

National Index on Agri-Food Performance



May 2022 | **Phase 2C Final Report** | Part 1

SYNTHESIS OF RESULTS

Poised to Showcase Canada's Agriculture
and Food Sustainability Credentials

agrifoodindex.ca

National Index on Agri-Food Performance



About Phase 2C Final Report Publications

The final report of phase 2C (October 2021 to May 2022) of the National Index on Agri-Food Performance has four parts, separately published:

Part 1 | SYNTHESIS OF RESULTS

Key messages, synthesis of results, next steps and detailed acknowledgements of the funders, governance, partners, and people involved in this work.

Part 2 | INDEX INDICATORS

Process/methodology overview and details on Index indicators (Figure 1).

Part 3 | HIGHLIGHTS OF PROJECTS

Summaries of most projects; highlights of what is pertinent to inform the Index and future work.

Part 4 | RESEARCH PAPERS

Three papers on policy, consumer trust, and ESG (environment, social, governance) factors.

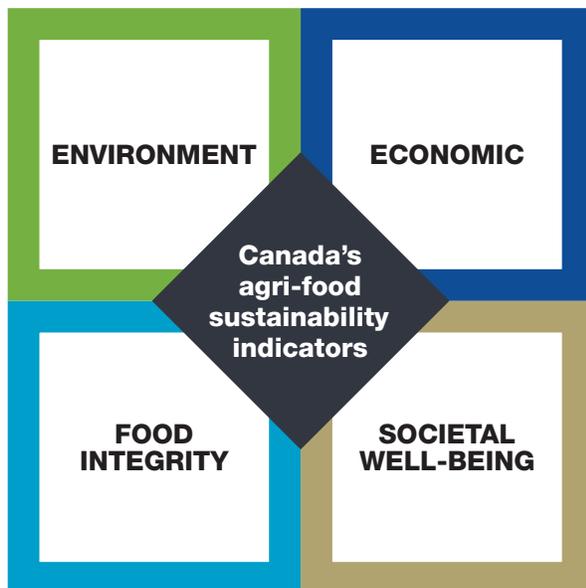


Figure 1. Four sustainability blocks of the proposed National Index on Agri-Food Performance

INVESTOR ACKNOWLEDGEMENTS



Protein Industries Canada's Capacity Building Program for Phase 2C (Oct 2021–May 2022).

All partners have contributed financial and/or in-kind support for the National Index initiative across each phase of work since 2020.



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1. KEY MESSAGES

1. Portraying the sustainability of Canada's agriculture and food sector takes a big step forward.

Some 20 indicators and 50 sub-indicators are proposed to report on the sustainability, responsibility and importance of Canada's food sector, from food production to retail on a consolidated basis.¹

2. Reporting on the breadth of sustainability shows promise but faces limitations.

Building on existing government and sector reporting efforts, the Index proposes detailed criteria to report on environmental, social and economic sustainability. Doing so could enable greater consumer trust at home and market access abroad. But better data is needed to be credible and fulfill this potential.

3. Canada is setting itself apart.

Some 86 private-public partners have laid the foundation to advance the Index. Few other countries are getting similarly aligned. Taking the Index from concept to reality could help back up Canada's trusted food brand and become a marketplace advantage.

4. Index aims to mark progress on global food goals.²

Showing the sector's progress to mitigate GHG emissions and substantially help meet Canada's climate targets would be vital. The Index would also report on the safety of Canadian food, food security, labour and workplace priorities, among others.

5. Index may inspire broader sustainability reporting.

By detailing sector-wide metrics, the Index could inform and nudge up sector sustainability disclosures and contribute context for ESG³ assessments used to access capital. However, the Index will not be prescriptive nor will it score individual farms or companies.

6. Agreeing on data gaps is unprecedented and a key to benchmarking.

Partners collectively identified major data gaps. Such alignment is needed to develop new metrics (e.g., on biodiversity and inclusivity). The Index must be forthright about positive results, marking progress and the shortcomings.

7. Index could become a new tool to inform and strengthen policymaking.

Partner dialogues revealed that the emerging Index could provide a common frame of reference to consider complex issues, such as providing additional evidence on what may hinder or enable climate change responses.

8. Good governance to be credible.

Partners have developed a *roadmap* to ensure that its governance processes retain the confidence of domestic and global stakeholders as the Index evolves. Going forward, a more formalized structure can enable wider stakeholder input and participation.

9. Next steps: launch a pilot, test it and make the case for support.

Guided by sector and food system players, a modest pilot will be made available by early 2023 using existing data. Securing long-term funding can ensure that the Index can evolve and remain relevant, credible and useful.

¹ Ultimately to include all forms of food production, fisheries, animal feed, and sector-generated fibre and biofuel.

² The United Nations' 17 Sustainable Development Goals aim to achieve a sustainable future by 2030.

³ ESG: environmental, social and governance factors.

2. WHAT THE INDEX IS ABOUT

I. HIGH-LEVEL INTENT

This report summarizes work undertaken from October 2021 to May 2022 to develop Canada's first agri-food sustainability index, the proposed National Index on Agri-Food Performance (the "Index").⁴

PARTNERS

The Index is the outcome of a private-public partnership, now counting some 86 partners, including agri-food associations, companies, social, environmental and Indigenous NGOs, academia, innovation organizations, financial institutions, federal and provincial governments, and municipal initiatives, among others. (See acknowledgements for the partner list and funders.)

TOP-LINE RESULT

The partners developed a list of draft indicators to measure sustainability performance from agricultural production to food retail. Its scope includes four sustainability blocks: Environment, Food Integrity (including food safety), Economic, and Societal Well-Being. (See part 2 for the indicator details.) External reviews, consultants' advice and research (see acknowledgements) were also undertaken to improve Index design and to explore how the Index could be relevant to stakeholders.

GOALS

An Index pilot, a focused first version "1.0" of the Index, is expected to be launched in early 2023. (See next steps). The intent is to garner greater support for longer term funding. This is needed to establish a proposed Centre for Agri-Food Benchmarking so to manage and evolve the Index (version 2.0) going forward.⁵ The ultimate objective is to drive-up broad value for producers, companies and the sector as a whole as well as to benefit Canadian society.

WHY AN INDEX

People want greater assurances that agriculture and food is sustainable. Much is being done across the food system to respond to this. But a comprehensive national picture is unavailable of the broad impacts, positive and negative, of the agri-food sector's performance across the breadth of sustainability. There are reporting gaps. Nevertheless, by responding to the need to benchmark sustainability, the Index could offer a one-stop-shop reference on such performance. Such transparency could be used in the domestic and global marketplace to show sector leadership and be forthright about improving social and environmental outcomes – thus potentially affirming Canada's trusted food brand. Better metrics in hand could also be used to inform policy, innovation and research priorities.

⁴ The Index is currently conceptual and is being proposed by the partners. All references to "the Index" imply it is a work-in-progress.

