

# Positioning the Agri-Food Sector within the health and wellness agenda of Canadians – AAFC Support

Michèle Marcotte, Acting Program Director  
Food Safety and Quality National Research Program

KNOWLEDGE TO ACTION ACTIVITY  
MCGILL THINK TANK ON CHILD OBESITY  
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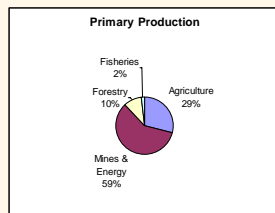
Agriculture and Agri-Food Canada / Agriculture et Agroalimentaire Canada

Canada

## Presentation Outline

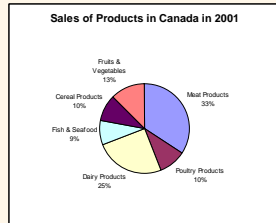
- Canadian Agri-Food Sector Statistics
- *First Paradigm Shift: From Feeding Everybody at Low Cost to Feeding Everybody with respect to their needs and requirements*
- *Second Paradigm Shift: Moving Away From Low Cost Commodities to a Variety of Innovative Products*
- *Third Paradigm Shift: Eliminating intermediaries between Producers and consumers is not a viable option*
- *Fourth Paradigm Shift: Consider Multiple Drivers for Setting Food R&D*
- **AAFC's Vision for agriculture science and innovation — 2010-2025**
- Expectations and strategic directions for the sector from the 2005 Consultations
- Food Value Chain: A Model for the new Bioeconomy

## Canadian Economic Value of the Food Chain



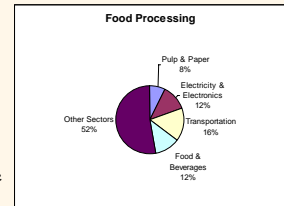
190000 Farms  
350000 Farmers

Globally Canada (2001)  
3<sup>rd</sup> World Exporter  
8.4% of national GDP  
1/8 Canadian employed

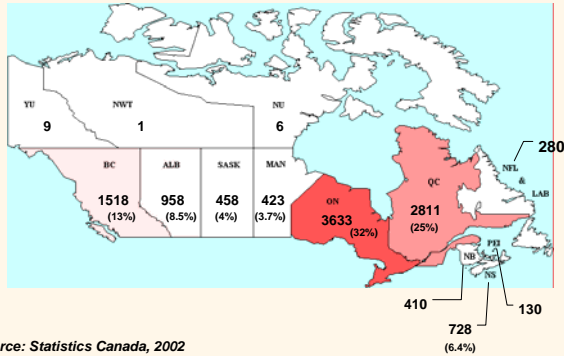


## Statistics of the Food and Beverage Industry (FBI)

- ✓ FBI classified as a manufacturing industry
- ✓ Major intermediary in the Food Value Chain
- ✓ Pathway of almost 50% of Canada's primary agricultural output
  - ✓ 70% of FBI's inputs from agricultural production and fisheries
  - ✓ Shipment at 75% to domestic and 25% to international market
- ✓ Important link to the Canadian economy especially for rural development. In 2002:
  - ✓ 11365 establishments
  - ✓ Approximately employing 260000 people
  - ✓ 11-12% of shipments from national manufacturing
  - ✓ Regardless of the province, FBI falls within
    - ✓ Top three manufacturing sectors for shipments and/or jobs

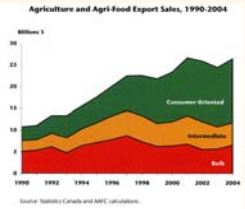
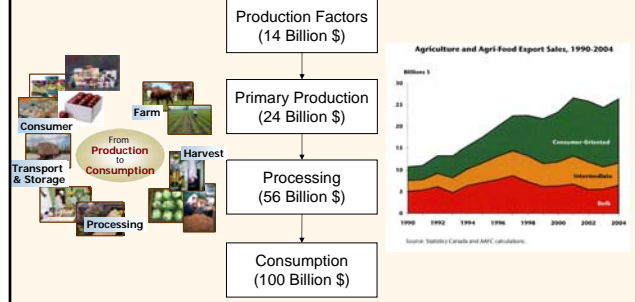


### FBI Establishment Distribution in Canada



Source: Statistics Canada, 2002

### An increasing share of exports are value-added products

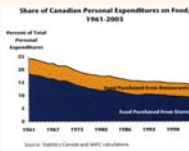
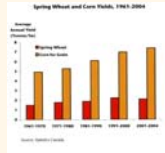


Value is doubled at each step. In addition, 25 Billion \$ are exported internationally.

