

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 21st). 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 **21st** in terms of the quality of the country’s transportation infrastructure in the world (U.S., 7th), 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, 2nd Floor, 1209 Marginal Rd., Halifax

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