

Canada Food Brand Project

Notes: “Sustainability” Lab, May 22, 2019, Ottawa

The Lab’s Intent //

Responsible players across the global food system are making environmental sustainability a priority. Some believe it is “an environmental emergency” to do so. Much is happening but progress is uneven and market signals are not always clear. Assessing the response is not easy, thanks to the sheer breadth of and shortcomings with metrics and methodologies. What is clear is that the global food system is changing. This lab – the 6th in this series which attracted nearly 60 stakeholders, including 12 presenters – focused on “sustainable food” and considered these developments in terms of protecting Canada’s food reputation and positioning the country for future success. (The lab agenda is reproduced below.)

The Lab’s Outcome //

- **Differentiate Canada:** Canada needs to be very clear about its aspiration. *Sustainability* is a vague term but we should all agree that “having a great environment and place to work is the future we want”. Discussion revealed that we also want to be a great place to invest and a great place to be a future food producer. Canada needs to be a place that will sustainably produce more food – not less – while retaining consumer trust and confidence in the markets we serve. Canada needs to own this outcome – the basis to differentiate and succeed in the unfolding global food system.
- **Benchmark Canada:** Supporting this call to action requires having the right metrics to affirm Canada’s sustainability record at a high level, back up its declarations with data-in-depth to be defensible and accessible and work far more collaboratively to address shortcomings.

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 //

Global food systems are in transition

Providing affordable, safe and quality food is the first priority of grocery retailers but change is afoot. New food products are promoting nutritional quality alongside sustainably sourced and socially responsible. Environmental sustainability could ultimately be “built into” the food supply much like food safety is today.

A race to trace is unfolding. As companies and sectors set targets to reduce their environmental footprints and sustainably source foods, commitments need to be verified. In the U.S., Walmart requires all products to be traced back to source, a requirement for suppliers to get shelf-space. Traceability has its challenges. In the crops sector, segregation is possible but tracing bulk grains shipments less so. In the produce sector, sustainability is “gathering steam”. Sustainability is now a pillar of the international standard for produce, alongside safety, which maintains global trade and market access for fresh fruit and vegetables.

Signaling a shift, one global processor is rethinking its supplier relationships and environmental footprints. This firm is embracing regenerative agriculture to improve soil health, sequester more carbon and reduce its total carbon footprint. One of the solutions envisioned few years ago was to adopt flax-based diets to improve cow digestion and reduce animal carbon emissions by up to 10%.

Where’s Canada in this emerging food world?

Echoing disappointing scores revealed in previous labs, Canada’s average corporate sustainability score ranks a “C-”, according to CDP, a global index that measures environmental performance of over 7,000 companies and several hundred states, regions and cities. If Canada wants to nurture a brand around sustainability, it needs to grapple with how it is being assessed.

The Netherlands is far ahead of Canada on “circularity” – extracting value from waste streams across product life cycles, pricing pollutants and reorienting supply practices. But Canada has launched a Circular Economy Leadership Coalition. The City of Guelph/County of Wellington is creating Canada’s 1st circular food economy and aiming to transform the food system to support local businesses, increase revenues by 50% by finding new value from waste and increase access to affordable, nutritious local food by 2025.

With the U.S. soy sector promoting its sustainability story abroad, foreign customers are now asking “is Canada sustainable?”. Our crop sector could drive-up sales in some external markets by better promoting its genetic practices, no-till and good fertilizer use.

It’s a matter of competitiveness to act. National business units of global food companies compete for capital internally. Canada needs to showcase what its agri-food sector can do so to win its share of investment and affirm its global food reputation in the process. It’s possible. Canada’s globally-leading certified sustainable beef program came together “incredibly fast” and consumer demand is outstripping supply (which is also upending the prevailing view that consumers are mostly price-driven).

Canada has a comparatively good results with some cautions, challenging how we communicate. On biodiversity, Canada is “vulnerable” (see figure 1, below), although it has strong endangered species legislation. Canada has generally good soil quality practices but quality results are mixed (figure 2); and, while Canada’s water-use is excellent (only 1% of crops are irrigated), the country faces some regional water quality challenges (figure 3). Canada needs better data to assess overall eco-system health.

What needs to be done?

In this marketplace, good data is needed to reassure consumers, buyers, regulators and investors about the country's sustainability credentials. There's also a data dilemma. Some want more; some want less. Data can overwhelm and must be fitted for purpose. Consumers need to trust whatever is said. Investors probe more deeply. Export markets can require different information. Meanwhile, some marketing practices may use little of it, such as simply promoting "local". Retailers struggle with commodity sustainability certifications that have different levels of rigour, lack common definitions and coordinated data.

Canada's positive story on grain sustainability would benefit if information was more accessible to consumers. The fact that individual farm certifications are not yet a requirement (except for limited markets and crops), makes it harder to affirm action and build trust. Communicating sustainability in stores and on product labels is not easy. Canada is a leader in sustainable wild capture seafood but only 15% of shoppers at one grocery retailer is aware of its leading sustainable seafood program.

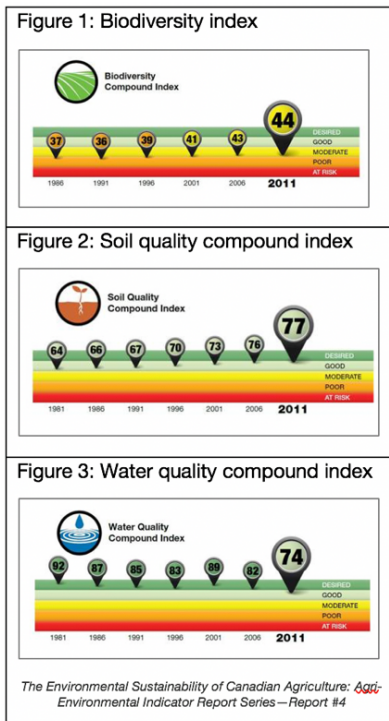
The optimum approach may be selecting outcome-based metrics to track Canada's sustainability record at a high level backed by science-based data-in-depth to be defensible.