### Agriculture is at crossroads ?

- From « **FEEDING EVERYBODY AT LOW COST** »
  - Research has made a difference
- RESULT: « **CREATING AN ENVIRONMENT OF ABUNDANCE** »
  - We spend less and less on food

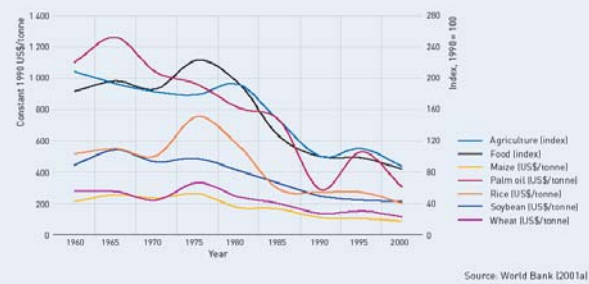
Research has made a difference



We spend less and less on food

### World commodity prices: where is the future for Canada?

World market prices for agricultural commodities, 1960 to 2000



Source: World Bank (2001a)

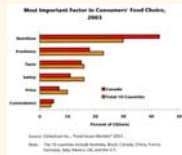
## Agriculture is at crossroads ?

### First paradigm shift:

- From « **FEEDING EVERYBODY AT LOW COST** »
- To « **FEEDING EVERYBODY WITH RESPECT TO THEIR NEEDS AND REQUIREMENTS** »
- RESULT: « **ADJUSTING AAFC'S POLICIES AND SCIENCE TO THE NEW REALITIES** »



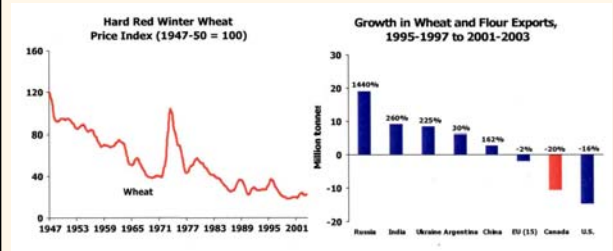
More calories than ever are consumed



Canadian consumers do not want more food

## Agriculture at crossroads ?

Our competitors do well in the low-cost high-volume model

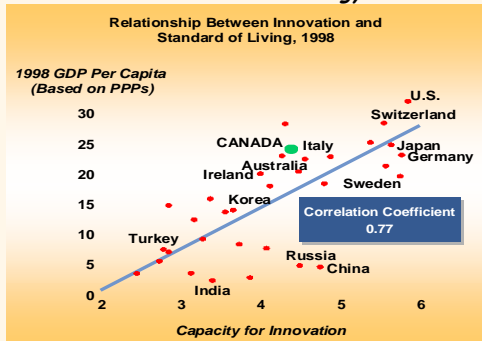


Competition in low-cost commodities will continue in addition to US and EU subsidy levels

Low-cost, low-subsidy competitors are rapidly expanding production -- Canadian agricultural and agri-food enterprises risk falling behind if they do not innovate continuously

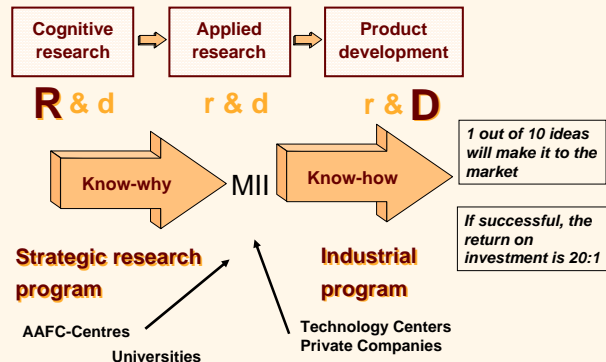
## Agriculture at crossroads ?

