

# **Agriculture and Agri-Food: Positioning Canada First in the 21st Century**

**Presentation to the  
Agricultural Excellence Conference  
November 2001**

**Diane Vincent  
Associate Deputy Minister  
Agriculture and Agri-Food Canada**



**Agriculture and  
Agri-Food Canada**

**Agriculture et  
Agroalimentaire Canada**

**Canada**

# **The agriculture and agri-food system is an important part of the Canadian economy**

- **Agriculture and food and beverage processing are Canada's second largest primary and manufacturing sectors respectively**
- **Complex, \$130 billion integrated chain providing one out of every seven jobs**
- **Despite increased global competition, Canada's agri-food exports have almost doubled since 1990, and consumer-oriented exports surpassed bulk commodities for the first time last year**
- **Producers have been diversifying in response to global market conditions**

***But to ensure opportunities for the sector we have to do more to stay ahead in a rapidly changing world.***

# **The future of the industry is being shaped by powerful forces of change**

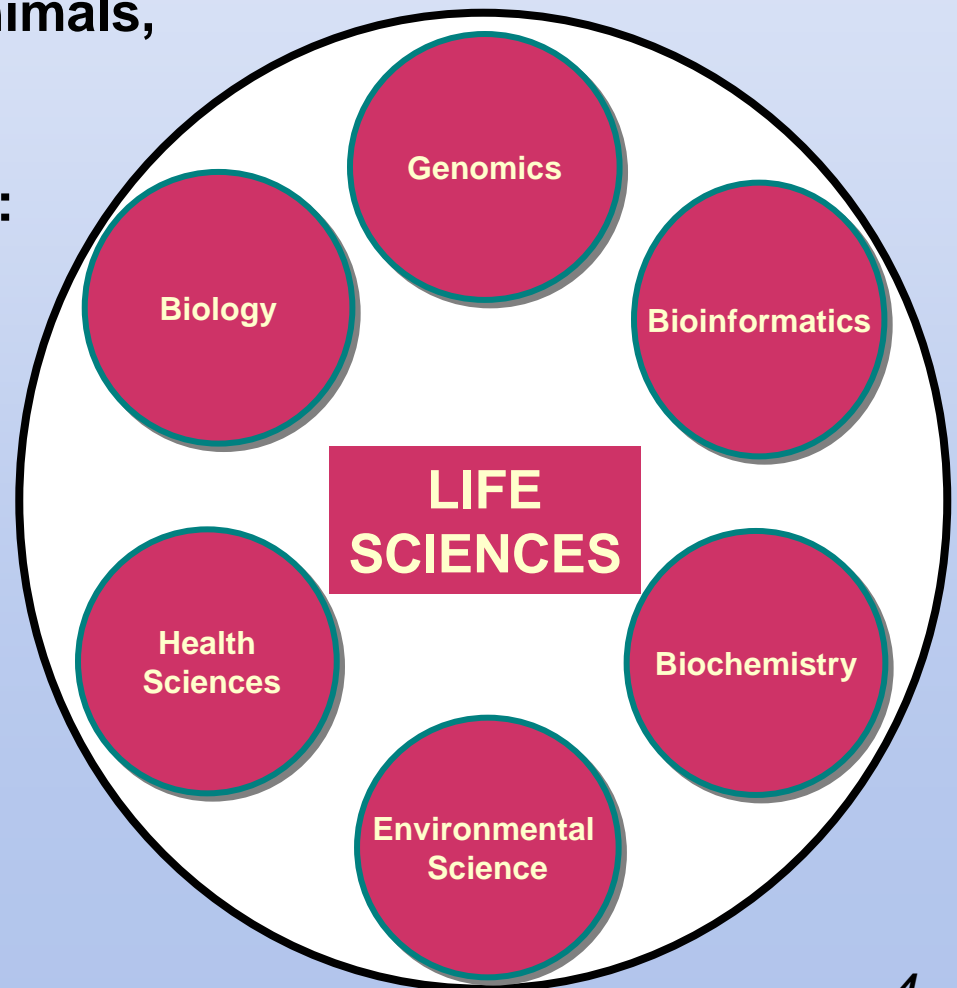
- **Growing opportunities emerging from life sciences**
- **Increased skills requirement in a knowledge based economy**
- **Rising consumer demands for safe and high quality food products, produced with respect for the environment**
- **Significant complexity in the international arena with more players, agreements, and venues, and where technical trade issues are becoming the new barrier**
- **Demographic changes, and changes in industry structure**

