

ENHANCING
THE HEALTH
WEALTH
AND



Annual Report

2018–2019



WELL-BEING
OF CANADIANS



Message from the Chair and CEO

2018–2019 was an amazing year of growth for CAPI. We continue to work diligently to conduct policy research and analysis on emerging agriculture and agri-food issues that are of critical importance to the future of Canada's agri-food sector. With the guidance of our renewed strategic direction, CAPI saw an expansion in the annual number of publications, presentations, and partnerships.

Now in its 15th year, CAPI published an impressive number of research reports, each one fleshing out further CAPI's four key research areas: (1) enhancing natural capital; (2) optimizing growth; (3) facilitating trade; and (4) securing public trust.

This year we introduced the CAPI Dialogues. With three successful national dialogues hosted across Canada, experts from primary production, from processors, from government, from academia, and from NGOs convened to discuss important policy issues in the sector. CAPI was encouraged by the enthusiastic response from these dialogues and remains optimistic about the future of agriculture in Canada.

CAPI firmly believes that not only current experts, but also the next generation provide critical insight to carry this important work forward. In many of the CAPI activities we looked to and encouraged the perspectives of NextGen farmers and researchers.

CAPI's continuing work would not be possible without the expanding network of partnerships established over the years. This past year we saw the number and level of partnerships grow, with 15 partnerships developed. We are proud of CAPI's role as a convener and integrator of agri-food stakeholders in Canada.

We would like to extend our gratitude to the CAPI Board and Staff for their hard work in making all that CAPI does possible. As the activities in 2018–2019 reveal, CAPI has well positioned itself to better meet its mission of being a think-network leader. We look forward to diving deeper into agri-food policy issues and continuing to lead, catalyze, and coordinate independent strategic policy options to enhance the vibrancy of Canada's agri-food sector.

We hope you enjoy this overview of CAPI's activities of this past year, and we trust these pages provide a glimpse into the potential of CAPI moving forward.

John F.T. Scott
Chair of the Board

Donald Buckingham
President and CEO

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Mission

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

Vision

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

Core Values

We are independent.

We offer a neutral venue.

We take a longer-term view.

