

AT. DISCOVER. CHALLENGE. TRANSFORM.
CONTRIBUTE. DISCOVER. CHALLENGE.
TRANSFORM. DISCOVER. CHALLENGE.
TRANSFORM. CONTRIBUTE. LEAD.
TRANSFORM. CONTRIBUTE. REPEAT. DISCOVER.
DISCOVER. CHALLENGE. REPEAT. DISCOVER.



Agri-food@Ivey

Annual Report | 2011

IVEY

Tackling issues head-on.

Agri-food@lvey is taking on the challenges of the 21st Century by addressing the issues most critical to the industry.

- Help shape a national food strategy, working with the Conference Board of Canada and the Canadian Agri-Food Policy Institute.
- Develop a forward-looking policy framework and challenge policy-makers to move industry support from farm income to innovation and market development and to tackle critical issues like health and sustainability.
- Create a stronger food processing industry by working with food processing associations to help develop a food industry innovation strategy, collecting data through surveys, organizing the annual food innovation forum and writing the forum report and recommendations.
- Demonstrate strong industry leadership by continuing to develop industry leadership potential through its Cultivate Strategic Agricultural Leadership Program and through participation on industry boards.

DISCOVER.
CHALLENGE.
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REPEAT.



Adapting and thriving in a demanding food business.

David Sparling

Chair, Agri-Food Innovation

& Professor, Operations Management

Agri-food@Ivey helps business leaders and industry associations develop strategies to maintain their competitiveness in a challenging global agricultural business market. We also assist governments in shaping the policy frameworks needed to support them.

Our mandate is to help the Canadian agriculture and food industry adapt and thrive in the changing global business of agriculture. We begin with research, which helps us understand current trends and business reactions to them. From there, we translate that

research for business and government leaders through papers, briefs and presentations. The Chair is supported by two post-graduate researchers and works closely with the Lawrence National Centre for Policy and Management in a cross-enterprise approach to research and outreach.

“We need to focus our science, our productive capabilities and our business acumen on issues ranging from crop production to water conservation and market analysis.”

For complete story, see page 7

Who we are.



Erin Cheney is a Research Associate for the Chair in Agri-Food Innovation. Erin has an MBA in Agribusiness from the University of Guelph. Her research interests include the bioeconomy – particularly bio-based chemical and material value chains; and strategy and innovation for policy advancement in Canadian agriculture.



Pamela Laughland also contributed as a Research Associate to Agri-food@Ivey through 2011. Pam has an MSc in Agricultural Economics and Business from the University of Guelph. Her research interests include innovation, new business models and value chains, and strategy. At the end of 2011 Pamela assumed the role of Managing Director with the Network for Business Sustainability based at Ivey, but she continues to work with Agri-food@Ivey on selected projects.



Brandon Schaufele held the position of Post-Doctoral Fellow through August 2011. Brandon is a graduate of the PhD program in Agricultural and Resource Economics at the University of Alberta. He worked on several research streams including the effect of regulations and regulatory uncertainty on the valuations of publicly-traded agribusinesses in Canada, and financial analysis of farm income and agricultural risk management strategies in Canada. Brandon is continuing his research in his role as Research Director with Sustainable Prosperity based at the University of Ottawa.



Nicoleta Uzea joined Agri-food@Ivey on April 1, 2012. Nicoleta has a PhD in Agricultural Economics from the University of Saskatchewan. Her areas of research include industrial organization, business strategy, agri-food marketing, risk governance of transformative innovations, economics of co-ops, and behavioural economics.

Advisory Board Members

Bette Jean Crews

Director/Past-President, Ontario Federation of Agriculture

Dianne Cunningham

Director, Lawrence National Centre for Policy and Management

Ezio diEmanuele

Sr. Advisor Food & Ag Processing Business Development, MNP

Phil Malcolmson

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Rick Seguin

Regional Director (Ontario), Agriculture and Agri-Food Canada

Gord Surgeoner

President, Ontario Agri-Food Technologies

Rod White

Associate Dean, Research and Faculty Development, Richard Ivey School of Business

DISCOVER.

Our goal is to understand how the Canadian agriculture and food industry can be successful in a rapidly evolving global economy. We can't ignore the plight of so many developing nations or the exploding middle classes in China and India, but to serve them we need to better understand the global trends that are affecting both developed and developing nations.



Fuelling the human race.

A world of challenges faces the global business of agriculture, but there are just as many opportunities. Agri-food@Ivey is helping find the answers.

The many challenges facing the global business of agriculture present just as many opportunities for Canadian agriculture and food producers:

- Feeding nine billion people by 2050
- Climate volatility and reducing our dependence on oil
- The unpredictable global economy and complex international supply chains and food safety issues they entail
- An epidemic of global obesity

“These challenges are going to have an enormous impact on the agriculture and food industries,” says David Sparling, Chair of Agri-Food Innovation. “The need for more protein and the need to feed nine billion people with limited resources mean we have to become more productive, so we’re very interested in influences, such as the role of science and technology, in addressing global issues from a Canadian perspective.”

