



**CANADIAN AGRI-FOOD POLICY INSTITUTE**

**PROSPEROUS** AGRICULTURE  
**SUSTAINABLE** FOOD  
**INNOVATIVE** POLICY

ANNUAL REPORT  
**2017-2018**







# CAPI'S PHILOSOPHY:

## CORE VALUES:

*We are independent.*

*We offer a neutral venue.*

*We take a longer-term view.*

*We examine emerging issues.*

*We conduct sound research.*

*We create national dialogues.*

*We express strategic implications.*

*We present policy ideas.*

## VISION:

*Global leadership in trusted sustainable agriculture and food systems that enhance the health, wealth and well-being of Canadians.*

## MISSION:

*Lead, catalyze and coordinate independent strategic and policy analysis on emerging agri-food issues, engage stakeholders in dialogue, and advance public policy.*

## CAPI, A THINK NETWORK

Established as an independent, non-partisan and not-for-profit corporation in 2004 by the federal government, the Canadian Agri-Food Policy Institute (CAPI) encourages dialogue on ways to improve the competitiveness of the agri-food sector, the production of sustainable food, and the development of innovative policies that will contribute to the well-being of Canadians. CAPI works with agri-food leaders to bring them together, to share insights and to tackle emerging issues facing this important sector.

### 2017-2018 at a glance

1. John F.T. Scott elected the Chair of the Board and Don Buckingham hired as the President and CEO.
2. Strategic direction of CAPI revisited with Board of Directors reviewing the core values and updating CAPI's vision and mission statement.
3. Distillation of CAPI's policy research activities into four primary areas: natural capital, growth, trade and public trust.
4. Launching of "Barton Forward – Optimizing Growth" Initiative and other new policy research projects.
5. Enhancement of communication, governance and financial systems within CAPI.

### CAPI's activities

- Policy Research  
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- Communications  
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- Financial Stewardship  
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## MESSAGE FROM **CHAIR** AND **CEO**

This is an exciting time for Canadian agriculture and agri-food. The federal government is working on new food strategies in a Food Policy for Canada, innovation strategies for agriculture under its supercluster initiatives outlined in the Budget 2017, and growth strategies outlined in the Advisory Council on Economic Growth Report (“Barton Report”). At the same time, federal, provincial and territorial governments together are keenly interested in matters relating to agriculture and food as evidenced by the coming into force of the Canadian Agricultural Partnership on April 1, 2018.

It is not just governments that are interested in agriculture and food. Private sector actors who grow, harvest, transport, process, distribute, and sell food products are active and attentive, searching for new markets and responding to changing market demands. Canadian and international eaters are also hungry for greater knowledge of food product attributes and agricultural production methods.

So there has never been a more opportune time for a “think-tank” (or a “think-network” as we envisage CAPI’s role) to bring its resources and analysis to the Canadian agriculture and food space. With this energy in the Canadian agriculture and food space, we at CAPI are excited about stimulating agri-food policy research emerging from the Canadian agri-food sector and communicating it to both traditional and new stakeholders across the country.

In fiscal 2017-2018, CAPI completed an examination of its mandate, vision, and mission which led to its embarking on a strategic direction which will add greater value to Canadian agri-food policy and continue developing new alliances and partnerships. This new direction has both a “what” and a “how” dimension. The “what” dimension is the identification by CAPI of the subject areas upon which CAPI will focus its energies in four key areas of activities of importance to Canadian agri-food: (1) enhancing natural capital; (2) optimizing growth; (3) facilitating trade; and (4) securing public trust. The “how” dimension is the formulation of approaches that CAPI will use to examine specific policy research issues arising from the four key areas. Three approaches will be used: (a) promoting dialogue among agri-food stakeholders; (b) synthesizing research and policy approaches currently available; (c) undertaking “gap” research where insufficient research currently exists.

We invite you to review the following pages to better appreciate how CAPI is engaging the agri-food sector, as well as those beyond the sector, in dialogue and policy development at this pivotal time in Canada’s history.