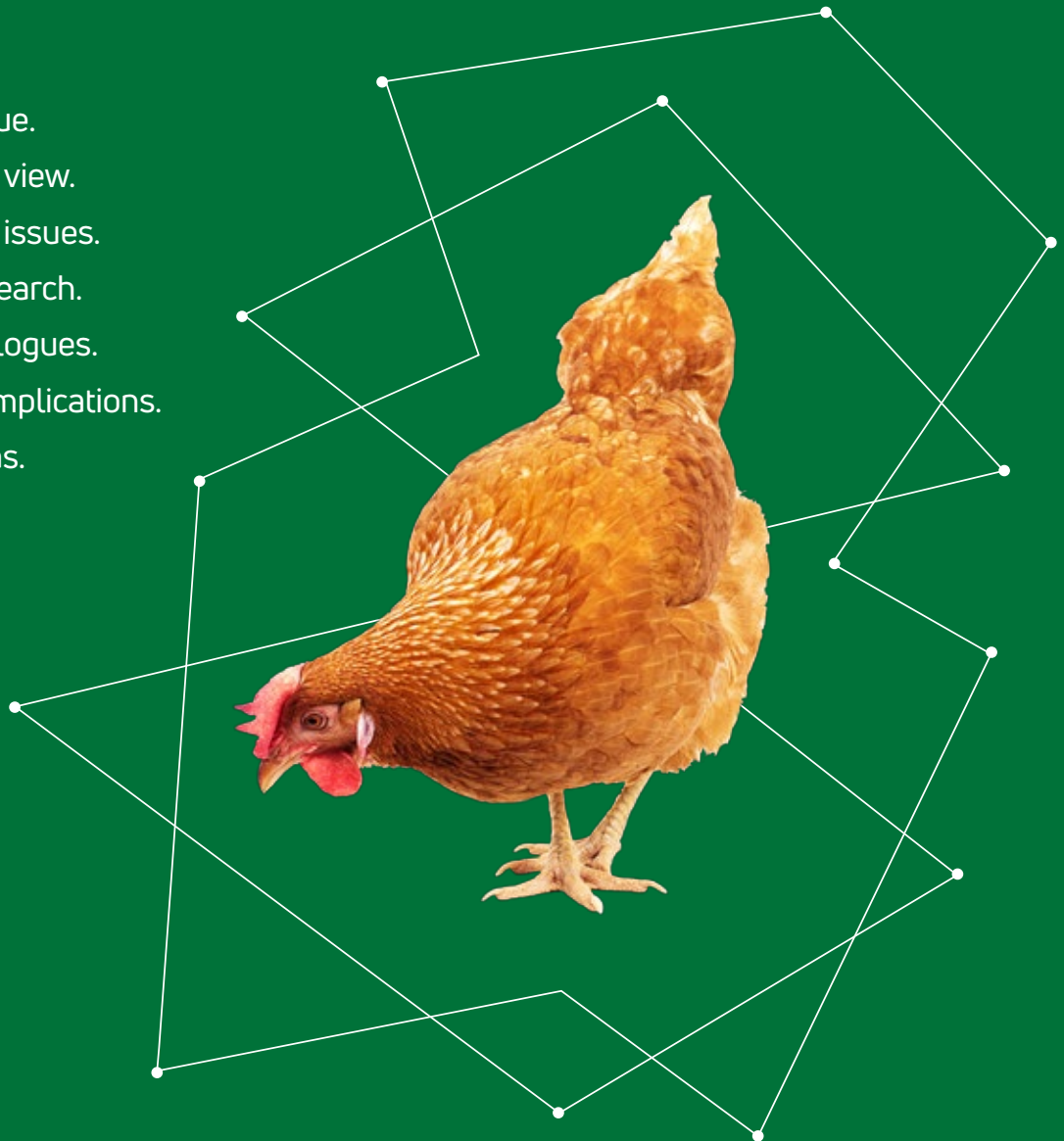
We examine emerging issues.

We conduct sound research.

We create national dialogues.

We express strategic implications.

We present policy ideas.



CAPI Milestones 2018–2019

CAPI works tirelessly throughout the year on many pivotal and emerging projects, from policy research, to dialogues and conferences, to communication and outreach.

This year we released over 30 presentations and reports in each of our four key research areas. CAPI hosted three national dialogues with participants from a wide range of agriculture and agri-food stakeholders. We also relaunched the CAPI website and expanded our social media presence.

Before you dive into CAPI's policy research projects on the following pages, we invite you to look below at a snapshot of some of the results of CAPI's work in this last year.



**300+
stakeholders**

PARTICIPATED AT CAPI DIALOGUES



20

CAPI PRESENTATIONS



75+ times

CAPI PARTICIPATED AT
CONFERENCES



15

PARTNERSHIPS



12 reports

RELEASED



29,000

WEBSITE VISITS

15 years of independent research






CAPI's Policy Research 2018–2019

CAPI's ongoing mandate is to conduct policy research and analysis on emerging agriculture and agri-food issues that are of critical importance to the future of Canada's agri-food sector, with a view to convening policy dialogues and informing future policy options on these issues. CAPI's continuing success will depend on the quality and focus of its policy research outcomes and its ability to bring people together for dialogue.

This past year, CAPI continued to build on four key research areas of importance to the Canadian agrifood sector: (1) enhancing natural capital; (2) optimizing growth; (3) facilitating trade; and (4) securing public trust.

CAPI examines these specific policy research issues using two approaches: (i) synthesizing existing policy research as well as identifying and undertaking or commissioning research where there are gaps; and (ii) promoting an informed dialogue among agri-food stakeholders and issue experts.

