

# Canada Food

Notes: “Reliable Supply” Lab, April 2, 2019, Halifax

## The Lab’s Intent //

Being a “reliable supplier” of food to the marketplace requires a *well-oiled* transportation system. This lab considered transportation efficiency and resilience and measures to track performance. Over 20 diverse stakeholders largely from Nova Scotia, New Brunswick & Prince Edward Island discussed what it means to be a recognized dependable food supplier, including the technologies & analytics required to ensure food quality & timely food shipments domestically & abroad. (“Food” refers to agricultural ingredients, fish/seafood, value-added food products & beverages.) The lab agenda is reproduced below.

## The Lab’s Outcome //

- While individual companies, supply chains & transport modes are clearly dedicated to reliably delivering food every day to the marketplace (notwithstanding some challenges & inefficiencies in doing so) & are tracking performance on a segmented basis, metrics are not being gathered to measure overall performance.
- Yet, Canada is being benchmarked by a global index (Canada ranks 21<sup>st</sup>). The transport & agri-food sectors need to decide if jointly developing key performance metrics is important.
- New technologies, better data-sharing & traceability systems promise to link supply chain players virtually in *real-time*, enabling benchmarking & improving efficiency, resilience & quality. This is will help protect Canada’s food reputation. How the agri-food sector links up with the Scale AI Supercluster, for example, could be vital to better leverage shared data value opportunities.

**Canada 2020 thanks our project partners:**

**Food & Consumer Products of Canada, Genome Canada, GS1 Canada, National Research Council, Nutrien, Olds College, Protein Industries Canada, Syngenta, University of Guelph**

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

## Highlights //

### ■ “Being a reliable supplier is about efficiency & effectiveness”

“Reliability” is often considered as a matter of efficiency: *did the product arrive on-time?* Retailer just-in-time delivery expectations drive this priority. Efficacy is increasingly important: *has the product arrived safely & in good quality?* Lobster is expediently shipped abroad but it needs to arrive alive. (Increasing attention to animal care is shaping new requirements.) For the grains sector, quality grading & a variety of assurance factors are habitually assessed, particularly for overseas markets. However, such specifications can also be a means to reject shipments at the receiving end even for the most minute contamination or quality flaws (findings which can be specious in nature, protectionist & politicized).

### ■ “Benchmark or be benchmarked”

Canada is being benchmarked. The World Bank’s Logistics Performance Index (2018) ranks Canada **21<sup>st</sup>** in terms of the quality of the country’s transportation infrastructure in the world (U.S., 7<sup>th</sup>), such as measuring timeliness, customs, tracking/tracing & logistics competence. Domestic metrics do assess performance (e.g., measuring sea port capacity & air shipment efficiency) but it appears that a holistic view of Canada’s transportation system is not being fully assessed. It was suggested that a national strategy could help to address this. Some spoke about having a government agency play such a galvanizing role. Others expressed concern about inviting new rules with such oversight. Industry-led food clusters or hubs can help to connect players, it was noted, but silos persist.

Deeper collaboration between transport modes (air, rail, road & ship) & the agri-food sector can identify the domestic & global metrics that matter – a key to improve competitiveness & help defend Canada’s trade interests/reputation.

### ■ “Transporting food is about sharing data & inter-connecting systems”

A broad view that technology systems can better link supply chains players across Canada. By being real-time & integrated, data sharing can be used beyond measuring/ensuring efficiency (still important) but also be used to ensure quality attributes & help glean market intelligence – thereby helping to protect Canada’s food reputation. Within vertically-integrated companies, this can be managed “in-house”. But, for many supply chains, such data is not shared largely because data is deemed to be proprietary & because of undeveloped or limited traceability systems and data is often proprietary in nature. By linking up with Scale AI Supercluster, for example, the agri-food sector might identify ideas to leverage such data value opportunities.

### ■ “Reliability & environmental sustainability”

While producers can be wary of additional regulations to improve environmental sustainability, not resolving issues (such as disputes on accessing/prohibiting ground water irrigation) can end up restricting production & upsetting reliable local supply of product for processors. This can prompt processing companies to look abroad for sufficient supply. Supply reliability & environmental sustainability are linked.

As consumers raise concerns about how food is produced, some producers do not believe that Canada is as sustainable as we think – a mismatch that is not a good indicator of the food brand.

### ■ “Selected barriers”

- \_ Inter-provincial trade rules & the cost of shipping small amounts of food locally/regionally inhibits market access. Marine export volumes are often insufficient to exclusively contract commercial-size vessels.
- \_ Costs rise & reliability suffers from: bottlenecks (e.g. lack of highway twinning in Quebec to link the Maritimes to central Canada; PEI has no rail & limited marine capacity); from regulatory restrictions (e.g., Quebec seasonal trucking weight & load restrictions); & from weather (e.g., PEI-NB bridge shut downs or rough seas when transporting to NFLD).
- \_ Labour/driver shortages.

## Policy Lab “Reliable Supply”

Agenda | April 2, 2019 | 10:00 a.m. - 2:00 p.m.

Farmers’ Market Galley, 2<sup>nd</sup> Floor, 1209 Marginal Rd., Halifax

9:30 a.m.	<b>Coffee available</b>	
10:00 a.m.	<b>Welcome, introductions &amp; overview of the <i>Canada Food Brand Project</i></b>	David McInnes, Senior Fellow, Canada 2020
10:20 a.m.	<p><b>Reliability of supply &amp; resilience:</b></p> <p>1) Transporting food within &amp; from Canada:</p> <ul style="list-style-type: none"> <li>a) In terms of getting food to market, what defines being a <i>reliable food supplier</i>?</li> <li>b) Is Canada or our competitors more reliable?</li> <li>c) What benchmarks are used or needed to judge this?</li> </ul> <p>2) Risk &amp; resilience:</p> <ul style="list-style-type: none"> <li>a) How resilient is Canada’s transportation system?</li> <li>b) How are sectors working together to improve its resiliency and respond to major risks?</li> </ul>	<p>Participants provide an initial 5 minute comment on question “1.a”</p> <p>Open discussion</p> <p><i>Notes</i> “food” includes: commodities; value-added products, beverages; fish, seafood</p> <p>“transportation system”: logistics, storage, transportation, shipping, infrastructure</p>
12:00 p.m.	<b>Lunch</b>	
12:30 p.m.	<p><b>Drivers of change, transportation &amp; food claims:</b></p> <ul style="list-style-type: none"> <li>a) How are quality/safety requirements &amp; traceability changing the way food is being transported?</li> <li>b) How are the transportation/agri-food sectors working together to reduce emissions &amp; other environmental impacts?</li> <li>c) Is Canada doing enough to leverage science, technology &amp; analytics to address such developments?</li> </ul>	<p>Margaret Mackay, Supply Chain, Logistics, AI Program Leader, NRC</p> <p>Open discussion</p>
1:30 p.m.	<p><b>Protecting &amp; enhancing the Canada Food Brand:</b></p> <ul style="list-style-type: none"> <li>a) In terms of reliability of the transportation system, what is needed to help protect &amp; enhance Canada’s food reputation?</li> </ul>	Open discussion
1:55 p.m.	<b>Conclusion</b>	David McInnes