



Sollio
Groupe Coopératif

Food for Thought

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April 25, 2023

It's a Changing World



It's a world where ...

- ✓ Perceptions are real ... & facts are negotiable
- ✓ The gap between 'science' and 'science fiction' is getting narrower
- ...
- ✓ Yet the gap between 'urban & rural', and 'East & West' is widening
- ✓ The 'world of abundance' is being replaced by 'a period of scarcity'
- ✓ We need to build infrastructure ... but NIMBY



- ✓ Water, land, air, and food are interlinked
- ✓ 'Environmental stewardship/sustainability' is as important to consumers as 'nutrition and food safety'
- ✓ Green energy is the future ... but I need diesel fuel now!
- ✓ Our food has never been safer ... yet consumers have never been more concerned
- ✓ The 'AAA's driving the global food system
 - *Availability*
 - *Accessibility*
 - *Affordability*



- ✓ Sustainability, supply chain and software are three important 'S-words' driving business
- ✓ "I need a job" is being replaced by "I can't find labour"
- ✓ Cashflow is king ... and inflation is concerning
- ✓ 'Polarization' is growing ... and concerning!
 - *We seem to know what we're against ... but what are we for!!*
 - *Anger is elevating*
- ✓ Everyone (and every country / province) focused on 'what's best for me' ... today



- ✓ People love 'new and innovation' ... almost as much as they despise change
- ✓ There's no failure to innovate ... but there is a failure to communicate.
- ✓ Lawyers, courtrooms and insurance influence/drive decision making
- ✓ Transparency is not only expected ... it's demanded
- ✓ 'Values' are as important as 'value'

Trust is diminishing
... in everything



It's a changing world!



A full-page background image of a lush green agricultural landscape. The scene features rolling hills covered in vibrant green crops, likely corn. A dirt road or path winds through the middle ground, flanked by a fence. The sky is filled with large, dramatic clouds, with sunlight breaking through in some areas, creating a high-contrast, moody atmosphere. The overall tone is one of pride and natural beauty.

**Proud to be in
Agriculture**



We grow food and feed people

3.5 days - 3,600,000 loaves of bread

"No time in history has so few fed so many ... and at so little cost





We feed people



We create jobs





We are a solution to climate change

*Agriculture is an industry that can sequester more carbon than
what Mother Nature's already sequestering*

Farmers are Super Heroes

Who else can **feed the planet**
AND
save it at the same time?