⁵ This Centre concept was presented in *The Business Case for Establishing the National Index on Agri-Food Performance* (June 2021): agrifoodindex.ca.

II. WHAT WAS ACHIEVED IN PHASE 2C

A series of projects were undertaken in the phase, including:

- **PROJECTS 1A-D**
Populating Index indicators and metrics for the four sustainability blocks (see abbreviated view of Index, ahead)
- **PROJECT 1E**
Undertaking Canadian academic reviews of the Index
- **PROJECT 2**
Developing a data roadmap to consider how to share and aggregate data
- **PROJECT 3A**
Inviting global organizations' reviews of the Index
- **PROJECT 3B**
Developing a tailored governance roadmap informed by global practices
- **PROJECT 4**
Conducting policy research to discern the Index's prospective role in enabling four policy priorities: future agricultural policy frameworks (APF), trade, social policy, and innovation
- **PROJECT 5**
Considering consumer trust research to inform Index design and communications
- **PROJECT 6**
Assessing ESG (environment, social, governance) factors to outline the Index's potential relevance to capital markets and to access to capital

Highlights of outcomes

- 1 Nearly doubled the **diverse partnership** (now 86) to frame up Canada's 1st agri-food sustainability Index
- 2 Consensus: **20 indicators & 50 sub-indicators** proposed to express the sector's sustainability credentials
- 3 Sector first: aligning on major **data gaps** & priority **new metrics** – basis for a possible data strategy
- 4 Clarity of **limitations**: e.g., investment needed to redress data gaps; lack of granularity of data limits use
- 5 Academic / globally reviewed: **advice to improve** quality of metrics & tone, credibility, governance of Index
- 6 Transparency could build consumer trust & support claims; need **global alignment** for comparability to enhance trust
- 7 Affirm potential to **strengthen policy-making**. Better evidence could inform APF, trade advocacy, social, innovation policy
- 8 Index aligns with ESG. Could inform **materiality of risks** for capital markets. Global **disclosures** standardization coming
- 9 New **governance & data collection roadmaps**. Steps to scale up robust capacities key to meet expectations
- 10 Ready to set up the next phase, a **modest pilot**, if supported; data availability to limit pilot phase

Figure 2: Expressing outcomes from Phase C, in brief

III. ABBREVIATED VIEW OF INDEX

See part 2 of this final report for complete details on the following proposed Index (Figure 3):

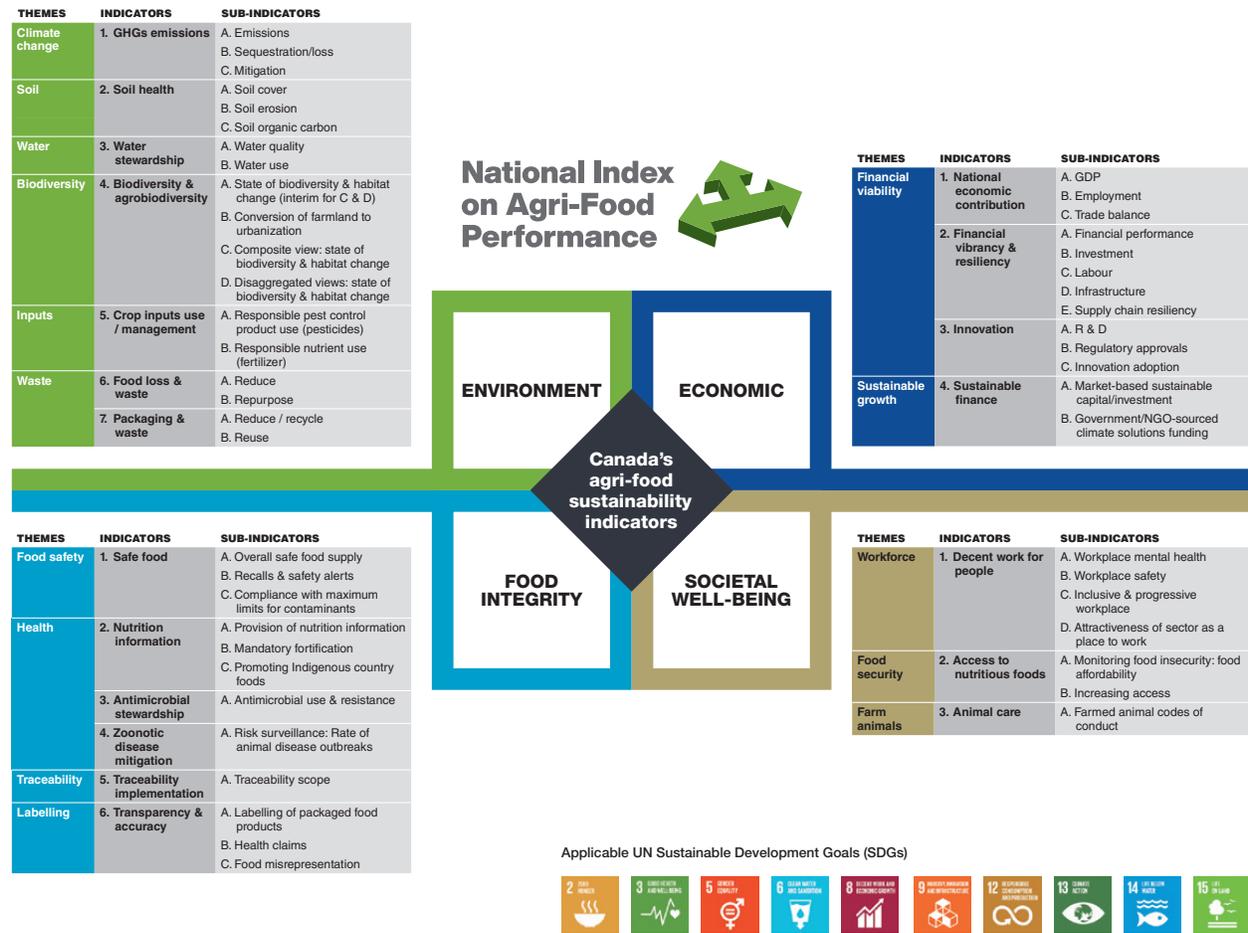


Figure 3: Proposed Index, abbreviated

IV. INDEX'S POTENTIAL VALUE AND LIMITATIONS

Deriving value from benchmarking sustainability is the priority. Doing so could be promising but faces limitations (see Figure 4).

POTENTIAL

The Index presents two big potential opportunities to help confer broad value: backing up sustainability claims and improving collaboration.

LIMITATIONS

There are two big limitations. Several data-related issues could limit the Index's utility and credibility could be challenged depending on how the Index is managed and used.

