Cereals Canada’s Strategic Plan 2017-2019

Focusing on Key Initiatives and Actions for the Future
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Our Vision for Canada’s Cereals Industries

A dynamic, responsive Canadian cereals industry that brings sustainable profitability to the entire value chain.

Cereals Canada’s Mission

To enhance the competitiveness of the Canadian cereals industry by providing leadership on behalf of the value chain to key initiatives of common and strategic interest, including innovation, market planning, market access, advocacy and awareness.
Cereals Canada is a national, not-for-profit organization that brings a broad and diverse collaboration of partners from all sectors of the cereals value chain. Key strategic outcomes, initiatives and activities of Cereals Canada include:

• An open, transparent and competitive environment for commercial trade across the cereals’ value chain
• Preservation and enhancement of the safety and quality of cereals and cereals-related products
• Open access to international trade and domestic markets
• Opportunities for market growth and development
• Science-based regulation and policies to attract investment
• Membership and other stakeholder input encouraged in innovation to sustainably produce, handle, export and process Canadian cereals, and
• Effective communication and exchange of ideas among all segments of the cereals value chain

These outcomes will only be achieved through the development of relationships based on trust, respect and collaboration amongst all stakeholders in the value chain. This foundation will enable us to effectively work together and achieve our common goals.

Cereals Canada is driven by its membership. There are three membership pillars that are represented on the Board of Directors:

• Farm organizations
• Grain handling, export and processing firms, and
• Crop development and seed companies.

Representation from all of our member groups is both deliberate and important. All stakeholders involved in growing, marketing or processing cereal grains are better off when the industry works together toward common goals. This is best accomplished if all links in the value chain have opportunity for input.

Cereals Canada recognizes that each of our member organizations and companies have a unique and valuable perspective. The right of each to speak and be heard on all issues is a central core value of the organization.

Cereals Canada strives to facilitate a consensus through dialog within the Canadian cereals sector. We understand the need for broad industry consultation on strategic directions in all of the key priority areas.

In all that is pursued and undertaken, Cereals Canada will demonstrate leadership, create and demonstrate value to our members, be the forum for discussion, promote public trust, enable development of our members, build the Cereals Canada brand, and be national, all inclusive of the value chain membership for all cereals.
Strategic needs for Cereals Canada’s members are grouped into four areas:

- **Strategic Issues**
- **Advocacy and awareness**
- **Innovation**
- **Market planning, maintenance and development**
- **Proactive management of market access**
STRATEGIC ISSUE #1:

INNOVATION

Cereals Canada will be the forum for the advancement of cereals through the development and adoption of innovation.

The Canadian sector has the opportunity to make Canada a top choice for investments in innovation by helping to create a policy environment that ensures a return on investment for all participants in the value chain. Growth in investment in research and development goes hand-in-hand with the development of the Canadian cereals brand in response to quality traits demanded by our customers. Taking advantage of these opportunities will increase the value of Canadian cereals production for farmers, grain marketers and crop development companies while delivering strong value to our customers.

The policy environment could involve the development and adoption of innovation in four areas:

- Genetic improvement / breeding
- Sustainable production / agronomy
- Processing and utilization, and
- Human and environmental health outcomes

The focus throughout this process will be on:

- Avoiding duplication
- Attaining cost efficiencies
- Accessing and coordinating available funding, and
- Collaborating with prospective partners

It is important to recognize the value of research from investment by producers, industry, development companies and the public sector. All have a role to play. Cereals Canada can add value and improve the effectiveness of these investments by helping with the development of research goals and objectives that are recognized by all funders.

National goals are critically important and will help ensure the effectiveness of Canadian research investments. When developing national objectives, it is important to recognize regional differences. Because of its broad membership base, Cereals Canada is ideally situated to facilitate accomplishing both the national and regional objectives.

The goals for the innovation pillar will be accomplished through six key strategic initiatives.