RESEARCH AREAS

-  Enhancing Natural Capital
-  Optimizing Growth
-  Facilitating Trade
-  Securing Public Trust

RESEARCH APPROACHES

-  Publication
-  Dialogue



ENHANCING NATURAL CAPITAL

Research on Enhancing Natural Capital has been the cornerstone of CAPI's analysis concerning optimizing growth (impacts of growth for growth sake), facilitating trade, and securing public trust. The learnings on these issues are being used to shape CAPI's future 2019–2020 policy research agenda. Policy Research undertaken in FY 2018–2019 that contributed to this priority area includes:

2018–2019 Projects



Clean Growth in Agriculture: CAPI had the opportunity to partner with the Clean Economy Fund (CEF) to document agriculture's unique contributions in combatting climate change. Following several presentations that were made to the CEF Board meeting in Banff in February 2018, and papers that were commissioned by CAPI for publication, a white paper was prepared and published on CAPI's website, entitled: "Clean Growth in Agriculture." This paper (1) demonstrated the current state of interactions between agricultural production

and the environment, (2) clarified the potential contribution of agriculture to GHG mitigation efforts, and (3) presented options regarding pathways to a zero-carbon economy. It provided the foundation for subsequent outreach, dialogues and research that focused on the "enhancing natural capital" priority area.



Optimizing Land Use for Sustainable Growth:

Following the work that was done in FY 2017–2018 concerning soil carbon sequestration, natural capital and Barton Forward: Optimizing Growth projects, the first of two important dialogues was held in Calgary, Alberta in February 2019. This dialogue, along with another held in Guelph in April 2019, brought together over 150 participants from primary production, processing and other parts of industry, governments, academia and NGOs to commence a conversation on how land use can be optimized and environmental outcomes improved while securing the sector's long-term competitiveness and prosperity. Over 20 presentations were made and seven papers commissioned to be published on the CAPI website as a result of these dialogues. These discussions helped improve our understanding of how agricultural land use can lead to "quality" growth and reduced GHG emissions, thereby enhancing Canada's natural capital.





Understanding Externalities in Canadian

Agriculture: While there are measures of externalities in agriculture available in the literature for some of Canada's competitors, such as the Netherlands and the USA, there are no comprehensive measures for Canadian agriculture. While we often express our pride in the "pristine condition" of our natural resources, we do not have the evidence to back up these claims and to be able to monetize these attributes. To fill this gap, CAPI commissioned a major research project in early FY 2018–2019 to estimate the positive and negative externalities associated with Canadian agriculture. These estimates will be compared with other countries, wherever a comparable analysis exists. A first draft of the contract was delivered in October 2018 and results from the research were presented at our Calgary and Guelph dialogues. The final research report will be summarized and published on the CAPI website in the fall of 2019.



Agriculture and Water: A Multidisciplinary Project for Young Researchers:

Water is both required for and affected by agricultural practices. This project brought together a small multi-disciplinary team of four graduate students to research intersectional problems in water management and use in agriculture. The students, together with CAPI's CEO, undertook study tours in Ottawa and in Saskatchewan in 2018 to help identify current economic, environmental and regulatory issues related to water and agriculture in Canada. Each student is in the process of completing an individual project which relates to their own disciplinary perspective on agriculture and water. As well, the entire team, under the guidance of CAPI, is completing a joint research report on "Agriculture and Water" that will be published in FY 2019–2020.



OPTIMIZING GROWTH

Optimizing Growth has been at the forefront of policy initiatives by Canadian governments and CAPI has engaged with this over the past year through various projects. A question remains regarding the compatibility of export-led growth strategy with sustainable uses of natural capital and other domestic policy objectives.

2018–2019 Projects



Barton Forward: Optimizing Growth in the Canadian Agri-Food Sector: During FY 2018–2019, CAPI finalized the work it was doing on “Barton Forward,” with a “National Conversation,” held in Ottawa in May 2018. This was the culmination of the work of two previous dialogues in Saskatoon and Guelph in December 2017 and March 2018, respectively, following a joint event with the Public Policy Forum in April 2017. The goal of these roundtable discussions was to determine if the ambitious export targets set for the sector by the Advisory Council on Economic Growth (ACEG or Barton Report) were feasible and sustainable. CAPI published on its website a summary of the dialogues called “What We Heard: Barton Forward: Optimizing Growth in the Canadian Agri-food Sector” in June 2018. CAPI also presented recommendations, based on this work, to Murad Al-Katib, the Chair of the Economic Strategy Agri-Food Table.