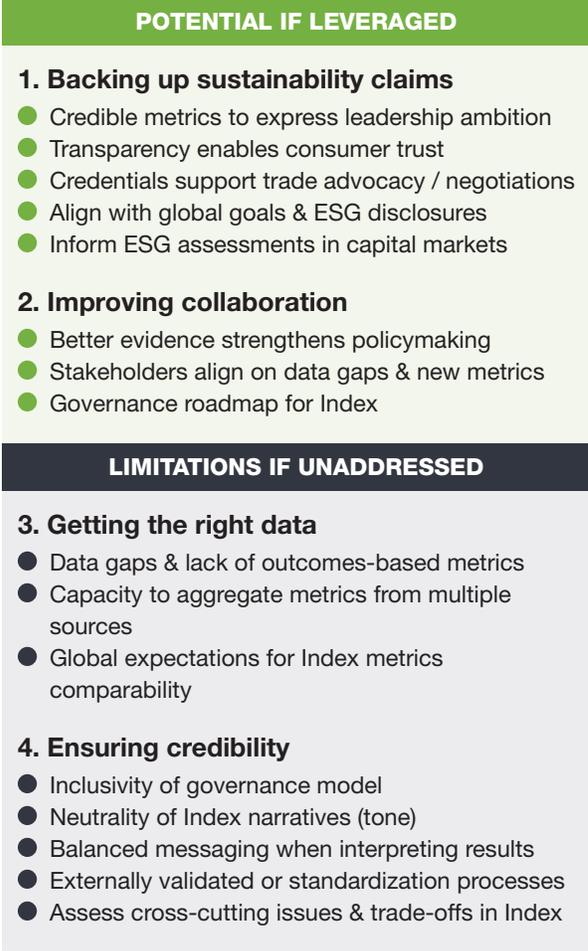


Figure 4: Index's potential and limitations

(Preparation of this diagram is informed by external research and reviews. Part 3 of this final report provides context for many of these points.)

V. DESCRIBING THE INDEX IN 20 ESSENTIAL Q&As

1. WHAT IS THE INDEX?

The Index presents the criteria for measuring agri-food sector sustainability.⁶ It includes a suite of 20 indicators, 50 sub-indicators and over 100 metrics. The intent is to paint a comprehensive view of sustainability – showing areas of leadership and shortcomings.

2. WHAT THE INDEX IS NOT?

Being a consolidated view of the sector, the Index will not measure or score individual governments, sectors, companies, or producers. It will not rank Canada's comparative performance against other countries. It will not assess sustainability impacts from sourcing ingredients from outside the Canadian jurisdiction or measuring Canada's supply chain impacts abroad. It will not be prescriptive (i.e., requiring how a farm or firm should be more sustainable). While the Index measures sustainability impacts of food production and supply, it does not assess how the sector is, in return, being impacted by climate change or other matters. It will not measure consumer diet choices or food consumption trends, nor assess the sustainability of individual products presented to the consumer.

3. HOW CAN THE INDEX BE USEFUL?

Backing up sustainability claims could confer broad value.⁷

- **ENABLE AMBITION:** Canada aspires to be a recognized leader in sustainable agriculture and food.⁸ The Index could become the tool to compile the metrics to support this ambition, show how the sector is delivering on national

sustainability commitments, thereby affirming the Canada food brand.

- **STEP-UP ACTION & DISCLOSURES:** Where warranted, prompt the sector to voluntarily nudge up proprietary disclosures so to meet consumer, customer, regulator and investor expectations – enabling greater trust. The Index could become a continuous improvement frame of reference.
- **ENHANCE TRUST:** Aligning with people's values is the surest way to build consumer trust.⁹ Climate change is now seen by Canadians as a proxy for sustainability.¹⁰ Canadians also want to see progress on diversity, equity, and inclusion.¹¹ The Index proposes to address these issues.
- **SUPPORT TRADE ADVOCACY:** Sustainability is becoming a market access issue. The EU will require rigorous proof of sustainability to access their market.¹² The Index could be deployed for trade advocacy and negotiations and to help resolve issues where sustainability is in question.¹³
- **STRENGTHEN POLICY:** Jointly developing the Index has “torn down silos.”¹⁴ By working together to identify the gaps and agree on what needs to be measured, partners could help support greater *evidence-informed* policymaking in the future.¹⁵
- **TRANSITION TO A LOW-CARBON ECONOMY:** Capital flows are expected to be shaped by

⁶ “Food sector” includes all supply chains stakeholders directly involved in agricultural production through to retail.

⁷ Not an exhaustive list. See also *Building Global Visibility* in section 3, Next Steps.

⁸ Project 4, Policy paper: Canadian Agri-Food Policy Institute (CAPI); it references a pan-government vision for Canada being “recognized as a world leader in sustainable agriculture and agri-food production.”

⁹ Project 5, Consumer Trust paper, Canadian Centre for Food Integrity (CCFI).

¹⁰ Project 5, Consumer Trust paper, CCFI.

¹¹ Project 5, Consumer Trust paper, CCFI.

¹² Project 4, Policy paper: CAPI.

¹³ Project 4, Policy paper: CAPI.

¹⁴ Project 4, Policy paper: CAPI.

¹⁵ Project 4, Policy paper: CAPI.

borrowers' carbon-related risks and their strategies to achieve net-zero emissions.¹⁶ The Index could help Canadian players align more closely with national and global ESG reporting expectations. ESG disclosures are shifting to being more outcomes based and standardized.¹⁷

- **ACCESS CAPITAL:** The Index cannot be used to directly assess credit or investment allocations for individual farms or companies as the Index reports on consolidated sector-wide results. It could present financial decision-makers (e.g., lenders, investors) with greater context on systemic and supply-chain wide risks and opportunities to help inform such assessments.¹⁸

4. WHAT COULD UNDERMINE ITS UTILITY?

Deriving value will depend on the Index's credibility. This could be shaped by four factors:

- **CREDIBILITY – METRICS:** The unavailability of outcomes-based metrics for some indicators could detract from the Index. This lack of good metrics is a global phenomenon.¹⁹ How the partners align to redress the gaps could be significant.
- **CREDIBILITY – PROCESS:** Despite being a multi-stakeholder process, industry influence and co-funding could be questioned. Some metrics are based on self-regulatory initiatives.²⁰ Credibility hinges on “who decides” the Index data and metrics.²¹ Transparency of methodology²² and future broader stakeholder or public input could mitigate some criticisms.²³
- **CREDIBILITY – MESSAGE:** Index tone should be neutral.²⁴ Sustainability claims need to be backed up and balanced.²⁵ Ultimately,

credibility will be based on whether this Index effectively contributes to “moving the needle” on sustainability outcomes.²⁶

- **CREDIBILITY – VALIDATION:** While third-party academic and global experts reviewed the draft Index, the lack of formal validation of some kind could be seen as a shortcoming.²⁷ (Certifying the Index was not an objective of this phase, a matter for later consideration.)

5. WHO DEVELOPED THIS INITIATIVE?

A private-public coalition of food system players has advanced this idea. It started with a diversity of stakeholders representing industry, government and academia and it has evolved to become a multi-stakeholder partnership working by consensus.