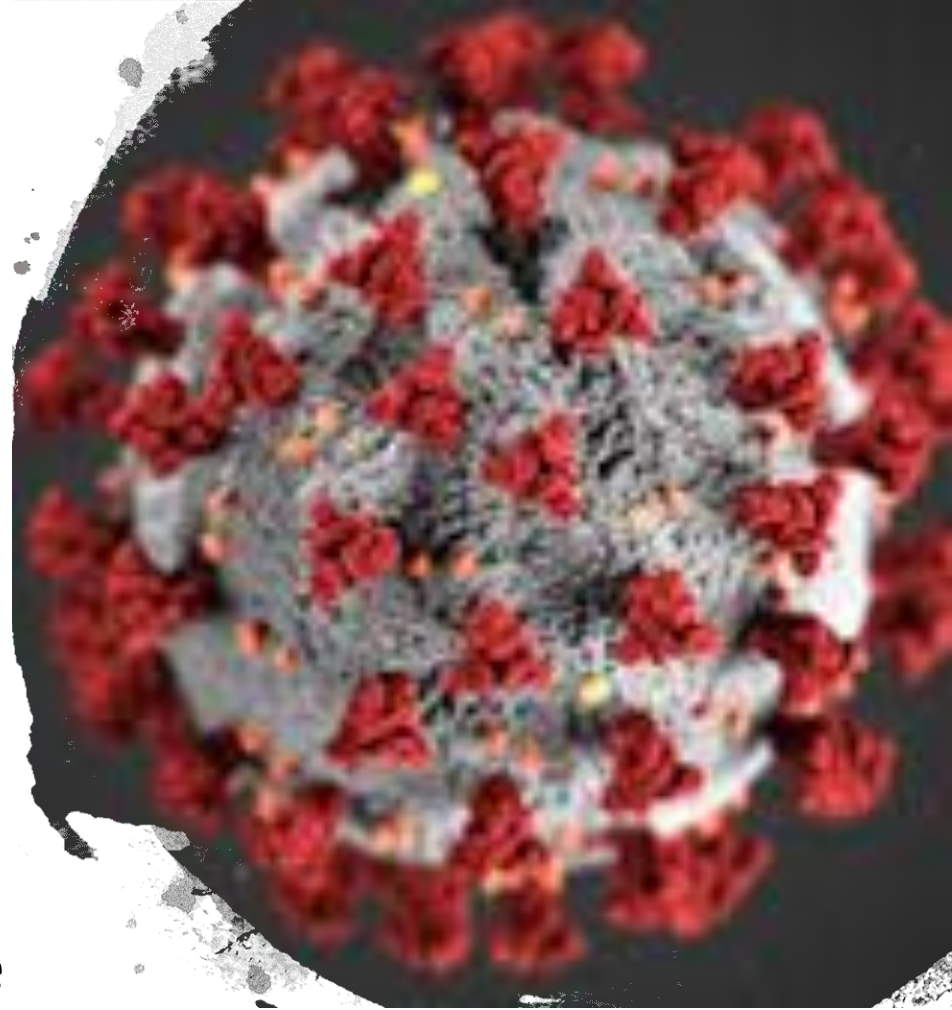


Game Changers



1. Covid-19

- Reconnected public to food
- Challenged supply chains
- Who do you trust?
- Enhanced attraction to a rural lifestyle and real estate



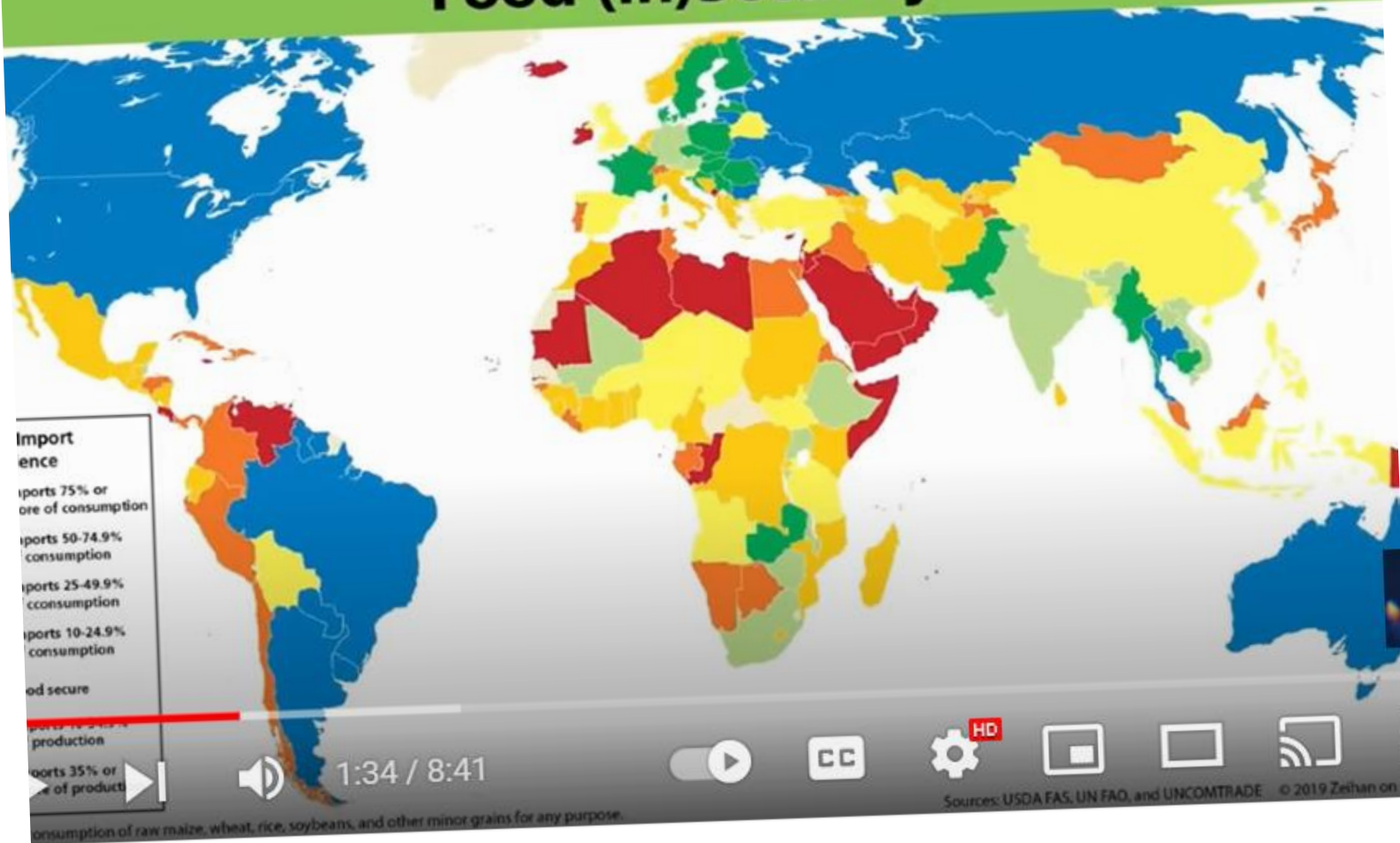
*We're done with the Covid pandemic ...
but is it done with us?*