**John F.T. Scott, Chair of the Board**



**Donald Buckingham, President and CEO**

## **BOARD OF DIRECTORS**

John F.T. Scott (Chair)  
Bill Buckner  
Chantelle Donahue  
Richard Gray  
Claude Lafleur  
David Rourke  
Michel R. Saint-Pierre  
Larry Simpson  
Deborah Stark  
Suzanne Vinet  
John Weekes

## **VOTING MEMBERS**

Alberta Agriculture and Forestry  
Farm Credit Canada  
Ontario Ministry of Agriculture,  
Food and Rural Affairs

## **CORE STAFF**

**Donald Buckingham**  
President and CEO

**Tülay Yildirim**  
Director, Policy Research Partnerships

**Kim Kelly**  
Director, Corporate Services

**Louise de Vynck**  
Executive Assistant to the President and CEO /  
Communications Coordinator

## **ADVISORY COMMITTEE**

Joanne Bays  
Ron Bonnett  
Perry Caicco  
Vincent Cloutier  
Elspeth Copeland  
Jean-Claude Dufour  
Marcel Groleau  
Rory McAlpine  
Murray McLaughlin  
Derek Tallon  
Garth Whyte

## **HONORARY MEMBERS**

Robert Church  
Ken Knox  
Gaëtan Lussier  
Owen McAuley

## **SPECIAL ADVISORS TO CAPI**

Ted Bilyea  
Rory Francis



# CAPI'S

## POLICY RESEARCH

### 2017-2018





CAPI's ongoing mandate is to conduct policy research and analysis on emerging agriculture and agri-food issues. Over the years, it has commissioned research, published research papers and results, promoted dialogue amongst stakeholders, consulted with academic and industry researchers and the public, and held workshops and conferences to bring together experts and new voices to examine existing and emerging issues affecting the agriculture and agri-food sectors.

2017-2018 was a year of transition that presented a unique opportunity to review CAPI's achievements since inception and map out its future direction. A Strategic Planning Session, held in the Fall of 2017 with the Board, Core Staff, Special Advisors and Honorary Members in attendance, provided an opportune moment to "take the pulse" of CAPI.

In fiscal 2017-2018, CAPI identified and distilled its activities into four key areas of importance to the Canadian agri-food sector: (1) enhancing natural capital; (2) optimizing growth; (3) facilitating trade; and (4) securing public trust. This section examines CAPI policy research activities through the lens of these four key areas.

## Research Area 1 – Enhancing Natural Capital

Natural capital has been the linchpin of CAPI's analysis concerning optimizing growth, facilitating trade, and securing public trust. In fact, while Canada often expresses its pride in the "pristine condition" of natural resources at the disposal of agri-food producers, we do not have the evidence to back up the impacts of natural capital on agricultural productivity.

**"Enhancing Natural Capital" projects undertaken in 2017-2018.** CAPI had the opportunity to collaborate and work with the Clean Economy Fund (CEF) on agriculture's unique contributions to combatting climate change. A presentation was made at the CEF Board meeting in Banff in February 2018 and a white paper with the formal results of further research on this topic will be published by CAPI in 2018-2019.



## Research Area 2 – Optimizing Growth

Growth of the agriculture and agri-food sector has long been an objective of Canadian governments. Most recently, the Advisory Council on Economic Growth identified in its February 2017 report (Barton Report), agri-food as one of six strategic sectors to fuel growth of the Canadian economy. In March 2017, the Federal Budget referenced a set of ambitious goals to increase Canada's annual agri-food exports to \$75 billion by 2025. However, questions remain regarding the compatibility of export-led growth strategy with sustainable use of natural capital and other domestic policy objectives.

**“Optimizing Growth” projects undertaken in 2017-2018.** CAPI partnered with the Public Policy Forum and jointly held cross-Canada roundtable discussions on the export targets as recommended by the Barton Report. We published the findings in “Canada as an Agri-food Power House” in April 2017. CAPI followed up on this issue by further exploring the implications of export-led growth on Canada's natural capital, and its consistency with other policy

objectives such as food policy and sustainable production. Initial analysis was presented at the Farm Management Conference National Symposium in Ottawa in November 2017, which was followed by two regional dialogues in Saskatoon on December 11, 2017 in partnership with Ag-West Bio and in Guelph on March 21, 2018 in partnership with Arrell Food Institute. Presentations on this issue were made at various meetings, such as the Genome Canada AGM, the Federal/Provincial/Territorial Ministers of Agriculture Conference in July 2017, and the Maple Leaf Food Security Symposium in March 2018.

WE SYNTHESIZE  
EXISTING **POLICY**  
**RESEARCH.**





## Research Area 3 – Facilitating Trade

The Canadian agriculture and agri-food sector is highly export-focused. Currently, a great degree of uncertainty has surfaced with respect to Canada's international trade relations. The NAFTA is being renegotiated with some difficulty and the outcome of other bilateral negotiations, for example with China and at the plurilateral level, are also unclear.