Multiple layers of regulations can frustrate industry from responding to market change. Leading companies want regulators to set a level playing field to encourage system-wide action. Marketplace rules need to keep pace, too. One company stated that supply management inhibits scaling up sustainability. This processor wants to work directly with dairy farmers to improve practices but only small steps are possible whereas elsewhere much more is being done. Regulations need rethinking; eg, reviewing by-laws that discourage urban vertical farming and municipalities need to agree on how they will collect and recycle plastic.

With sustainability expectations changing, the agri-food sector needs to keep looking forward. Getting certified sustainable beef program operational was a major coup for Canada. The beef sector is now thinking about regenerative agriculture, song-bird preservation and beef's nutritional quality. Progress is being made but the agri-food sector as a whole still works in silos. "Everyone needs to be on board".

Reading marketplace signals and engaging supply chains is vital. Restaurant chefs are on the front line of responding to trends (such as the growing interest in plant-based burgers and protein-rich grains). Social media can portray "angry" views about agri-food practices. Various surveys reveal that Canadians are unsettled about the status quo. Some want a food system that links better diets with more responsible production practices (e.g., regenerative agriculture) and want to see Canada meeting global environmental expectations by supplying more sustainable food. In response to public consultations, Canada's Federal Sustainable Development Strategy has devoted 1 of its 13 goals to sustainable food and has linked its response to the broader U.N. 2030 Sustainable Development Goals (SDGs), a plan for years to come. This dialogue did not reconcile the varying consumer views but it did suggest that validating the food brand and the values that stand behind it may be a means to help build consumer trust.

As one presenter put it, we "ignore measuring sustainability at our peril". Canada needs to decide on the data and metrics it needs to mark progress toward explicit outcomes we desire, having a great environment and being the place to sustainably produce food long into the future. This is a strategic imperative



Agenda | May 22nd, 2019 | 10:00 a.m. - 4:00 p.m.
 Canada 2020 Studio, 35 O'Connor Street, Suite 302, Ottawa

9:30 a.m.	Registration, coffee	
10:00 a.m.	Welcome, Introductions & Overview of the <i>Canada Food Brand Project</i>	David McInnes , Senior Fellow, Canada 2020
10:30 a.m.	How are corporate sustainability commitments changing the way we produce & supply food?	Jennifer Lambert , Senior Manager Sustainability, Loblaw Pascal Lachance , Senior Manager, Sustainable Development, Danone
12:00 p.m.	Lunch	
12:30 p.m.	What are the metrics that matter (meaningful for use here & abroad)?	Robynne Anderson , President, Emerging Ag Susie Miller , Executive Director, Canadian Roundtable for Sustainable Crops Nicole Mackellar , Manager, Market Development, Grain Farmers of Ontario Rebecca Lee Executive Director, Canadian Horticultural Council Larry Thomas , Sustainability Manager, Canadian Cattlemen's Association
2:10 p.m.	Break	
2:30 p.m.	How are environmental sustainability expectations changing across society?	Mike Wilson Executive Director, Smart Prosperity Institute Cathy Kennedy Manager Policy and Intergovernmental Relations, City of Guelph David Lefebvre , Vice President, Federal & Quebec, Restaurants Canada Lukas Brochard , Associate Director, Scoring, CDP Gail Haarsma A/Director, Sustainable Development Policy Division, Environment & Climate Change Canada
3:50 p.m.	Conclusion	David McInnes , Senior Fellow, Canada 2020

June 27, 2019

David McInnes
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Via e-mail: daviddmcinnes@gmail.com

Re: Sustainability Lab, Canada Food Brand Project

Dear Mr. McInnes,

The Canadian Canola Growers Association (CCGA) appreciated the opportunity to attend the Sustainability Lab, as part of Canada 2020's Food Brand Project. CCGA is supportive of Canada 2020's work in gathering the agri-food industry together in pursuit of solidifying a strong Canadian food brand.

In response to the official notes that were circulated from the Sustainability Lab, CCGA would like to draw your attention to key points that were given during the lab regarding grains but not accurately reflected in the official notes. For example, on page 3 of the notes, it references a lack of individual farm certifications "makes it hard to affirm action and build trust." As noted by Susie Miller in her presentation, traceability is not an option for grain as it is a bulk commodity. Therefore, individual outcomes-based farm certification for all of Canada's 43,000 canola growers is not feasible.

Alternatively, Ms. Miller did mention the work that is underway to develop a voluntary code of practice for the grains industry. Furthermore, as referenced in the "Canola's Sustainable Future" document that was given, the Canadian canola industry has set ambitious sustainability goals to use less fuel on farms, increase land efficiency, sequester more carbon, improve soil and water health, and protect biodiversity. As also referenced in the document, canola is the only Canadian crop to have growers certified sustainable by the International Sustainability and Carbon Certification (ISCC) body. ISCC certification targets the reduction of greenhouse gas emissions, sustainable use of land, and the protection of natural habits.

CCGA recommends that this information be added to the official notes to better reflect the material that was given and/or discussed during the presentations. Adding this information would more accurately portray the work that is being done in relation to sustainability and public trust in the Canadian grain sector.

Thank you for considering our feedback. We look forward to continued engagement on building public trust in Canada's food brand.

Sincerely,



Jan Dyer
Director, Government Relations