri-Food Canada, Statistics Canada, and other stakeholders, the report is based on feedback from more than 100 individuals who attended five workshops that CAPI held across Canada in the spring of 2008. The workshops followed three years of research overseen by CAPI on the economic performance of business segments in the farm sector.

CAPI membership

CAPI is pleased to announce new memberships granted to the Ontario Agri-Food Policy Institute and Alberta Agriculture and Rural Development. CAPI grants memberships to organizations and individuals interested in supporting the Institute's objectives.

Individuals or organizations that make a one-time donation of a minimum of \$100,000 receive voting rights.

Associate members include individuals who pay an annual membership of \$250 or organizations that pay an annual membership of \$10,000.