**“Facilitating Trade” projects undertaken in 2017-2018.** CAPI completed its Global Subsidies project, and then presented its key findings to Agriculture and Agri-Food Canada on April 24, 2017 and to the Canadian Federation of Agriculture on May 25, 2017. The executive summary of the report was published in the summer of 2017. As well, CAPI, in cooperation with the Canada Institute of the Wilson Center in Washington, D.C. published a short paper on NAFTA and regulatory alignment issues titled *Risk and Reward: Food Safety and NAFTA 2.0*, written by

Rory McAlpine and Mike Robach in September 2017. The publication was followed up with a workshop in Washington D.C., in partnership with the Canada Institute of the Wilson Center, on ‘Canada US Trade Relations Regulatory Alignment’ on October 23, 2017. Finally, CAPI's CEO participated in Soy Canada's trade mission to Taiwan and Japan and presented a policy and regulatory overview of the Canadian agri-food sector and Canada's trade with these countries in February-March 2018.

**CAPI IDENTIFIES  
AND UNDERTAKES  
RESEARCH  
WHERE THERE  
ARE GAPS.**





## Research Area 4 – Securing Public Trust

Public trust was identified as one of the key issues facing the agri-food sector at CAPI's *Forum on Canada's Agri-Food Future 2015*. As the health-food-environment nexus is receiving greater attention, maintaining and enhancing public trust requires not only the provision of sustainably produced, healthy and good quality food but also systems that communicate this information and assure its delivery to consumers. Market failures could typically be addressed by corporate social responsibility, self-regulation, social activism and government intervention. However, only recently has some initial consensus solidified regarding the best method to approach such issues. More research and dialogue are needed to better understand the source and nature of market failures so that an appropriate strategy can be identified. CAPI has suggested on a number of occasions that although the source and nature of market failures is not well understood, greater transparency in the area is needed to advance Canada's aspiration to become "the trusted global leader in safe, nutritious, and sustainable food for the 21<sup>st</sup> century".

**"Securing Public Trust" projects undertaken in 2017-2018.** CAPI remained engaged in the activities of the Ad Hoc Group on Food Policy. The group includes Food Secure Canada, Canadian Federation of Agriculture, Maple Leaf, academics and concerned individuals, as well as representation from various stakeholders. CAPI used this opportunity to share evidence and the ideas it has collected to enable further discussion of future policy questions.

**CAPI PROMOTES  
INFORMED DIALOGUE  
AMONG **AGRI-FOOD**  
STAKEHOLDERS.**



A close-up photograph of two piglets in a barn. The piglet on the right is looking directly at the camera with a curious expression, its large pink snout and floppy ears clearly visible. The piglet on the left is slightly behind and looking down. The background shows the wooden structure of a barn.

# **CAPI'S**

## COMMUNICATIONS

### **2017-2018**



Effective dissemination of CAPI's policy research requires a robust communications plan. To continue to support and promote CAPI's research and growth, CAPI determined this year to update its communications initiatives to more effectively reflect CAPI's presence and ongoing work. As part of CAPI's communications plan, the process to renovate the CAPI website commenced in 2017 and will be completed in the summer of 2018. The year also reflected a growing social media presence on Twitter, increased electronic and print media coverage and strategic presentations at conferences, workshops and symposia across Canada and abroad.

In 2017-2018, CAPI maintained its role as convener of dialogue in and beyond the agri-food space in Canada. The Institute led, sponsored and participated in a number of seminars, workshops and presentations including the following:

## CAPI-led events

1. CAPI Stakeholder Dinner – Ottawa – September 2017
2. Canada US Trade Relations Regulatory Alignment – Washington – October 2017
3. Barton Forward Regional Workshop – Saskatoon – December 2017
4. AAFC/CAPI Retreat – Ottawa – January 2018
5. Barton Forward Regional Workshop – Guelph – March 2018

## CAPI-sponsored events

1. Farm Management Conference National Symposium – Ottawa – November 2017
2. Food Lawyers of Canada National Conference – Ottawa – November 2017
3. Canadian Agricultural Economics Society – Ottawa – January 2018