# Life sciences are transforming our economy and society...

Science, technology and innovation is expanding our knowledge of living things including plants, animals, people and the ecosystem

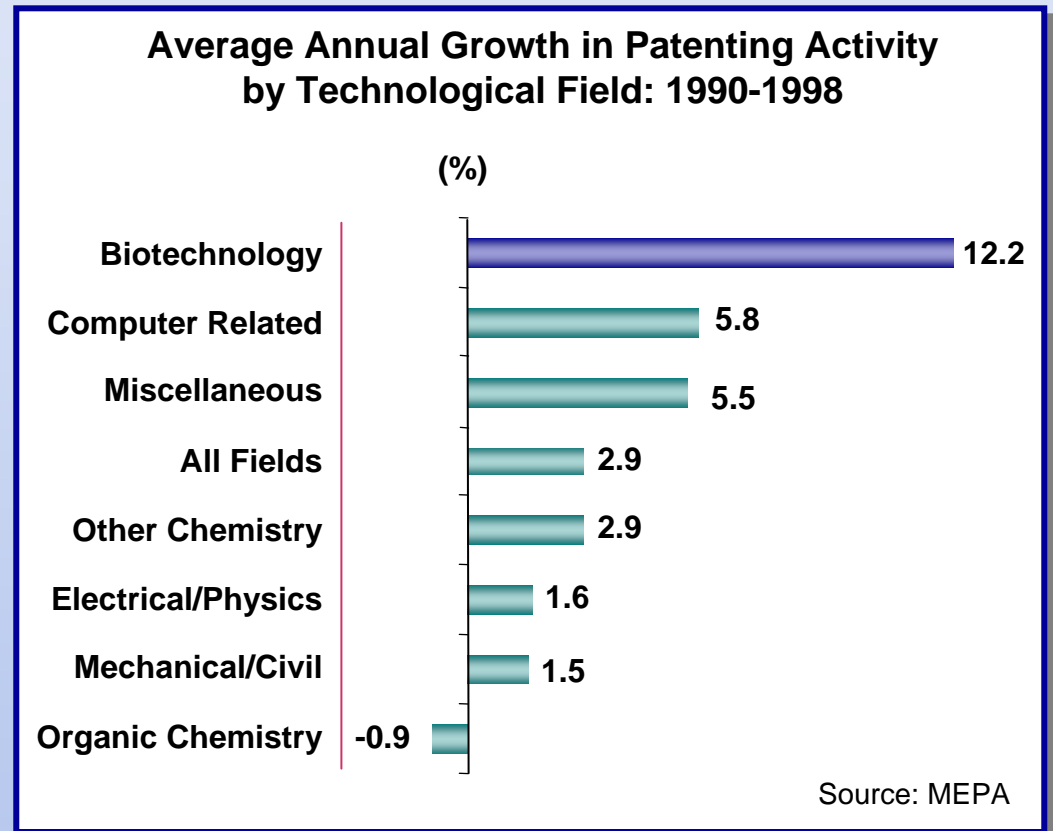
...knowledge that can be used to:

- create new products, and new benefits
- diversify farm income sources
- move to renewable from non-renewable resources
- address environmental challenges
- protect and enhance human health



# ...and build on advances in biotechnology and information technology

- Advances in biotechnology and information and communication technologies are accelerating the pace of discoveries and contributing to the convergence of traditional scientific disciplines.