STRATEGIC INITIATIVES: INNOVATION

Create bridges between market and product development through the use of effective communications, and forums for information and knowledge sharing

Facilitate public and private investment in innovation

Facilitate ongoing development and refinement of national research priorities

Develop and maintain a research database to create awareness and understanding of capabilities, capacity and availability

Understand and communicate traits needed for competitiveness (demands from both customers and producers)

Identify and create position statements on technology and innovation adoption in cereals:

- coordination of messages to promote awareness and synergies
- development of question and answer papers / talking points as issues emerge in order to promote common messages across the value chain, governments and our embassies and high commissions

Cereals Canada’s goal is to foster an environment that supports innovation in cereals that will encourage investment within Canada and within this sector, avoid duplication, and promote synergies, partnerships and collaboration.
MARKET PLANNING, MAINTENANCE & DEVELOPMENT

Cereals Canada will lead the planning for the maintenance and development for marketing of Canadian Cereals in the North American market as well as our markets off-shore.

Our goal is to increase the volume and value of cereals through:
- Product differentiation domestically (Canada/US) and internationally
- Retention of existing markets, customers, and
- Anticipation of market trends and market dynamics

Canada already has a strong reputation for high-value products in the international marketplace. Research shows that the top key elements of the Canadian wheat brand are:
- Quality
- Consistency, and
- Cleanliness

The structure of the Canadian grains and oilseed industry in Canada presents the Cereals sector with unique opportunities in world markets. A competitive advantage for the Canadian industry is our ability to differentiate and segregate products and deliver the high valued quality traits desired by our customers. This allows the Canadian suppliers to build a strong value proposition for high value customers.

The current evolution of the cereals sector presents an opportunity to build on the Canadian brand in both international and domestic markets.

There are three broad strategic initiatives that will be the focus for Cereals Canada in market planning.

STRATEGIC INITIATIVES: MARKET PLANNING, MAINTENANCE & DEVELOPMENT

Develop a profile of marketing trends including:
- quantification / analysis of domestic and international market demand and trends
- aggregation of our members’ knowledge

Promote the importance of market knowledge for decision-making throughout value chain and facilitate the value chain’s access to this information

Develop marketing plans that will include:
- strategic identification of target markets
- identification of customer needs
- support of the growth of linkages between markets and product development
- ensuring that product attributes / functionality are known / understood by all links of the value chain and by our partners in the public sector (e.g., government and university researchers)
- assessment of the profitability of new market opportunities including competitive analyses and markets’ ability to pay
- building on Canadian competitive advantages: reliability, consistency, quality, gluten
- identification and communication, to the value chain, of the traits and qualities for which customers are willing to pay

Cereals Canada will engage strategic partners when carrying out its market planning work. In particular, Cereals Canada will ensure effective alignment with the Canadian International Grains Institute (Cigi) on the technical support needs of the cereals value chain.

Cereals Canada’s long term goal for market planning is a cereals sector that understands, agrees and focuses on Canada’s strengths and opportunities in the development, production, processing and sales of Canadian cereal grains.
Cereals Canada will respond to market access issues and crises as they occur in addition to ongoing work to eliminate market/trade barriers generally. This work will be focused in both our domestic (Canada/US) and international markets.

Governments are successfully negotiating down many of the traditional tariff barriers that have limited trade in the past. This is a positive development for the Canadian cereals sector which is export dependent. However, these tariff barriers can be replaced by sanitary and phytosanitary barriers that claim to be built on food safety or environmental concerns.

The ability of protectionist governments to turn to these non-tariff barriers to trade is enabled by advances in testing methodologies. New methodologies allow for testing in parts per trillion, which is often well below levels of legitimate food safety concerns.

Cereals Canada will work to counter the growth of non-tariff barriers by supporting international standards that are based on sound science and ensuring that international trade is based on these standards. Both industry and governments must work together to build and strengthen science-based trade. The development of a "Canadian message" and "Canadian approaches" that encompass both industry and government are critically important to the management of emerging non-tariff barriers.