The problems are too big for any single group to tackle. New partnerships among business, government, NGOs

and academics, and new ways of doing business will be critical to addressing these challenges.

“Our goal is to understand how the Canadian agriculture and food industry can be successful in a rapidly evolving global economy,” Sparling says. “We can’t ignore the plight of so many developing nations or the exploding middle classes in China and India, but to serve them we need to better understand these global trends.”

We need to focus our science, our productive capabilities and our business acumen on issues ranging from crop production to water conservation and market analysis.

“As business leaders we must help develop the business systems and knowledge needed for success, and the programs to train future global agri-food leaders,” Sparling says.

CHALLENGE THE STATUS QUO.

*The thinking of agricultural leaders,
influencers and policy-makers must change
if Canada is to continue to have a major impact
on the future of the agri-food business.*



Agriculture is essential to Ontario's economy and culture, and water is essential for agriculture.

Water Innovation Forum: A Competitive and Innovative Agriculture Sector

Planting the seeds of a new mindset.

As Canada's agricultural influence grows, Agri-food@Ivey seeks to reshape the thinking of all agricultural stakeholders about the future of the industry.

Canadian agriculture is changing. Its influence and impact are felt around the globe.

But the thinking of agricultural leaders, influencers and policy-makers must change if Canada is to continue to have a major impact on the future of the agri-food business. Through workshops, seminars and forums, Agri-food@Ivey had a major impact on Canada's food industry in 2011.

One of the major events of 2011 was a partnership with the Lawrence National Centre for Policy and Management to host the Water Innovation Forum in January. More than 80 representatives of industry, academia and government came together to share their expertise on innovative solutions to water issues in Ontario and Canada.

The Forum addressed the link between sustainable water use in agriculture and food production and profitability for the sectors, economic opportunities and challenges related to water use, conservation and efficiency, current innovations in technology

and sustainable water infrastructure. Participants discussed critical issues, including growing an economy with less impact on the environment; accelerating the rate of technology commercialization; and understanding the relationship between water, food and energy.

The outcome of the Forum was a report called *Water Innovation Forum: A Competitive and Innovative Agriculture Sector* that outlined the responsibilities of the agricultural industry, academia and government in better valuing and managing our water, and reducing barriers to investment and technological development and implementation. The outcomes were also integrated into workshop reports, papers and an Ivey Idea Forum.

In previous years Agri-food@Ivey and the Lawrence Centre have tackled food and health and green energy issues.

Agri-food@Ivey will continue to influence the shape and direction of the ag industry as we move into 2012 and beyond.

To read the **Water Innovation Forum Report**, please visit go.ivey.ca/1GL

TRANSFORM THINKING.

*Agri-food@Ivey has maintained a high profile
through participation in forums, workshops and conferences.*

Visit **Agri-food@Ivey's website** at www.ivey.ca/agri-food which features various resources including video, policy and information briefs, papers and presentations.

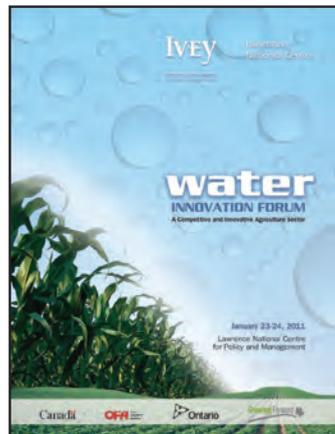
Influencing the influencers.

Agri-food@Ivey and David Sparling, Chair of Agri-Food Innovation, have been involved in numerous forums, meetings and committees helping to bring new ways of thinking and innovative leadership to the agriculture and food industry.

The future of the agri-food industry in Ontario depends on the effectiveness of both government policy and industry strategy and the level of co-ordination and co-operation between them. The team at Agri-food@Ivey has engaged in a number of activities designed to influence both government policy and industry strategy:

WORKSHOPS

Agri-food@Ivey worked with the Lawrence Centre on the January 2011 workshop on Water and Canada's Agri-Food Industry and an Ivey/Toronto Board of Trade Forum in November on streamlining Canada/US regulation in the agri-food area. These initiatives led to an additional workshop in Toronto on Water, Food Processing Innovation and Profit in January 2012, and a workshop on regulatory co-ordination in May with the Regulatory Co-operation Council.



PANEL DISCUSSIONS

In January 2011 at the OnTrace Annual meeting dealing with traceability strategy, David used iClicker technology to poll the audience and stimulate panel discussion. He subsequently analyzed the responses and produced a final report.

PRESENTATIONS

David made 30 presentations to industry, government and academia in 2011, including delivering workshops on innovation and the role of funding councils for Investment Agriculture B.C. in November 2011 and on strategic planning for B.C. Agriculture.