## CAPI presentations

1. Federal/Provincial/Territorial Agriculture Ministers' Summit – St. John's – July 2017
2. Juris Divertas Int'l Conference "Law & Food: La Cuisine Juridique" – Lyon – July 2017
3. US Embassy's American Agricultural College Students Seminar – Ottawa – October 2017
4. 8<sup>th</sup> Annual Food Regulatory and Quality Assurance Summit – Toronto – October 2017
5. 3<sup>rd</sup> Int'l Food Security and Nutrition Conference – Quebec City – November 2017
6. Agricultural Institute of Canada – Ottawa – November 2017
7. Working Group on Business Risk Management – Toronto – December 2017
8. Ontario Presidents' Council – Guelph – December 2017
9. Canadian Food & Drink Summit – Calgary – December 2017
10. Agriculture and the Clean Economy Fund – Banff – February 2018
11. Canadian Trade Mission – Taipei – February 2018
12. Canadian Trade Mission – Tokyo – March 2018
13. Carleton University and Food Secure Canada Symposium and Webinar – Ottawa – March 2018
14. Maple Leaf Food Security Symposium – Toronto – March 2018





# **CAPI'S**

## FINANCIAL STEWARDSHIP

### **2017-2018**



# FINANCIAL REVIEW

The Funding Agreement between Her Majesty the Queen in Right of Canada represented by the Minister of Agriculture and Agri-Food (Minister) and the Canadian Agri-Food Policy Institute (CAPI) represents the major source of contribution to CAPI's activities. In 2007, CAPI entered into a long-term financing agreement with the Government of Canada, from which CAPI received an amount of \$15 million. As defined in the agreement, the total maximum financial support that may be drawn down

for the eligible administrative costs and the eligible policy research costs of CAPI in any fiscal year shall not exceed \$1 million of the original \$15 million paid to CAPI by the Government plus any accumulated interest or income from the investment of the grant that may be available for drawdown at any time. The following presents a summary of the financial statements of CAPI at March 31, 2018.

## Summary statement of revenue and expenses and changes in net assets (year ended March 31, 2018)

	2018 \$	2017 \$
<b>Revenue</b>		
Contributions – Long term	1,043,025	1,560,918
Other contributions	10,000	16,548
Interest income	1,401	1,304
Amortization of deferred contributions – capital assets	4,335	5,572
	1,058,761	1,584,342
<b>Expenses</b>		
Administration	282,277	598,572
Policy Research activities	775,083	984,466
	1,057,360	1,583,038
<b>Excess of revenue over expenses</b>	1,401	1,304
Net assets, beginning of year	291,106	289,802
<b>Net assets, end of year</b>	292,507	291,106

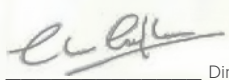


## Summary balance sheet (as at March 31, 2018)

	2018 \$	2017 \$
<b>Assets</b>		
Current assets		
Cash	516,544	760,509
Accounts receivable	46,173	49,077
Prepaid expenses	16,270	–
	578,987	809,586
Capital assets	8,076	12,411
Long-term investments	6,366,673	7,332,014
	6,953,736	8,154,011
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	140,553	372,553
Deferred contributions	145,927	145,927
	286,480	518,480
Long-term deferred contributions	6,366,673	7,322,014
Deferred contributions – capital assets	8,076	12,411
	6,661,229	7,862,905
<b>Net assets</b>	292,507	291,106
Unrestricted	6,953,736	8,154,011

### On behalf of the board

 Director

 Director



## Independent Auditor's Report

### To the Directors of the Canadian Agri-Food Policy Institute

The accompanying summary financial statements, which comprise the summary balance sheet as at March 31, 2018, and the summary statement of revenue and expenses and changes in net assets for the year then ended are derived from the audited financial statements of the Canadian Agri-Food Policy Institute (the "Institute") for the year ended March 31, 2018. We expressed an unmodified audit opinion on those financial statements in our report dated June 1, 2018.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations applied in the preparation of the audited financial statements of the Institute. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Institute.

### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements. The summary balance sheet and the summary statement of revenue and expenses and changes in net assets are derived from the complete set of financial statements of the Institute. They meet the recognition and measurement principles of Canadian generally accepted accounting principles.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

### Opinion

In our opinion, the summary balance sheet and summary statement of revenue and expenses and changes in net assets of the Institute for the year ended March 31, 2018, are a fair summary of those financial statements, in accordance with the established criteria stipulating that the summary financial statements are derived from the complete set of financial statements of the Institute and that they meet the recognition and measurement principles of Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants,  
Licensed Public Accountants  
June 1, 2018



# CONTACT

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**Canada** 