6. WHO OWNS THE INDEX?

No one entity has “owned” the Index process to date, nor is a future Index expected to be controlled by any one interest. Since the beginning it has been co-funded by a pre-competitive and collaborative consortium. Going forward, a more formalized structure with new roles and responsibilities is required, as noted below.

7. HOW WILL THE METRICS BE REPORTED?

Index results will be reported only on a consolidated basis. While the Index is being developed to emphasize outcomes and evidence-based metrics, some robust practice-based data will be used to fill gaps. Some proposed indicators are disaggregated, such as including metrics for production, processing, and retail segments. For instance, it is anticipated that total greenhouse gas emissions would be broken out for production agriculture and for other segments. Due to data limitations, detailed disaggregated outcomes will

¹⁶ Project 6, ESG Factors paper: RealAlts.

¹⁷ Project 6, RealAlts.

¹⁸ Project 6, RealAlts.

¹⁹ Project 6, RealAlts.

²⁰ Project 1E, Academic Review.

²¹ Project 3A, Global organizations' reviews, compiled by Groupe AGÉCO; project 1E, Academic Review.

²² Project 4, Policy paper: CAPI.

²³ Project 5, Consumer Trust, CCFI.

²⁴ Project 3A, Global organizations' reviews, compiled by Groupe AGÉCO.

²⁵ Project 1E, Academic Review; project 5, Consumer Trust, CCFI.

²⁶ Project 3A, Global organizations' reviews, compiled by Groupe AGÉCO.

²⁷ Project 3A, compiled by Groupe AGÉCO.



Figure 5: Phases of work; this report is an outcome of phase 2C

not be available for all indicators, nor does every indicator apply to every segment. The Index's design is presented in detail in part 2 of this final report.

8. WHAT HAS BEEN THE PROCESS TO DEVELOP THE INDEX?

Since 2020, partners have been involved in a step-by-step method to develop the Index concept. This report reflects the work of phase 2C (see Figure 5). Part 2 of this final report elaborates upon the Index methodology.

9. IS THE INDEX “FOOD SECTOR” OR “FOOD SYSTEM” FOCUSED?

The Index largely reports on outcomes that are in the control of the Canadian agriculture and food sector (i.e., matters of agri-food policy). The “food sector” includes agricultural production of food, fibre and fuel and related bioproducts industries,²⁸

food processing and food retail as well as providing insights on wild capture fisheries and aquaculture sectors in Canada. Food imports and global supply chains are not included.

The intent is not to measure economy-wide or society-at-large issues. However, given the nature of available data, some indicators are proposed that are relevant to all sectors in Canada, including agri-food. For instance, gender wage parity is a societal priority, not just an agri-food matter. This is included in the Societal Well-Being Indicators.

Benchmarking the “food system”, which would include adjacent sectors and consumers, is out of scope.²⁹ This would significantly expand the Index and involve matters of social, health, and macro-economic policy.³⁰ However, achieving better outcomes depends on working closely with food system players. This explains why this coalition of partners is broad-based.

²⁸ The fibre, fuel and bioproducts segments would, for the most part, be included in agricultural production calculations; the Economic Indicators address these topics specifically.

²⁹ “Food system” includes the food sector plus enabling sectors, such as governments, technology and service providers, transportation, academia, financial institutions, and Indigenous, social, and environmental NGOs, etc., and consumers.

³⁰ CAPI reinforced this need to narrow scope (Project 4, Policy paper). For instance, labour shortages in agri-food processing tend to be driven by rural housing affordability or availability, infrastructure quality, and working conditions. Many of these issues extend beyond the capacity of the agriculture and agri-food system to address alone. However, the Index's Societal Well-Being Indicators do measure a variety of workforce priorities.

10. WHY FOUR (AND NOT THREE) SUSTAINABILITY BLOCKS?

Sustainability is often described with three dimensions linking in harmony “people, planet, and profits.”³¹ This Index presents four blocks of sustainability: the Environment, Food Integrity, Economic, and Societal Well-Being (see Figure 6).

The bottom hemisphere is divided into two blocks given the nature of those indicators. Food Integrity includes food safety, traceability and other indicators that speak to an important theme of the Canada food brand: safe food. Whereas Societal Well-Being involves different themes, including equity, diversity and inclusion that address another aspect of brand: responsibly produced food.

11. WHY IS THIS TERMED AN “INDEX”?

An index is basically a means to compile a wide array of metrics to report on the current state and to mark trends. Some global indices compile weightings of indicators to calculate an overall performance rating. Other indices are comparative in nature, such as comparing countries or sectors. This Index presents sustainability outcomes and trends, where available, on an aggregated basis for each indicator. After setting such a baseline, this Index aims to be a reference on performance for the sector. Labelling such tools can vary, including “index”, “framework”, and “dashboard”.

12. WHO WILL INTERPRET THE FINDINGS?

The future Index would present the findings for any stakeholder to interpret the results, although general commentaries introduce each sustainability block and every indicator (see part 2 of this final report).

Including more insightful analyses could further enhance the Index’s utility in the marketplace and in policymaking.³² An annual essay (externally reviewed) could be published to explore trends, progress, and the connections among indicators. For instance, addressing greenhouse gas emissions is linked to understanding soil health and fertilizer use. Identifying trade-offs might be helpful, e.g., reducing plastic packaging could result in creating more food waste. Commentaries need to be done

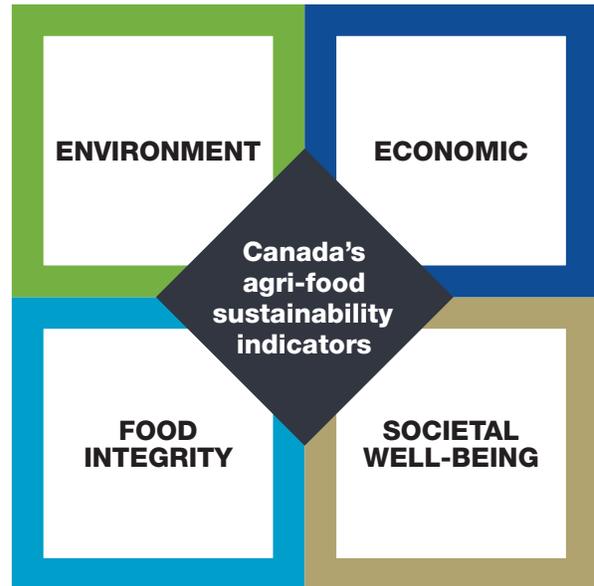


Figure 6: Four sustainability blocks of the proposed National Index

with care so to avoid being misconstrued for cherry-picking.³³

13. WHO IS THE AUDIENCE?

The Index is about giving confidence to consumers, ingredient and food buyers and sellers, regulators and policymakers, and lenders and investors in Canada and in global markets about the actions being taken to advance sustainability.

By presenting the criteria to show how a sustainable food sector can be measured, the Index may inspire broader sustainability reporting across the sector where needed.