2. African Proverb:

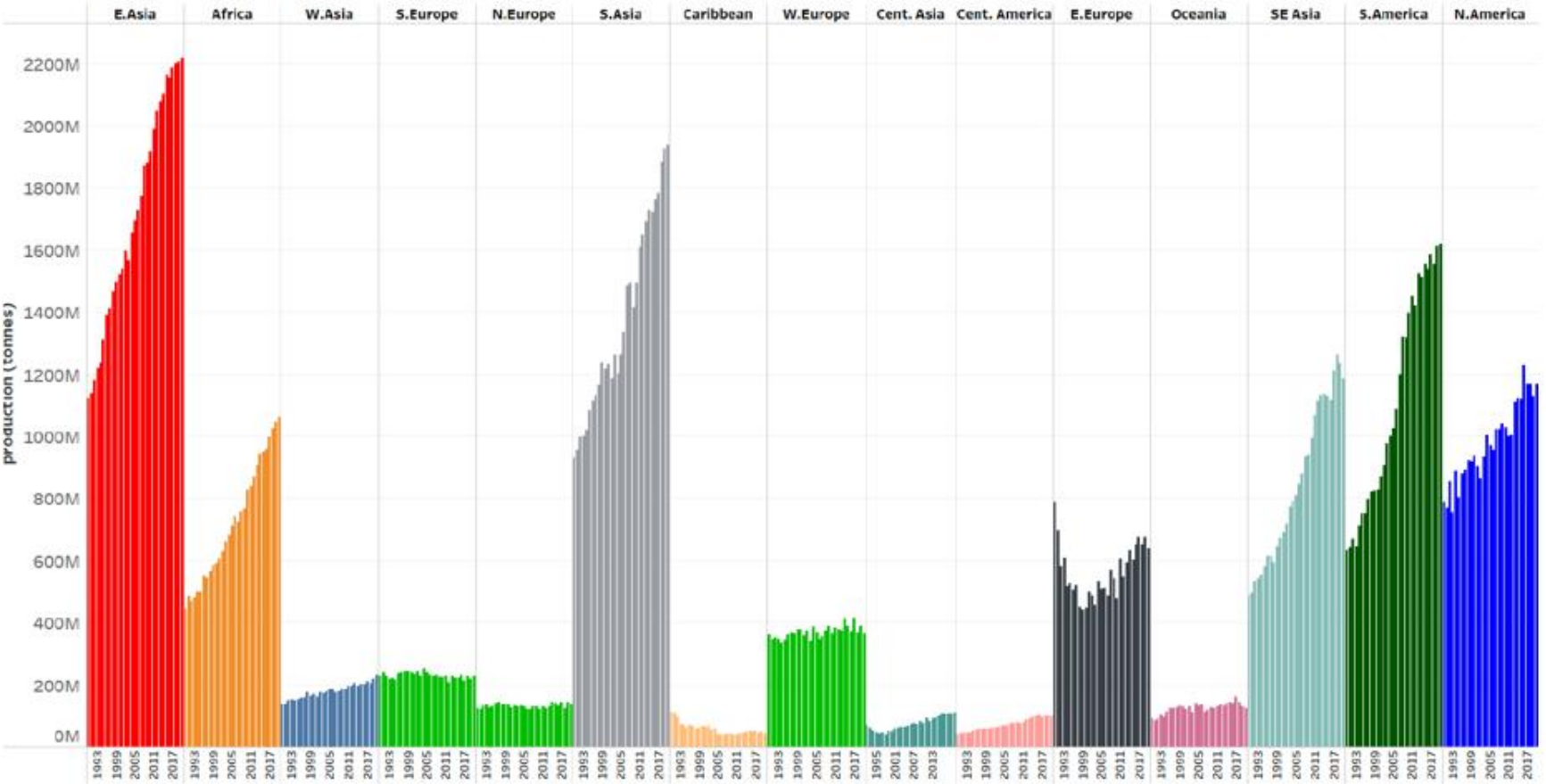
‘When the waterhole shrinks, the animals look at each other differently.’

