

Canada Food Brand Project

Notes from the “Brand 2.0” Lab, December 6, 2018 in Ottawa

The Lab’s Intent //

This first Canada Food Brand lab brought together over 40 diverse stakeholders to explore why the ISED Economic Table recommended that a “strong and unified” Canada food brand can be a catalyst for competitiveness and what needs to be done next.¹ The lab also presented perspectives on how Canada’s performance is being assessed from abroad (by a global innovation index²) and from outside the agri-food sector (by an investor-focused index³). Those indices suggest that economic performance and national reputations are being linked to how a country innovates, regulates and collaborates, and how companies perform on globally-accepted environmental, social and governance (ESG) factors.

The Lab’s Outcome //

The project purpose was sharpened, to focus on substantiating the claims that stand behind the brand and the credible data and general approach required to do so. The discussion revealed 4 initial principles and 2 choices to guide thinking and/or to refine. Ideas were shared on what might enable and hinder the work. While not capturing all that was said, these notes will help to inform future dialogues.

¹ The discussion of the ISED Economic Table on Agri-Food was conducted by Justin To, Director of Policy, Office of the Minister of Finance, and by Shelley Martin, former CEO, Nestle Canada and ISED Agri-Food Economic Table member.

² The Global Innovation Index: Rafael Escalona Reynoso, Lead Researcher, Cornell University: https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2018.pdf. For Canada’s results, refer to page 239.

³ ESG (environmental, social & governance) investing: Jackie Daitchman, Vice-President, ESG Research, MSCI Inc.: <https://www.msci.com/research/esg-research>

Highlights //

1. **Clarifying project purpose (“brand” vs “claims”):** “Brand” means different things to different people; it’s emotive. To some, “Canada” is about vast spaces and pristine waters; others think of Canada as safe and stable. This project is not about reaffirming or redefining the “mountains and Mounties” image of Canada or whatever is the prevailing image in different markets. **This project is about understanding the attributes of brand, what needs to be measured and how this can be used to improve competitiveness, build trust, shape research/innovation priorities and help to inform policy choices.** The discussion emphasized the importance of focusing on the claims that are being made across the food system and the framework to validate them (at a high level). Work on sustainable beef and other related initiatives taking place in Canada can be inspiring here. If “brand is like a shield” (as was noted), then this project is about identifying what must be done to reinforce it and, through a series of labs, help align food system stakeholders around it.⁴
 - **Principle 1:** Canada’s agri-food sector needs to identify and substantiate the “claims” that are important to protect the brand, using a science/evidenced-based approach. (It’s like taking a national “Intel Inside” approach.)
 - **Choice 1:** Should efforts now underway to advance environmental sustainability across the agri-food system be linked up or not?
2. **Brand vs. brands:** Some discussion focused on the issue of “brand silos”, the multiple provincial brands represented across the country to reflect their respective foods, regional differences and *terroir*, and the case being made by the ISED Economic Table report for a clear unified national brand to help deliver on its vision for the agri-food sector. In doing so, Canada seems to present a *Buy Canadian* brand for consumers at home and *Buy Canada* brand for consumers or buyers abroad. If industry wants a more unified brand, it was noted, it must push governments to respond.
 - **Principle 2:** This project does not intend to judge uses of brand messaging or positioning but government branding programs should have a common understanding of what stands behind Canadian “quality”: i.e., clean, reliable, trusted, safe, etc.
3. **Global assessments of company/country performance:** A global phenomenon is underway to assess companies on a host of environmental, social and governance (ESG) factors which are, in turn, based on U.N. Principles for Responsible Investment (PRI). Globally today, nearly 2000 institutional investors with some \$80 trillion of assets under management subscribe to ESG

⁴ This work will enable the project’s one overarching goal: to have industry, other food system players (including academia) and government adopt or adapt this work as a must-do priority for the next policy agenda in late 2019/2020.

assessments (see chart), including by Canadian pension funds. For instance, institutional investors can assess food companies on how they are managing climate change, water risk and ensuring long-term sustainable supply of ingredients.