# These advances are creating new opportunities in agriculture for food and beyond food...

## Including benefits:

- **For citizens & consumers** — more choices, and quality of life benefits such as a wider range of medical applications and solutions, of safe and healthy food, and of renewable resource-based consumer products
- **For governments** — opportunities to improve the health of people and the environment and to promote economic growth
- **For industry** — Growth through new markets, products and solutions, including food, bio-medical and bio-health products, bio-energy, bio-materials and bio-services

*In general, citizens are supportive of science applications that directly benefit them*

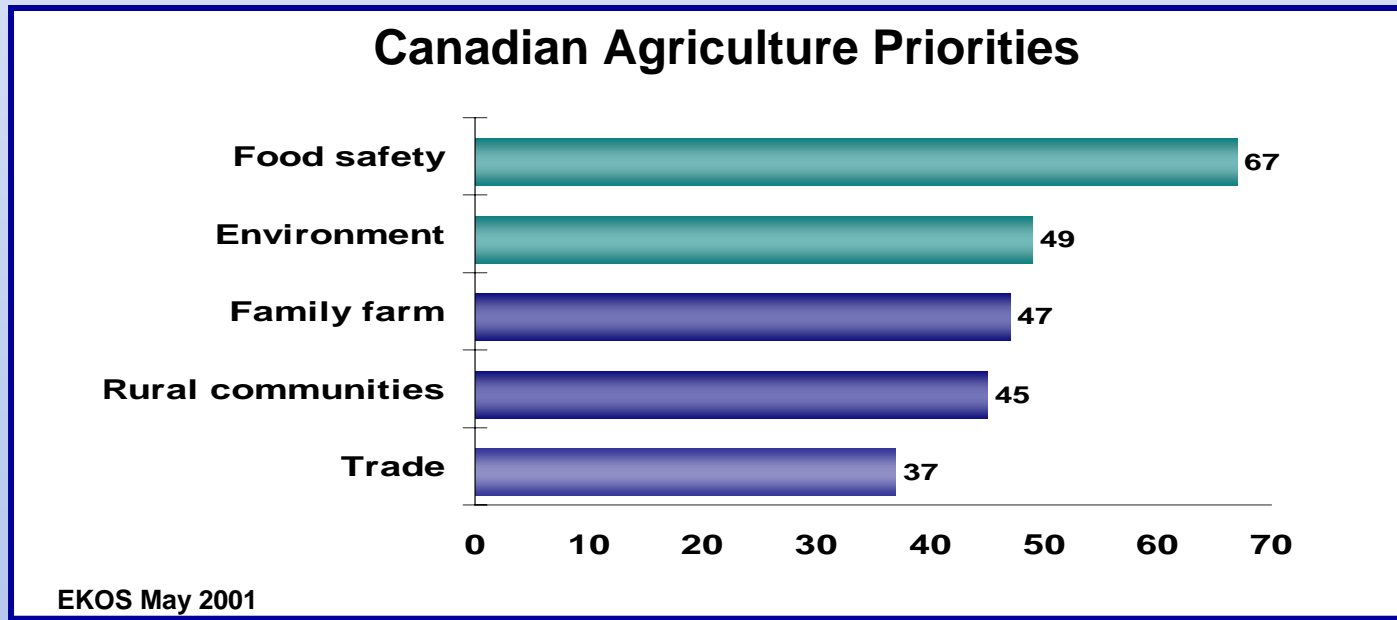
# **Increasing skills requirement in a Knowledge-based Economy**

- **Canadian farming must become more knowledge-based**
- **Farmers must now manage increasingly advanced technology, greater information and complex risks**
- **Continuous development and training is increasingly important**
- **To be successful, it takes:**
  - 1. Managing Risk**
  - 2. Business Planning**
  - 3. Knowledge-Use**

