

Canada Food Brand Project

**Notes: “Global Change Agenda” Lab, April 23, 2019,
Ste. Anne-de-Bellevue, QC**

The Lab’s Intent //

Picking up on an earlier discussion (Dec. 2018), this 5th lab delved more fully into the relevance of the UN Sustainable Development Goals (SDGs) and adoption of global responsible investing principles to our consideration of the Canada food brand. We questioned whether this *global change agenda* to improve the well-being of people and the planet could influence the way Canada stewards its trusted food brand. Canada 2020 appreciates the collaboration with the Margaret A. Gilliam Institute for Global Food Security at McGill University for holding this lab. (The lab agenda is reproduced below.)

The Lab’s Outcome //

- The “sustainability” of Canada’s food production practices will be increasingly judged by global standards and metrics which, in turn, could affect Canada’s market access, national reputation and access to capital.
- The SDGs establish a global benchmark for sustainability that does not necessarily reflect the Canadian farming context but is shaping how others abroad may increasingly characterize Canada’s food image.
- Canada is not fully defending itself abroad by developing an updated narrative on its sustainability story. A lack of a good metrics framework, shared across its supply chains, is inhibiting this. In part, this may be enabled by deploying an SDG strategy for Canada’s agri-food sector.
- Institutional investors could become a major change agent. They are already assessing sustainability risk more rigorously and are setting bold portfolio targets to reduce carbon exposure. Eventually, they could assess how the food sector contributes to population health outcomes. By investing in agri-food companies based on new environmental, social and governance standards of responsibility, global and domestic pension funds could catalyze significant change across the agri-food sector.

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 //

Q1. How are the Sustainable Development Goals (SDGs) relevant to defending Canada's food brand?

While a number of SDGs touch on food production, goal #2 (“Zero Hunger”) defines what is expected for sustainable farming (2.4.1). Metrics are now being developed to measure a host of social, environmental and economic indicators. Canada is relatively well positioned to meet various requirements but the methodology was questioned on environmental practices common to Canada (e.g., use of synthetic pesticides). As one participant put it: “It’s hard to argue with the SDGs but certain ideologies against modern agriculture comes through in the language.” Metrics are also largely written for small-holder farms under two hectares (where slash-and-burn or deforestation practices are often used). In short, the global conversation about farm sustainability does not necessarily reflect the Canadian context. As well, Canada’s relatively positive narrative on sustainability across its supply chains is not being told. Canada faces challenges (e.g., soil erosion and biodiversity) but “we may have the best story” – and consumers want to be reassured about this, too. The SDGs may not be well-known across Canada’s agri-food sector but these goals have inspired some companies and producer organizations to link ambitious production growth targets with BMPs to improve fertilizer use, sequester carbon, protect friendly insects, etc. Some are tying such performance to senior management KPIs, a good governance principle.



The agri-food sector can benefit from an outcomes-focused SDG strategy: The SDGs provide a “strong framework” but interpretations of what is “sustainable” has led to veiled protectionist measures (e.g., keeping Cdn durum wheat out of Italy for using glyphosate). The barrier to SDG-adoption (and defending Canada’s story) is having a suitable/comparable methodology to measure them (e.g., on biodiversity); engaging the research community and sharing KPIs among supply chains may help but Canada does not appear to be fully engaged in the global metrics process. That said, the federal gov’t is working on a national SDG 2030 strategy with indicators. Our competitors (US, EU, Australia) see “food” as a catalyst to improve economic, social and environmental well-being and are leveraging the SDGs as part of concerted trade/development strategies in emerging markets. Canada’s brand is well-regarded but we do not appear to be integrating such agri-food partnerships in those markets. Canada can enhance its brand abroad by contributing to the needs of developing countries (future markets) and help tackle SDG objectives.

Q2. Why are institutional investors becoming a major player in agri-food’s future prospects?

Global pension fund managers are shifting how they invest in companies based on environmental, social and responsible governance (ESG) practices. Companies are deemed to be sustainable or not based, in part, on how those firms are transitioning to a low-carbon economy. Example: Quebec’s \$300 billion fund manager, CDPQ, announced a target to reduce the carbon intensity of its portfolio by 25% by 2025 (Press Release, 10/18/2017). Large investors are linking progress on targets to executive bonuses and are not making new investments without first assessing “carbon tests” and they are increasingly considering prospective investments by examining company “purpose” as a means to judge future viability (i.e., the question was posed, “is investing in companies that sell junk food *sustainable*?”). In short, firms that adopt ESG practices are deemed to be better managed, more resilient and can generate better financial returns. ESG-investing is nascent, but green bonds are now starting to offer a slight premium. Canada’s food business is regarded as “clean” and “trusted” which should be attractive to investors. But investors do not have the data/framework to fully assess sustainability; data is now being developed (also SDG-inspired).

Policy Lab “The Global Change Agenda”

Agenda | April 23, 2019 | 10:00 a.m. - 2:00 p.m.

Faculty Lounge, Room MS2-022 (McGill’s MacDonal Campus)

21111 Lakeshore Road, Ste. Anne-de-Bellevue, QC

9:30 a.m.	Registration, coffee	
10:00 a.m.	<p>Welcome</p> <p>Overview of the <i>Canada Food Brand Project</i></p>	<p>Anja Geitmann, Dean, Faculty of Agriculture & Environmental Sciences, McGill University</p> <p>Patrick Cortbaoui, Managing Director, Margaret A. Gilliam Institute for Global Food Security, McGill University</p> <p>David McInnes, Senior Fellow, Canada 2020</p>
10:30 a.m.	<p>Understanding the U.N. Sustainable Development Goals (SDGs)</p> <ol style="list-style-type: none"> 1) How are the SDGs relevant to the future direction of Canada’s agri-food sector? 2) Are our competitors responding more proactively to the SDGs, putting Canada at a market disadvantage? 3) Can we expect the SDGs will inform Canadian policy-making (e.g., on food waste, natural capital, risk management & social matters)? <p>Acting on the SDGs</p> <ol style="list-style-type: none"> 1) Looking ahead, will embracing the SDGs be needed to protect the Canada food brand or not? 2) If so, then: <ol style="list-style-type: none"> a) Is this about aligning with SDGs or scaling them up? b) What actions, research & policies are needed to respond to this global agenda? 	<p>Robynne Anderson, President, Emerging Ag</p> <p>Janelle Whitley, Policy Manager, Canadian Canola Growers Association</p> <p>Lindsey Verhaeghe, Sustainability Initiatives & Reporting Manager, Nutrien</p> <p>Ghislain Auger, Desjardins International Development</p>
12:00 p.m.	Lunch	
12:30 p.m.	<p>Environmental, Social & Governance (“ESG”) Factors</p> <ol style="list-style-type: none"> 1) By embracing “ESG”, how are investors influencing the global marketplace? 2) Can ESG become a strategic value-creating tool for Canada’s agri-food sector? 3) What’s this mean for Canada food brand & how we substantiate it? 	<p>Stephen Kibsey, Vice President, Advisory of Investment Stewardship, Caisse de dépôt et placement du Québec (CDPQ).</p>
1:55 p.m.	Conclusion	David McInnes , Canada 2020
2:00 p.m.	Close	