Architecture for an Integrated Agri-Food Policy and Regulatory Framework for Growth and Health in the Northwest Territories: While the Barton Report identified the general opportunity for Canada through aggressive growth in the agriculture and agri-food sectors, it did not provide any regional or sectoral pathway analysis to achieve this growth. CAPI brought its expertise from the Barton stakeholder consultations to a project proposed by the Government of the Northwest Territories. CAPI focused on setting out options for a whole food system approach with a policy and regulatory framework to accentuate the agricultural potential of the Northwest Territories in a scoping paper, and then presented the results of this paper to officials of the GNWT in March 2019.





FACILITATING TRADE

Recent developments in the global trading environment are having an impact on global agricultural markets and trade flows, with potential impacts on the use of natural capital. Producers of agricultural commodities in Canada have made significant progress over time in improving their productivity, competitiveness and profitability, and by responding to changing consumer demands and environmental concerns through innovation and farm management practices. However, markets have been recently disrupted and have become more volatile and unpredictable as a result of trade sanctions, animal disease incidents, and tariff and non-tariff barriers.

2018–2019 Projects



A Changing World: Looking at China: In this “conversation” with international marketing expert Andrew Wu, of LVMH China, CAPI set out to learn more about the Chinese market, how it is evolving and how Canadian agri-food exporters could expand trade to this growing market. CAPI brought together a group of agri-food industry leaders for this conversation with Andrew Wu on October 9, 2018 in Toronto. The learnings from this event were summarized in a report and published on CAPI’s website in December 2018.



Canada-US Trade: CAPI was approached by the US Farm Foundation, a think tank with a similar vision to that of CAPI, to undertake a joint analysis of Canada-US trade in agricultural products. The first step in this partnership involved CEO Don Buckingham attending and presenting at the Farm Foundation Forum on Canada-US Trade on March 4, 2019 in Washington. His presentation was entitled: “The CPTPP and Canadian Agriculture.” At the same time, CAPI commissioned Al Mussell of Agri-Food Systems Research to prepare a paper on “The CPTPP and Benefits to Canadian Agriculture.” Both are published on CAPI’s website. Future collaborations are expected with the Farm Foundation on “Trade and Sustainability” in the fall of 2019.





SECURING PUBLIC TRUST

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. Transparent and complete information systems are essential in assuring consumers' trust in food systems, as well as in securing the ability of the supplier to extract premiums for sustainably produced good quality food that is safe and healthy.

There are currently several organizations in Canada working in the Public Trust area. While CAPI has been active in the past in this area, it now sees its role more as complementing the policy research initiatives of these organizations through consolidating and catalyzing their work rather than leading completely new avenues of policy research in the area of public trust. That said, several of CAPI's projects under the Enhancing Natural Capital and Optimizing Growth research areas have important dimensions that continue to contribute to Securing Public Trust.

2018–2019 Projects



National Working Group on Food Policy: CAPI remained engaged in the activities of the ad hoc National Working Group on Food Policy. This group is composed of representatives from Food Secure Canada, the CFA, Maple Leaf Foods, CPMA, the Dietitians of Canada, the Canadian Organic Trade Association, academics and concerned individuals, as well as representation from various stakeholders. CAPI used this opportunity to share evidence and ideas it has collected to enable further discussion of future food policy issues and the potential for the establishment of a National Food Policy Council.



In Vitro meat technology: where to with regulatory approval in Canada: CAPI's summer intern, Shishira Suresh, who was completing her Masters of Science degree in Food Science and Agricultural Chemistry at McGill University, studied the regulatory framework for approving in vitro meat, an emerging new food technology. She did so by reviewing the Canadian food regulatory system and the changes that would be required to facilitate the commercialization of food products synthesized using new technologies. Her paper also explored the basis on which new technologies are considered "safe" under current regulatory frameworks and described how public trust for new technologies used in food can be strengthened if regulatory frameworks are modified.

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