Education and awareness of the potential market harm arising as a result of non-tariff barriers is also important. This has begun with the development of the Keep it Clean – Cereals campaign. This campaign will continue and will be expanded to include additional commodity value chains. Communication and awareness efforts will also be developed to address specific emerging issues.

There are six strategic initiatives necessary for proactive management of market access.

**STRATEGIC INITIATIVES: PROACTIVE MANAGEMENT OF MARKET ACCESS**

- **Address short-term trade disruptions (crisis management) as they occur**
- **Work with Market Access Secretariat, Canadian Food Inspection Agency, Canadian Grain Commission, others to identify and work to eliminate trade barriers**
- **Focus particular attention to important emerging technical areas as:**
  - asynchronous approvals
  - glyphosate residue
  - missing Maximum Residue Levels (MRLs)
  - mycotoxins (both export and domestic market issue)
- **Work will include the identification and engagement of technical experts**
  (e.g., within the cereals value chain, other commodity value chain, industry associations, academics, etc.)
- **Participate in cross commodity efforts to manage and reduce trade barriers to trade**
  (e.g. Canadian Agri-Food Trade Alliance, Canada Grains Council, etc.)
- **Educate awareness of market/trade barriers at government agencies and offices abroad**
- **Promote awareness:**
  - of market / trade barriers to the Cereals Canada members
  - of world-class domestic production and handling guidelines, i.e. Keep It Clean – Cereals

Cereals Canada will work towards enabling full and fair access to markets throughout the world for Canadian cereals and cereal products.
Cereals Canada will advocate for all its members to help provide a profitable business environment for its members.

**STRATEGIC ISSUE #4: ADVOCACY & AWARENESS**

To best take advantage of new market opportunities, the Canadian cereals industries must come together with common goals and objectives. Both governments and our customers should see a coordinated industry that delivers consistent messages across links in the value chain and from all industry representatives.

Cereals Canada will facilitate as much as possible, common messages and objectives for the Canadian cereals sector. This applies to both the public and governments within Canada as well as to our customers outside of the country. This is the most effective way to collectively increase the value of cereals to everyone in the value chain.

Leadership in advocacy and awareness can take three basic forms:
- Cereals Canada will play a lead role. Cereals Canada will play the lead role in driving the agenda, building consensus within the industry and being the lead voice on the issue with governments, the public and other industry players (e.g., other industry associations).
- Cereals Canada will play a facilitative role. Facilitative role means that Cereals Canada will not necessarily drive the agenda, but will facilitate the development of an industry wide policy solution and will facilitate the development of an industry wide communications and government relations plan.
- Cereals Canada will play a supportive role. Cereals Canada will support the communications and government relations plan developed by other organizations.

The goals for the advocacy and awareness pillar will be accomplished through six key strategic initiatives.

**STRATEGIC INITIATIVES: ADVOCACY & AWARENESS**

Develop and implement positive communications strategies that include:
- *general overall messaging*
- *issues, and technical, specific information as required*
- *promotion of the Canadian cereals producer and production*

Provide centralized access to information – consolidate available information where needed to make it most accessible; proactively disseminate to the value chain

Develop and implement a government relations strategy on issues that include:
- *public trust and sustainability*
- *phytosanitary*
- *transportation*
- *federal / provincial / territorial agreement on agriculture*
- *international trade*
- *support science-based decision-making*

Identify cross-over advocacy and awareness needs with other associations (international and domestic), i.e. commodity, CropLife, milling, food, other.