\*Source: Adapting to Change and Managing Risk, AAFC, July 1998

# In many markets, consumers are increasingly worried about food safety and the environment

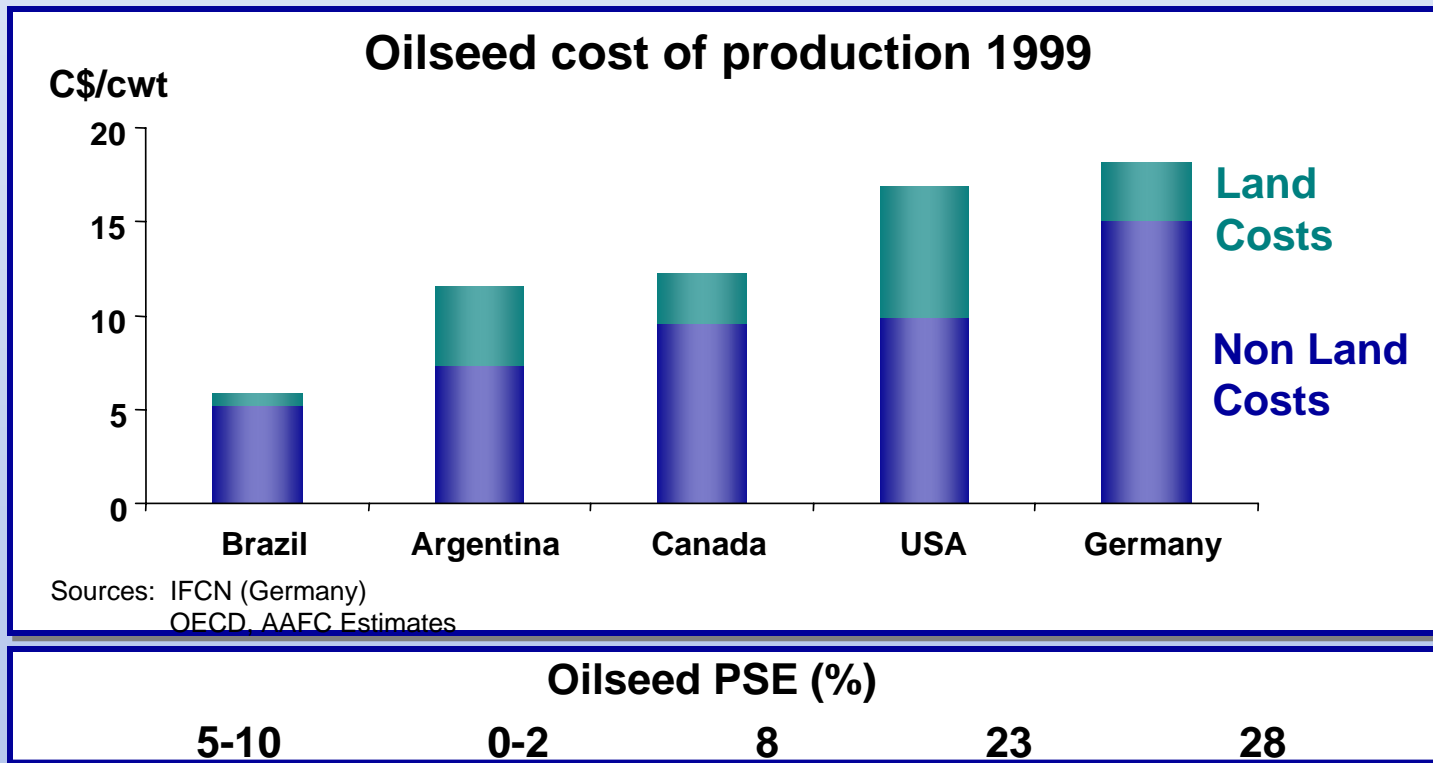
- For Canada, food safety is a top of mind issue
- This concern is shared by citizens in many countries



- Success in global markets depends more than ever on meeting a higher standard of maintaining consumer confidence

# Global competition is increasing...

While there is a debate about the role of support payments, competition between countries is growing...