Being a reference on sustainability, food system stakeholders, such as NGOs, academia, government, and service providers, could use the Index to inform their respective initiatives, such as relating to food dialogues, policy work, and relevant research and innovation activities.

³¹ The FAO defines a sustainable food system as being profitable throughout (economic sustainability); providing broad-based benefits for society (social sustainability); and having a positive or neutral impact on the natural environment (environmental sustainability). *Sustainable food systems, Concept and framework*, FAO, 2018: <https://www.fao.org/3/ca2079en/CA2079EN.pdf>

³² See project 4, Policy paper, CAPI.

³³ See projects 1E, academic review, and 3A, global organizations’ reviews, in part 3 of this final report.

14. WILL THIS RESULT IN A CONSUMER-FACING LABEL?

At this point, no. The Index could be referenced by food producers, processors, and retailers to provide additional context about the sustainability journey of the food sector in general. (The Index will be made publicly available.)

15. WHO WILL PAY FOR THE INDEX?

While this has not been decided, it can be addressed in three ways:

- **DATA SOURCING:** The Index does not intend to impose a cost on individual producers or companies. It will compile metrics from existing data sources and from ongoing statistics-gathering methods. Aggregated data could be sourced from sub-sector organizations, provinces, or others, if desired. (Project 2 addresses data-sharing; see final report, part 3.)
- **FILLING DATA/METRIC GAPS:** Partner discussions revealed many data gaps, such as measuring pesticide's environmental impacts, innovation outcomes, and workplace diversity. Developing new data sets requires investment and support.
- **MANAGING THE INDEX PROCESS:** Preparing and managing the Index requires resources. To date, the scoping work has been cost-shared by food system partners.³⁴ A long-term Index funding plan is required.

16. WHERE WILL THE INDEX BE "HOUSED"?

Deciding on housing the Index pilot and beyond is a work in progress. In June 2021, the partners agreed in principle that the Index should be housed in government.³⁵ This could change. Whatever the outcome, the partners support the idea that producers, sector, and other food system

players should be represented as members and in governance roles on committees, underscoring the principles of private/public co-leadership and co-funding (not elaborated upon). There are management options each having pros and cons. (Australia's farmer-driven sustainability dashboard is housed at the Australian Farm Institute, which is private.³⁶ However, this initiative is substantively funded by the Australian government.³⁷)

17. WHY A "MADE IN CANADA INDEX" (AND NOT ADOPTION OF AN EXISTING GLOBAL INDEX)?

The Index is being designed with the Canadian agriculture and food context in mind. Global indices, while covering many similar sustainability themes – soil health, water impacts, worker well-being, etc. – often miss the geographic and agriculture realities and nuances that Canada faces.³⁸ External indices deploy methodologies which may not be suitable for use here. They do not always use outcome-based metrics and can rely on surveys as proxies for evidence or have other quality issues.³⁹ Data imperfections confront Canada, too, but this Index has devoted considerable effort to scoping out appropriate metrics specific to this country's sector. What truly matters is the robustness of the metrics, although the Index would benefit from ensuring global comparability.⁴⁰

18. WILL THE INDEX ALIGN WITH NATIONAL, AND GLOBAL GOALS AND STANDARDS?

Index indicators are cross-referenced to the United Nations Sustainable Development Goals (SDGs) and are inspired by ESG factors being advanced in capital markets.⁴¹ As well, several indicators reference national goals, such as Canada's intent to reduce greenhouse gas emissions and reduce food loss and waste. As this Index work matures, further aligning terminology with global taxonomies would have merit. Developing or explicitly applying standards could be an option in future work.

³⁴ See Acknowledgements on funders of this phase; earlier phases were co-funded by private and public partners.

³⁵ See *The Business Case for Establishing the National Index on Agri-Food Performance*, June 2021: agrifoodindex.ca

³⁶ CAPI interviewed the Australian Farm Institute as part of its research. See Project 4, Policy paper.

³⁷ The Australian Department of Agriculture, Water and Environment contributed A\$4 million to the National Farmers' Federation to develop and trial its Australian Agricultural Sustainability Framework: <https://nff.org.au/programs/australian-agricultural-sustainability-framework/>

³⁸ Based on partner dialogues on scope from previous phases. Project 4, Policy paper: CAPI.

³⁹ See a paper from the University of Guelph; *Global Indices Research*, Dec. 2020 (phase 1): agrifoodindex.ca.

⁴⁰ Project 3A, Global organizations' reviews, compiled by Groupe AGÉCO.

⁴¹ Project 6, ESG Factors paper: RealAlts.

19. HOW DID PARTNERS, STAKEHOLDERS AND CONSUMERS GET INVOLVED?

As with previous phases, partner working groups and a steering group guided all work (see acknowledgements section). Eleven working groups held over 150 virtual meetings from October 2021 to May 2022 to complete this phase.

In earlier phases, webinars engaged stakeholders from across the food system. This outreach is referenced in two published reports in 2021.⁴² Consumers have not been engaged in this nascent activity. The Index pilot is expected to broaden visibility and stakeholder feedback.

20. HAVE GOOD GOVERNANCE PRACTICES BEEN ADOPTED?

Governance is not treated as a standalone Index indicator, an idea suggested from the global review.⁴³ Some global indices report on compliance with certain laws, such as against child labour.⁴⁴ This Index has not proposed to do so. It is implied that the sector adheres to all laws and that Canada's judicial system is in place to address any infractions. One exception is food safety compliance. This is tracked by the Food Integrity Indicators. Some other indicators reference Canada's regulations (e.g., relating to animal care). Good governance is a guidepost for all Index work. The next section elaborates on this.

VI. GOVERNANCE

Getting governance right is important.

However, there is no single global “template” to draw from to define a country's sustainability journey.⁴⁵ The following presents Canada's approach on this project, informed significantly by global practices.⁴⁶

GOVERNANCE FOUNDATION

Since 2020, the partners have advanced the Index by emphasizing participatory decision-making and transparency. A preliminary governance model published in June 2021 proposed operating principles and committee structures to be ready for a future Index.⁴⁷ While laying a foundation for governance, a more fulsome approach is merited as this project moves to implementation.

STEPPING UP GOVERNANCE

To guide future planning and action, a roadmap presents five governance priorities with a total of 13 criteria and a series of levels to meet expectations over time, options for increasing stringency. (See Figure 7, ahead.) The status of addressing or reaching those levels is indicated. The roadmap is prepared to be relevant to partners, those directly involved in the current or future Index work, and to stakeholders, those players from across the Canadian food system (previously defined in section V).

It is expected that this roadmap will be a “live” process and evolve with experience.

⁴² *Benchmarking Canada's Agri-Food Sustainability Leadership: A Roadmap*, January 2021. See appendix 'F' for stakeholder webinars (note that participation in webinars does not imply endorsement); *The Business Case for Establishing the National Index on Agri-Food Performance*, June 2021; see appendix; agrifoodindex.ca

⁴³ Project 3A, Global organizations' reviews, compiled by Groupe AGÉCO.