David presented to the Standing Committee on Agriculture on innovation in November 2011. He also provided the Committee with the paper by Sparling and Thompson on Agri-Food Market Development, at their request. He also presented to the Standing Committee on food chains in March 2012.

POLICY SESSIONS

Agri-food@Ivey was involved in the National Stakeholders Reference Group, OMAFRA's foresight planning session and in various initiatives all to help influence the direction of Canadian agri-food policy.

David worked with the National Program Advisory Committee to help identify farm-level risk management strategies and the implications for government policy, structuring an interactive workshop and preparing a report.

FORUMS

David helped develop the Food Industry Innovation Forum in May 2011, completing a pre-forum survey and writing a paper based on the results as input to the forum. He also presented at the forum and managed the discussion of future innovation challenges and opportunities using iClicker technology. He authored the comprehensive report from the forum with recommendations for improving food industry innovation. He is helping organize the 2012 Forum in Montreal.

LEAD BY EXAMPLE.

*The Cultivate program will help position our industry
to make those bold decisions and courageous choices they need to succeed,
and to lead from a strategic perspective rather than just reacting.*

Cultivating a new crop of industry leaders.

Global demand for Canada's agricultural expertise is growing. And now Ivey and Farm Credit Canada (FCC) are helping to nurture Canada's agricultural sector leadership through an Executive Development program called Cultivate – Strategic Agricultural Leadership Program.



Cultivate: presented by Farm Credit Canada (FCC) is a five-day workshop, planned for fall 2012, designed to give industry leaders, senior managers and board members the skills and confidence to enhance the vision for their industry. It's the first program of its kind in Canada and will focus on industry strategy and leadership, partnership development, analysis and policy direction, and provide the tools required to develop leading innovation strategies during changing economic times.

"For an industry that faces change on a daily basis, learning to thrive during periods of upheaval is critical to success," says Lyndon Carlson, Senior Vice-President, Marketing, Farm Credit Canada.

"The nature of agriculture is that we will always have to be somewhat reactionary based upon what happens. You can't strategize when you're going to have a drought, or that a border is going to close because of one bad animal. What you can do is be strategic in those situations."

The program will be taught at Ivey's Spencer Leadership Centre in London, Ontario, and feature the ground-

breaking research that is taking place at Ivey. Participants will take the skills learned in the Cultivate program back to their respective businesses or boards and enhance their ability to compete.

A global industry with deep roots in Canada

"Agriculture today is a global industry with rapidly developing foreign markets and new opportunities in health, energy and the environment," says David Sparling, Chair in Agri-Food Innovation at Ivey. "Cultivate will accelerate the development of the skills that agricultural leaders need to lead their industries, as they learn alongside peers from across different sectors and regions."

The partnership between FCC and Ivey and programs like Cultivate are very important to the success of the industry.

"Strong sector leadership at a producer and association level is essential to the overall growth and ongoing sustainability of the industry," Carlson says. "It's a very straightforward proposition."

"Cultivate will accelerate the development of the skills that agricultural leaders need to lead their industries."

~ Lyndon Carlson, Senior Vice-President, Marketing, FCC



CONTRIBUTE.

Contributing to an exciting future.

Agri-food@Ivey would not exist without the vision and support of Agriculture and Agri-Food Canada through the Agricultural Adaptation Council.

The willingness of AAC Board members to think out of the box is the reason why Ivey is engaging actively with Canada's agriculture and food industry.

We also appreciate the incredible support provided by Ivey faculty and staff to our initiatives, helping to raise the profile of the industry and Agri-food@Ivey. We would also like to thank our Advisory Board for their support and insight over the years.

A special thanks goes to Dianne Cunningham and her team at the Lawrence National Centre for Policy and Management for their enthusiasm and willingness to partner on issues that matter to agriculture and to Canada.

Finally, thank you to our team, Pam, Erin, Brandon and Marg for their hard work and willingness to take on innovative and often challenging projects.

Key Papers and technical reports – 2011

Schaufele, B. and D. Sparling. 2011. **Regulation and the Financial Performance of Canadian Agribusinesses, Agricultural Finance Review.** (forthcoming)

Sparling, D., E. Cheney and J. Cranfield. 2011. **Not enough green in Canada's bioproduct industry.**

Sparling, D. and S. Thompson. 2011. **Market Development and Promotion by Agricultural Commodity Boards and Organizations in Canada: State of the Industry and Evidence of Best Practices.** Report to Agriculture and Agri-Food Canada.

Sparling, D., P. Laughland and B. Sterling. 2011. **An appetite for traceability. Results from OnTraceability 2011.**

Sparling, D., S. Thompson. 2011. **Competitiveness of the Canadian Agri-Food Sector CAPI paper**

Sparling, D. May 2011. **Enhancing Food Processing Innovation: Report from the Food Industry Innovation Forum.**

Sparling, D. May 2011. **Understanding and Enhancing Innovation in Canadian Food Processing.** Prepared for the Alliance of Ontario Food Processors and the Food Industry Innovation Forum.



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