... and low-cost producers are gaining market share even without large government support.

## **...and international trade is becoming more challenging**

- **Rising citizen concerns about food safety, quality and the environment are creating new demands in global markets**
- **Markets are becoming more segmented, with consumer demands rendering the marketplace more complex and less homogeneous**
- **Increasing globalization means tougher competition in traditional and emerging markets**

## **In addition, demographic shifts are beginning to affect the sector's capacity**

- **beginning farmers need a solid foundation**
- **skills development and continuous learning for established farmers are needed to face emerging challenges**
- **retiring farmers need to plan effectively for the orderly transfer of their assets to the next generation or sale on the market**

## **In response to these opportunities and challenges, governments have identified a national agricultural policy goal...**

*“...securing the long-term prosperity and success of the agriculture and agri-food sector by being the world leader in food safety, innovation and environmentally-responsible production.”*

*(Whitehorse Action Plan, 2001)*

- **Other countries are facing similar challenges and they are already taking steps to address them**
- **Acting first and striving to be the world leader will create a “Canada brand”**
- **The result will be a more competitive and more sustainable sector for the future**

**...and have agreed on key elements of a new architecture for agriculture policy in the 21st century...**

**Environment**

**Food Safety**

**Renewal**

**Safety Nets**

**Science**

**...to brand Canada the World Leader in food safety, innovation and environmentally-responsible production.**



## THE CHALLENGES



## THE POLICY FRAMEWORK



## THE OBJECTIVES



**Environment**

**Food Safety**

**Renewal**

**Safety Nets**

**Science**

- **Canadians are concerned about the health of their environment**
- **The sector must continue to demonstrate commitment to environmental stewardship**
- **Risks to farmers' income arise from potential environmental liability and lost markets due to consumer concerns**

## ***Commitment***

***We must commit to a comprehensive environmental action plan, fully covering all Canadian farms, that will help achieve measurable and meaningful environmental goals in the areas of water, air and soil quality, and bio-diversity.***

Environment

**Food Safety**

Renewal

Safety Nets

Science

- **Consumers are seeking assurances about the safety of food. Safety of Canadians is the primary goal**
- **Additional on-farm action is needed to address concerns of consumers and emerging market demands**
- **Neglecting it also represents a significant risk to the income of farmers**

***Food Safety***

## ***Commitment***

- ***The industry and all levels of government have a responsibility for enhancing Canada's integrated food safety system.***
- ***To support on-farm food safety initiatives, we need to work closely together in the continued development and implementation of credible On-Farm Food Safety programs (OFFSP) and the development of identity-preserving tracking and tracing systems throughout the food chain.***

**Environment**

**Food Safety**

**Renewal**

**Safety Nets**

**Science**

- **The agriculture and agri-food sector is experiencing rapid change**
- **To remain competitive, farmers need tools that address diverse needs and circumstances**

***Renewal***

## *Commitment*

### ***We need to ensure:***

- ***for beginning farmers, that they have the tools to prepare for successful careers in agriculture.***
- ***for established farmers, that they have the tools to assess their situations and to make choices of which options are best for themselves.***

## ***Renewal***

Environment

Food Safety

Renewal

**Safety Nets**

Science

- **Safety nets will remain critical to address the unique risks of sector**
- **Analytical work is underway to evaluate program effectiveness and assess possible improvements**

## *Commitment*

***In implementing a renewed safety net framework agreement there is a need:***

- ***to focus on making sure that all elements of safety net programming are working together, and***
- ***for clarity about the purpose and performance of these programs in stabilizing farmers' incomes.***

**Environment**

**Food Safety**

**Renewal**

**Safety Nets**

**Science**

- **Science is moving quickly**
- **Scientific advances hold tremendous potential for the sector as an enabler**
- **Along with opportunities, come challenges**
- **Canada can draw from a highly educated workforce, internationally recognized public research, and its comparative advantage in natural resources**