⁴⁴ Project 3A, Groupe AGÉCO.

⁴⁵ Project 3B, Global governance practices, Viresco Solutions.

⁴⁶ Project 3B, Viresco Solutions. This section is also informed by Groupe AGÉCO's work on data platforms (project 2) and from its global organizations' reviews (project 3A). See part 3 of this final report for the respective summaries of projects 2, 3A and 3B.

⁴⁷ *The Business Case for Establishing the National Index on Agri-Food Performance*, June 2021: agrifoodindex.ca.

Roadmap for governance of the Index

● Currently being met ● Planned ● Ambition

PRIORITIES	CRITERIA	LEVELS OF EXPECTATION & STATUS
GOVERNANCE MANAGEMENT	1. Strategic plan	<ul style="list-style-type: none"> ● Achieve/maintain consensus-based decision making (no sustained objections) ● Formalize principles, outcomes, objectives, organizational KPIs ● Sustain sufficient trust & value to expand engagement and the partnership
	2. Structure	<ul style="list-style-type: none"> ● Pressure test the roles and structures within the pilot (next phase/pilot) ● Formalize or adjust the roles and structures to evolve Index ● Scale up processes to help the organization become more sophisticated
	3. Resourced	<ul style="list-style-type: none"> ● Secure funding in short-term for pilot (a work in progress) ● Secure medium-term funding needs for a formal entity to manage Index ● Secure sustainable funding sources
COMMUNICATIONS	4. Internal & external	<ul style="list-style-type: none"> ● Support partner decision making, e.g., intranet; for stakeholders: website ● Deepen involvement among existing partner organizations ● Strategy/actions to broaden the partnership
	5. Accessibility	<ul style="list-style-type: none"> ● Public reports on Index work, in both Official Languages, for website ● Technical information online (e.g., methodologies); plain language summaries ● Engage key stakeholders to address barriers to participation/communications
CONSULTATION & OUTREACH	6. Partner engagement	<ul style="list-style-type: none"> ● Engage partners to develop the Index concept/approach ● Sustain partners' dedication to participate, a substantive in-kind commitment ● Broaden number of partners as ambassadors or champions for Index
	7. Stakeholder engagement	<ul style="list-style-type: none"> ● Consultation among stakeholders across many relevant sectors ● Process for more diverse/inclusive stakeholder representation/engagement ● Inclusion of most relevant stakeholders; public input, as practical
BENCHMARKING	8. Metrics improvement	<ul style="list-style-type: none"> ● Use of evidence-based, outcomes-oriented metrics for many indicators ● Use of metrics to shows material trends or change over time ● Increasingly use industry/other metrics to enhance the sustainability picture
	9. Efficiency of data collection	<ul style="list-style-type: none"> ● Protocol to appropriately source data and metrics from multiples sources ● Test-case the aggregation of new sources data from non-federal sources ● Introduce/manage a trusted data system on an ongoing basis
	10. Comparability & use	<ul style="list-style-type: none"> ● Standardized terminology with other relevant standards and indexes ● Standardized benchmarking methodologies with a national or global standard ● Guidance to enable consistent Index application (voluntary) across Canada
REVIEW & VERIFY	11. Feasibility	<ul style="list-style-type: none"> ● Conduct a pilot to assess the feasibility of meeting Index objectives ● Assess processes and capacity to evolve the Index, post-pilot ● Bi-annual experts' review of Index feasibility and auditability
	12. Process review	<ul style="list-style-type: none"> ● Internal review (pilot); report on adherence to governance processes ● Expert review of governance processes ● Third-party process management audit
	13. Content review	<ul style="list-style-type: none"> ● Annual partner review of adequacy of Index indicators & metrics ● Wider professionally facilitated consultation ● Third-party assurance assessment

Figure 7: Governance roadmap

VII. AN INDIGENOUS LENS INFORMS INDEX DEVELOPMENT

The future development and growth of Canada's agriculture and agri-food sector needs to be guided by an Indigenous policy lens.⁴⁸ The development of this Index is an opportunity to seek inclusive growth and development.

Engagement in modern commercial agriculture and the food sector is still somewhat nascent for Indigenous people though there is a long history of agricultural activity and robust traditional economies. Today, across Canada Indigenous entrepreneurs, farmers, fishers, and businesses are succeeding and distinguishing themselves in the marketplace. However, Indigenous people have not had the same opportunities to grow and participate in the sector. Exclusionary policies have been enacted by Canada for the past one hundred and fifty years many of which have actively discouraged or impeded Indigenous participation. This has had repercussions, including:

- There is an imbalance in the current policy discussions about the future of the sector which does not recognize Indigenous histories in the sector.
- There is a lack of data and information about Indigenous history and participation in the sector to properly present an Indigenous vision of the sector for the future.
- Indigenous people have not yet formed the organizational structures and partnerships needed to impel their vision of the sector.
- Indigenous people have not had the benefit of collaborations with post-secondary research institutions to develop the research foundations to support their development.

In short, Indigenous structures and institutions have not yet been put into place to encourage and manage the business development needed to move an Indigenous agri-food sector forward in ways which honour Indigenous values, needs and outlooks for the future. Measuring the sustainability of the country's agri-food sector is, therefore, an opportunity to ensure that the Indigenous lens informs the four sustainability blocks of the proposed Index. (Specific references have been included in the Index, part 2 of this final report.)

⁴⁸ This section was developed by Indigenous Works, a project partner, as one perspective of importance to Indigenous Peoples.

3. NEXT STEPS

I. TRANSITIONING TO THE PILOT PHASE

INTENT OF PILOT

A pilot is expected to take the Index from concept to reality. This presents an opportunity to test it, better grasp the limitations of the available data and methodologies, see how the Index aligns with existing metrics in practice, and determine where the Index can be best housed and how the Index can be improved and utilized. Phase 3 aims to publish a focused version Index 1.0 by early 2023. The larger intent is to execute phase 4, launching the proposed Centre for Agri-Food Benchmarking to manage and evolve the Index.⁴⁹ This requires investment and organizational capacity.

ENABLING THE PILOT

Planning the pilot is a work in progress. However, existing, and new partners are expected to assume new responsibilities going forward, including advising on Index design and implementation, contributing as co-investors, and collaborating to populate Index metrics.

PILOT LIMITATIONS & TRIAGING INDICATORS

Given the data gaps, the pilot will need to short-list what can be measured. Most metrics will likely be sourced from the federal government, with some selected from industry or other sources. Including outcomes-based data on a national scale from other sources is currently limited or unavailable. The following guidance could help triage available and priority metrics, a key step to commence the pilot (Figure 8), as a basis to identify data sources and compile metrics.

PILOT TASKS

Based on guidance from this report, the pilot will also require setting up a governance structure and take steps to ensure work quality and integrity, engage partners and stakeholders, report on its work, among other items presented in the governance roadmap and from this report's content.