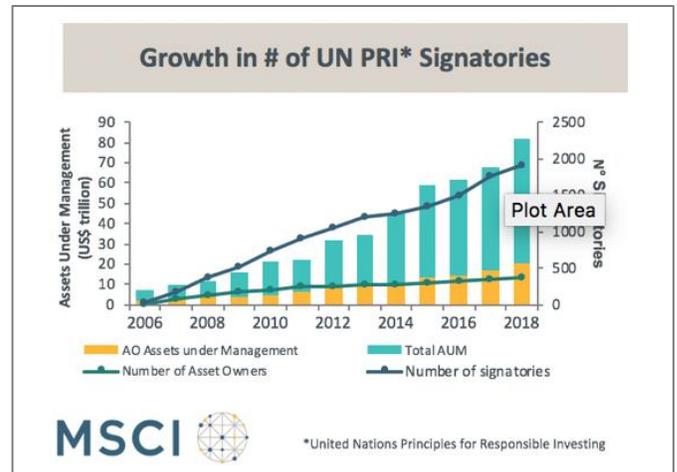
The gravitation toward ESG investing and other measures of environmental sustainability should increase as the world grapples with meeting GHG targets, responds to consumer concerns about how food is being produced and expectations rise to fulfill the U.N.

Sustainable Development Goals (SDGs). However, more dialogue is required to understand whether or how country reputations will be impacted by these developments, how this affects capital allocation decisions, and whether agri-food sectors or countries can or should try to differentiate themselves in response to them (likely a subject of a 2019 lab).

- **Principle 3:** In addition to consumers, recognize that investors are driving change in the food system and are, potentially, a key stakeholder to consider as this brand work unfolds.

International indices are also measuring how countries compete. Canada is ranked 18th on the Global Innovation Index (GII), a sum of over 80 indicators developed by Cornell University, INSEAD and the World Intellectual Property Organization. Canada scores highly on the strength of its institutions and political stability (5th) and regulatory environment (8th). It under-performs on industry-university collaboration (23rd) and on environmental sustainability (73rd). The findings suggest that Canada can do more to leverage its strengths, promote greater synergies between sectors and can develop better data/benchmarks to shed light on apparent weaknesses.

Data to validate & protect claims: “Data” – and who defines the data sets – is vital. Canada is a leader on environmental sustainability in several respects but this is not necessarily reflected in global indices, as presented at the lab.⁵ However, Canadian agriculture largely depends on renewable water whereas many competitors draw down non-renewable water (e.g., aquifers). Canada was the first country to demonstrate a verified sustainable beef initiative (now a global model). Canadian pork has the second lowest carbon footprint in the world. As expectations rise,



⁵ It was acknowledged that indices have limitations with environmental data sets or use survey-based information and Canada was shown to under-perform on the environment relative to other countries.

Canada and the agri-food sector may need to change what it measures (e.g., to include biodiversity impacts of food production) and have an expressed process to consider options for doing so.

- **Principle 4:** Deciding on the objective data, methodology and appropriate metrics needed to assess agri-food performance – and the process for doing so – is a competitiveness and reputation-management priority.
- **Choice 2:** Canada either credibly measures its own agri-food performance or we cede such assessment to others, including our competitors.

4. **Enablers & barriers:** A variety of ideas were presented to help inform this project, including:

- Assess the top 10 risks to the brand and adopt mitigation strategies to help “de-risk” the brand.
- Importance of Canada’s regulatory system; e.g., we coped well with Avian influenza (i.e., ensuring confidence in chicken supply and sustaining chicken consumption levels) whereas other countries (e.g., Italy) were challenged to maintain consumer trust and chicken consumption fell.
- Technology and innovation can help assess/enhance safety, taste and healthy (nutritious).
- Issue: a growing proliferation of sustainability standards.
- Canada ranks #17 globally in global tourism and food can be a means to promote Canada.
- Transparency is important but privacy of producer data is a concern.

Canada 2020 thanks our project partners:

Food & Consumer Products of Canada, Genome Canada, National Research Council, Nutrien, Arrell Food Institute at the University of Guelph

(These notes do not imply endorsement by partners or participants.)