Promote science-based positions, co-ordinate with others like Healthy Grains Institute

Encourage domestic and international customers to utilize existing relationships and technical support in Canada

Build Cereals Canada Brand and Awareness:
- *within Canadian industry*
- *with customers*
- *with governments*

Cereals Canada will advocate for all its members to help provide a profitable business environment for its members.
Our cereals sector business environment in Canada is complex, made up of thousands of growers across the country facing many similar, but also differing, production challenges; industry players ranging from grain handlers, to exporters, to processors; researchers and innovators; crop input development companies; regulators and quality and food safety officials; transportation and logistics managers; and food companies. There are many, many private sector businesses involved throughout this value chain, each providing its own value, and working for a profit. There are also multiple not-for-profit organizations, each with its own mandate to assist in advancing its membership’s goals. We have regulations and policies to assist in providing an orderly market and business operating environment. We have high quality product and a safe food environment for our customers as a result.

Cereals Canada is to help provide all cereals sector stakeholders the opportunity to maximize the Canadian competitive advantage in North American and international markets. Leadership, facilitation and support are provided to present a unified vision to governments and customers.

Our overarching goal is to ensure that all links in the Canadian cereals value chain are profitable because our industry is meeting the demands of our customers for consistent, high-valued quality and end use functionality characteristics.
• Alberta Wheat Commission
• Atlantic Grain Council
• BC Grain Producers Association
• Grain Farmers of Ontario
• Manitoba Wheat and Barley Growers Association
• Producteurs de Grain du Quebec
• Western Canadian Wheat Growers Association *(affiliated member)*
• Saskatchewan Winter Cereals Development Commission
• Winter Cereals Manitoba

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**Regional Collaboration**

• Barley Council of Canada
• Prairie Oat Growers Association
• Canadian Canola Growers
• Western Grain Research Foundation
• Canadian Special Crops Association
• Canadian Federation of Agriculture and its regional members

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**Intra-Provincial and Cross Commodity Collaboration**

• Barley Council of Canada
• Prairie Oat Growers Association
• Canadian Canola Growers
• Western Grain Research Foundation
• Canadian Special Crops Association
• Canadian Federation of Agriculture and its regional members

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**Associations**

• Canadian Seed Trade Association
• Canadian Seed Growers Association
• Western Grain Elevators Association
• Crop Life Canada
• Canola Council of Canada
• Pulse Canada
• Soy Canada
• Flax Council of Canada
• Canadian Association of Agri-Retailers

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**National and International Collaboration**

• Cereals Canada
• Universities
• Provincial Governments
• Canada Grains Council
• Canadian Grain Commission
• Canadian Brewing and Malting Barley Research Institute
• International customers; international cereals industry associations and institutions
• Private industry; grain handling and exporters; commodity traders; processors; crop development and seed.
• Federal Government, i.e. Market Access Secretariat, CFIA, CGC, Trade Commissioners, Global Affairs Canada

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• Healthy Grains Institute
• AAFC Value Chain Roundtables
• Canadian International Grains Institute
• Canadian Malting Barley Technical Centre
• The Canadian Agri-Food Trade Alliance
Overview of the Cereals Canada Planning Process

**EXTERNAL FACTORS:**
- Relationships-
- Collaboration
- Scope of the Value Chain
- Scope of Cereals
- Competition
- Regulation
- Technology
- Cereals Industry
- Organizations
- International Market

**INTERNAL FACTORS:**
- Membership
- Communications
- Technology
- Relationships-
- Collaboration
- Management Systems
- Governance
- Resources

**STRATEGIC RESPONSES / INITIATIVES**
- Innovation
- Market Planning,
  Maintenance and
  Development
- Proactive Management
  of Market Access
- Advocacy and Awareness

**BUSINESS PLANS, BUDGETS & OPERATIONS**
- Action Plans/Accountability Framework Responsibilities, Timing, Monitoring

**STRATEGY DEVELOPMENT:**
- Implications from the Factors Issues Identification

**STRENGTHS WEAKNESSES OPPORTUNITIES THREATS**

**STRATEGIC DIRECTIONS:**
- Vision/Mandate
- Values/Principles
- Core Values
- Lines of Business/
  Service
- Goals/Objectives