Second Paradigm Shift: Moving From Low Cost Commodities to a Variety of Innovative Products Using Science and Technology

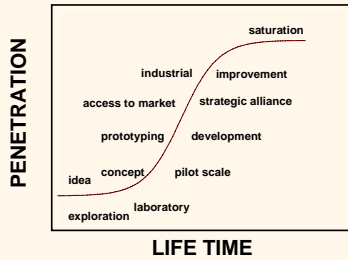


Source: Global Competitiveness Report 1999

## R&D: A continuum from ideas to products

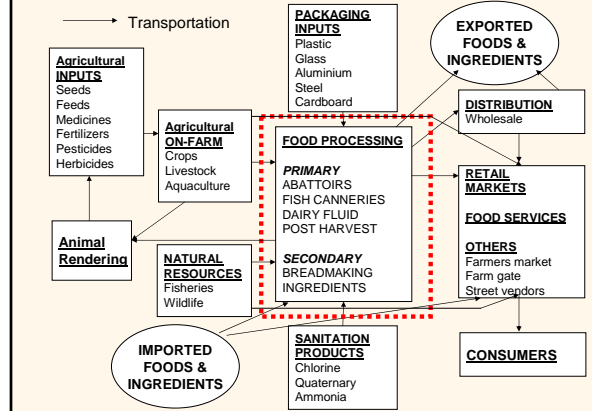


Why is it so important to innovate?  
S Curve of technologies

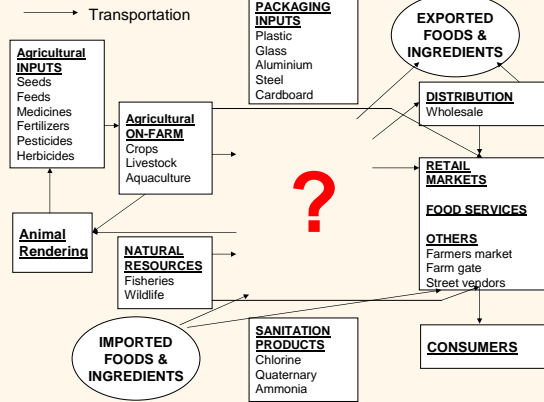


IFT (2001). Session 65 : Symposium: New Technologies in Food Processing. Glory and Fall of Technologies. H.K.M. Lelieveld: Unilever

Food Value Chain: An Open and Complex System



Third Paradigm Shift: Eliminating Intermediaries Between Producers and Consumers Not a Viable Option



Fourth Paradigm Shift: Consider Multiple Drivers for Setting Food R&D Programming



## Vision for agriculture science and innovation — 2010-2025

The Agricultural Policy Framework (APF) Science & Innovation and Renewal submission was approved by Treasury Board and signed by our Minister on March 10, 2003.

From Business Lines (2001) to Three Strategic Outcomes  
 > Security of the Food System  
 > Health of the Environment  
 > Innovation for Growth

The AAFC Science and Innovation Strategy was launched in May 2006.

Currently working on APF2



Producers, processors and other stakeholders have identified expectations and strategic directions for the sector (2005 Consultations)

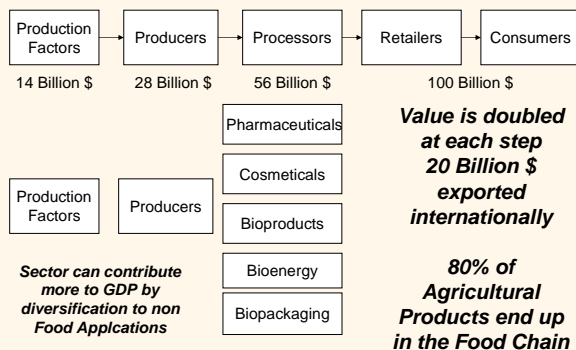
### EXPECTATIONS

- > **Producers** want new opportunities that increase their farm income
- > **Processors** want value-added food products, and new uses for agricultural production, new products and new markets
- > **Consumers** (domestically and globally) want increased assurance of the safety and quality of the food system and enhanced environmental performance of the agriculture and agri-food sector
- > **Provinces and rural communities** want economic development opportunities from agriculture

### DIRECTIONS OR 7 PRIORITIES

- > Enhancing **human health** and **wellness** through **food and nutrition** and **innovative products**
- > Enhancing the **quality of food** and the **safety of the food system**
- > Enhancing **security and protection of the food supply**
- > Enhancing **economic benefits** for all stakeholders
- > Enhancing **environmental performance** of the agri-food system
- > Understanding and conserving Canadian **bioresources**
- > Developing **new opportunities** for agriculture from **bioresources**

## Food Value Chain: A Model for the new Bioeconomy



Thank you !

For More Information ?

Site web: [www.agr.gc.ca/science/crda](http://www.agr.gc.ca/science/crda)

marcotte@agr.gc.ca

Canada