TRIAGING METRICS	
METRICS STATUS?	NEEDED WHEN?
1. Available metrics to populate indicators. Existing federally sourced data that informs outcomes-based metrics	For pilot, early 2023 (Phase 3)
2. Available but requires some work to expand indicator reporting. Existing federally sourced data that need further compilation or adaption to align with Index intent; adapt some industry practice-based metrics or data from other sources for compilation	
3. “Must have” metrics to develop on priority indicators. New metrics to develop; sourced from federal, provincial, industry data	For 2023+ (Phase 4)
4. “Need to have” metrics to complete indicator reporting. Fulfilling sustainability disclosures requires broader, new and better data	

Figure 8: Triaging metrics, next phase of work

⁴⁹ The Business Case for Establishing the National Index on Agri-Food Performance (June 2021): agrifoodindex.ca.

II. INSPIRING INDIGENOUS PROSPERITY

Indigenous people have not yet developed for themselves the metrics by which to define and measure their journeys toward a future state of prosperity and well-being.⁵⁰ Doing so would help inform needed policies, investments, and institution-building. The ability to chart the progress toward nation-building and well-being will be a way to bring unity of direction and stronger collaborations. This extends beyond achieving a bigger Indigenous agriculture and agri-food economy. It is about fostering an economy aligned with Indigenous philosophies. The formation of culturally relevant metrics and indicators will provide the tools Indigenous nations need to work more closely with non-Indigenous governments, education, business, and other institutions in Canada. Inspired by the National Index on Agri-Food Performance, a separate Indigenous “well-being index”, could be defined by Indigenous people and act as a compass to enable Indigenous prosperity.⁵¹

III. BUILDING GLOBAL VISIBILITY

Attracting positive global visibility for the Index is important as a major exporter. Global developments also inform domestic practices.

GLOBAL BENCHMARKING

The UK’s Food Foundation and the World Benchmarking Alliance are calling on countries to benchmark agri-food sustainability performance. They have developed a toolkit to help step-up global change. Canada’s emerging Index is profiled as a model, aligning with best practices.⁵²

Canada could leverage the Index in other ways, as outlined below.⁵³

HARMONIZE BENCHMARKING

Given the inter-connectedness of global supply chains, Canada might advocate for harmonizing agri-food benchmarking and reporting. Comparability can improve transparency, credibility and utility of metrics, a mutual benefit across countries.

TRADE STRATEGY

Industry and government could define a strategy to use the Index in global outreach, in trade promotion, and to protect Canada’s trade interests (which may involve the Trade Commissioners Service).

GLOBAL STANDARDS

Canada could play a more active role in shaping global agriculture and food related sustainability standards. How those standards evolve and adopt new reporting requirements can directly determine agri-food practices here and abroad.

⁵⁰ This narrative was developed by, and in collaboration with, Indigenous Works, a project partner.

⁵¹ Recommendation from Indigenous Works.

⁵² *Food Industry Benchmarking Toolkit* (2021), “How to use the toolkit”, The Food Foundation in collaboration with the World Benchmarking Alliance (WBA): https://foodfoundation.org.uk/sites/default/files/2021-12/TFF%202B%20WBA%20Toolkit_Report%203.pdf. While Canada’s emerging Index varies in approach with some global indices (it does not score companies), it shares a common intent to benchmark and aligns on key principles and indicators. (Note that the WBA was a global reviewer for project 3A).

⁵³ Ideas based on partner input.

4. ACKNOWLEDGEMENTS

I. FUNDING & IN-KIND SUPPORT

This work gratefully acknowledges:



- The financial support provided by Protein Industries Canada (PIC)'s Capacity Building Program
- Enabling the PIC application, Project co-leads: Global Institute for Food Security and Pulse Canada
- Additional funding for this phase of work from: Canadian Aquaculture Industry Alliance, Chicken Farmers of Canada, CropLife Canada, Enterprise Machine Intelligence & Learning Initiative, Farm Credit Canada, Fisheries Council of Canada, Food, Health, Consumer Products of Canada, Fruit & Vegetable Growers of Canada, Global Institute for Food Security, Nutrien, Pulse Canada, TrustBix Inc.
- Substantive in-kind support by all partners (see lists: partners and partner working groups)

II. STEERING GROUP

Canadian Federation of Agriculture
Canadian Produce Marketing Association
Canadian Roundtable for Sustainable Beef
Chicken Farmers of Canada
CropLife Canada
Fisheries Council of Canada
Fruit & Vegetable Growers of Canada
Global Institute for Food Security
Pulse Canada
Agriculture and Agri-Food Canada, *ex-officio*
Environment and Climate Change Canada, *ex-officio*
Statistics Canada, *ex-officio*

III. PROJECT MANAGEMENT

David McInnes, Coordinator, National Index on Agri-Food Performance; and Principal, DMci Strategies
Sharon Savoie, Financial Administrative Assistant

IV. PARTNERS

Agriculture & Agri-Food Canada
Alberta Agriculture, Forestry & Rural Economic
Development
Alberta Biodiversity Monitoring Institute, University of
Alberta
Alltech
Arrell Food Institute, University of Guelph
A&W Food Services of Canada Inc.
Bayer Crop Science
Bioenterprise Canada
Birds Canada
BMO
Bonnefield Financial Inc.
Canada Organic Trade Association
Canadian Agricultural Human Resource Council
Canadian Agri-Food Sustainability Initiative (CASI)
Canadian Animal Health Institute
Canadian Aquaculture Industry Alliance
Canadian Canola Growers Association
Canadian Federation of Agriculture
Canadian Food Innovation Network
Canadian Forage & Grasslands Association
Canadian Produce Marketing Association
Canadian Roundtable for Sustainable Beef (CRSB)
Canadian Roundtable for Sustainable Crops (CRSC)
Canadian Supply Chain Food Safety Coalition
Canadian Wildlife Federation
Catalyst Agri-Innovations Society
Cereals Canada
Chicken Farmers of Canada
Cleanfarms
Le Conseil de la transformation alimentaire du Québec
(CTAQ)
Corteva
CropLife Canada
Danone
Dean's Council – Agriculture, Food & Veterinary
Medicine
Ducks Unlimited Canada
EggTech Ltd.
Enterprise Machine Intelligence & Learning Initiative
(EMILI)
Environment & Climate Change Canada
Faculty of Health Sciences, University of Ottawa
Farm Credit Canada
Federated Co-operatives Limited
Fertilizer Canada
Field to Market Canada
Fisheries Council of Canada
Food & Beverage Canada
Food & Beverage Manitoba
Food Banks of Canada
Food, Health & Consumer Products Canada
Food Processing Skills Canada
Fruit & Vegetable Growers of Canada
Gaia Protein
Genome Alberta
Global Food Lead
Global Institute for Food Security
Greenfield Global
Indigenous Works
Innovation, Science & Economic Development Canada
Lassonde
Loblaw Companies Ltd.
Manitoba Agriculture & Resource Development
Maple Leaf Foods
McGill University (Desautels Faculty of Management;
Centre for Convergence of Health & Economics)
Ministère de l'Agriculture, des Pêcheries et de
l'Alimentation, Québec
Ministry of Agriculture, Government of Saskatchewan
National Research Council Canada
National Zero Waste Council, an initiative of
Metro Vancouver
Nutrien
Olds College (Alberta)
Ontario Cattle Feeders' Association & Ontario
Corn-Fed Beef
Ontario Ministry of Agriculture, Food & Rural Affairs
Osler Hoskin & Harcourt LLP
Plant Nutrition Canada
Protein Consortium (Manitoba)
Protein Industries Canada
Pulse Canada
Regeneration Canada
Retail Council of Canada
Saskatchewan Flax Development Commission Board
Second Harvest
Smart Cities (Guelph-Wellington)
Smart Prosperity Initiative, University of Ottawa
Standards Council of Canada
Statistics Canada
Syngenta Canada
Telus Agriculture
TrustBIX Inc.
Vineland Research & Innovation Centre