## *Commitment*

### **We need to:**

- **engage in dialogue and build consensus regarding innovation in agriculture;**
- **build confidence by ensuring that Canada has a credible and transparent science-based regulatory system;**
- **identify and maximize benefits for producers;**
- **improve infrastructure and the business environment;**
- **strengthen research and development capacity;**
- **attract investment; and develop the human resources needed for the life sciences**

## **Science**



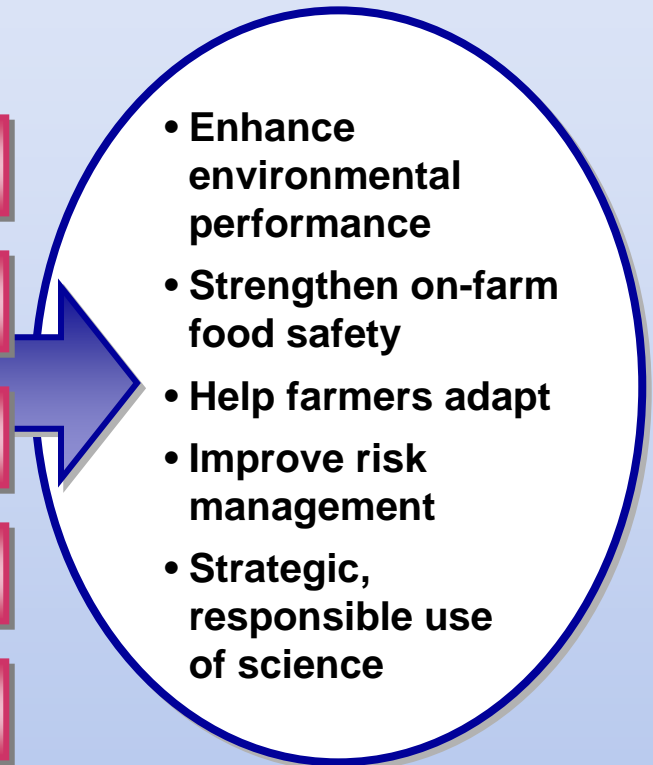
## THE CHALLENGES



## THE POLICY FRAMEWORK



## THE OBJECTIVES

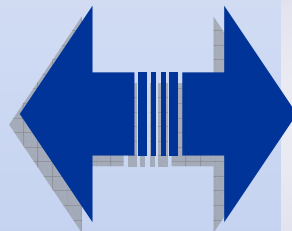


# This new policy architecture will also achieve international leadership

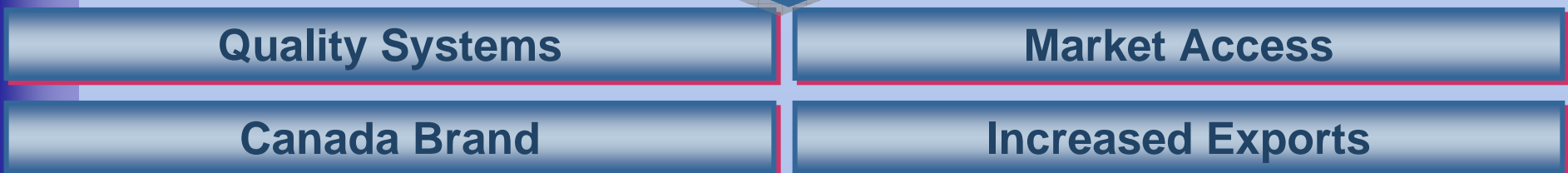
## The Policy Framework



## International Activities



## Outcomes



# **This new policy architecture ensures sector success in the 21st century**

**It is designed to:**

- **position Canada as first in the world for quality and safety, environmental responsibility, and innovative agricultural production**
- **build the Canada brand by investing in a consistent national approach**
- **move the sector from crisis management to investment for long-term success**
- **treat the sector as a sunrise industry with a bright future**