V. PARTNER WORKING GROUPS (CO-LEADS)

For the complete list of members, refer to website: agrifoodindex.ca. (Other partners and invited stakeholders attended working group discussions, not included.)

Project 1A: Environment Indicators working group

Keith Currie (Canadian Federation of Agriculture),
co-lead
Paul Thoroughgood (Ducks Unlimited Canada), co-lead

Project 1B: Food Integrity Indicators working group

Monica Hadarits (Canadian Roundtable for Sustainable Beef), co-lead
Jane Proctor (Canadian Produce Marketing Association), co-lead

Project 1C: Economic Indicators working group

Sav Bellissimo (Federated Co-operatives), co-lead
Susie Miller (Canadian Roundtable for Sustainable Crops), co-lead

Project 1D: Societal Well-Being Indicators working group

Rebecca Lee (Fruit & Vegetable Growers of Canada),
co-lead
Patrick Verreault (Agriculture & Agri-Food Canada),
co-lead

Project 1E: Academic review working group

Roger Larson (Deans Council - Agriculture, Food and Veterinary Medicine), co-lead
Rene Van Acker / Alice Raine (University of Guelph),
co-lead

Project 2: Data platforms working group

Dan Lussier (Enterprise Machine Intelligence & Learning Initiative – EMILI), co-lead
Deb Wilson (TrustBix), co-lead

Project 3A & 3B: Global organizations' reviews & global governance working group

Martin Beaulieu (Statistics Canada), co-lead
Jennifer Lambert (Loblaw Companies), co-lead

Project 4: Policy ecosystem working group

Sylvie Cloutier (Le Conseil de la transformation alimentaire du Québec – CTAQ), co-lead
Brian Treacy (Bayer), co-lead

Project 5: Consumer trust working group

Aimee Rae (Canadian Aquaculture Industry Alliance),
co-lead
Justine Taylor (CropLife Canada), co-lead

Project 6: Environmental, social, and governance (ESG) factors working group

Andrea Gruza (Bonfield Financial), co-lead
Pierre Turner (Lassonde), co-lead
John Uhren (BMO), co-lead

Project 7: Final report

Guidance from all partners

Project 8: Communications & outreach

Guidance from all partners

Project 9: Website working group

Alice Raine (Arrell Food Institute, University of Guelph),
co-lead
Bronwynne Wilton (Canadian Agri-Food Sustainability Initiative), co-lead

VI. CONSULTANT TEAM

Project 2: Groupe AGÉCO

Jean-Michel Couture, Partner, Senior Advisor
Simon Nadeau, Analyst

Project 3A: Groupe AGÉCO

Jean-Michel Couture, Partner, Senior Advisor
Simon Nadeau, Analyst
Ryan Johnson, PhD Candidate, School of Environment,
Enterprise & Development, U. of Waterloo

Project 3B: Viresco Solutions

Karen Haugen-Kozyra, President
Rebecca Johnson, Sustainability Specialist
With input from Jean-Michel Couture, Groupe AGÉCO

Project 4: Canadian Agri-Food Policy Institute

Tyler McCann, Managing Director
Margaret Zafiriou, Research Associate
Angèle Poirier, Research Assistant

Project 5: Canadian Centre for Food Integrity

John Jamieson, President & CEO
Ashley Bruner, Research Coordinator

Project 6: RealAlts Inc.

Catherine Ann Marshall, Principal

VII. REVIEWERS AND INTERVIEWEES

Reviewers

Project 1E – Academic review of Index indicators

Enabled by the Deans Council - Agriculture, Food and
Veterinary Medicine

Project 1A: Environment

- Peter Tyedmers, Professor, Faculty of Management,
School for Resource and Environmental Studies,
Dalhousie University
 - Benjamin Goldstein, Assistant Professor, Bioresource
Engineering and Head of the Sustainable Urban-Rural
Futures (SURF) lab, McGill University
-

Project 1B: Food Integrity

- Larry Goodridge, Director, Canadian Research
Institute for Food Safety / Associate Professor,
University of Guelph
 - Mohamed Rhouma, Assistant Professor, pathologie
et microbiologie, Université de Montréal
 - Sylvia Checkley, Associate Professor, Ecosystem and
Public Health, University of Calgary
-

Project 1C: Economic

- Stuart Smyth, Associate Professor, Department of
Agricultural and Resource Economics, Agri-Food
Innovation and Sustainability Enhancement Chair,
University of Saskatchewan
 - Ryan Cardwell, Professor, Faculty of Agricultural
and Food Science, Department of Agribusiness and
Agricultural Economics, University of Manitoba
-

Project 1D: Societal Well-Being

- Will Valley, Associate Dean, Equity, Diversity, and
Inclusion, University of British Columbia
 - Katy Proudfoot, Associate Professor and Director of
the Sir James Dunn Animal Welfare Centre at Atlantic
Veterinary College, University of Prince Edward Island
-

Interviewees

Project 2 – Data platforms roadmap; interviews:

- Canadian Agri-Food Sustainability Initiative
 - Canadian Roundtable for Sustainable Beef
 - Canadian Roundtable for Sustainable Crops
 - Chicken Farmers of Canada
 - SAI Platform
-

Project 3A – Global organizations’ reviews of Index indicators; interviews

- Global Alliance for the Future of Food
 - Global Reporting Initiative
 - United Nations Food & Agriculture Organization
 - World Benchmarking Alliance
 - World Business Council on Sustainable Development
-

Project 3B – Global governance; interviews:

- Bord Bia (Irish Food Board)
 - Global organizations, projects 2 and 3A
-

Project 4 – Policy ecosystem; interviews:

- Some 36 partners and stakeholders
 - Australian Farm Institute
-

VIII. SERVICE PROVIDER TEAM

Report & website design

Janice Van Eck

Website translation

Bleublancrouge (2021)

Reports & website update translation

Megalexis (2022)

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