Food (In)Security

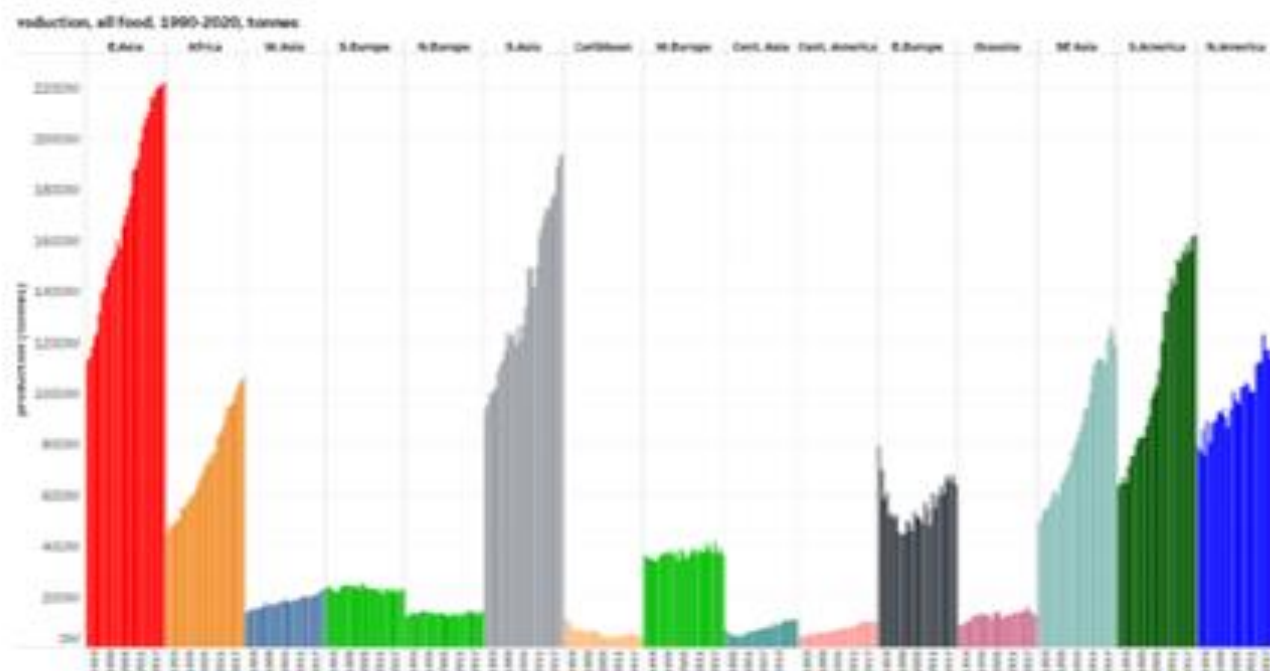


Total Ag/Food production by region in tonnes

roduction, all food, 1990-2020, tonnes



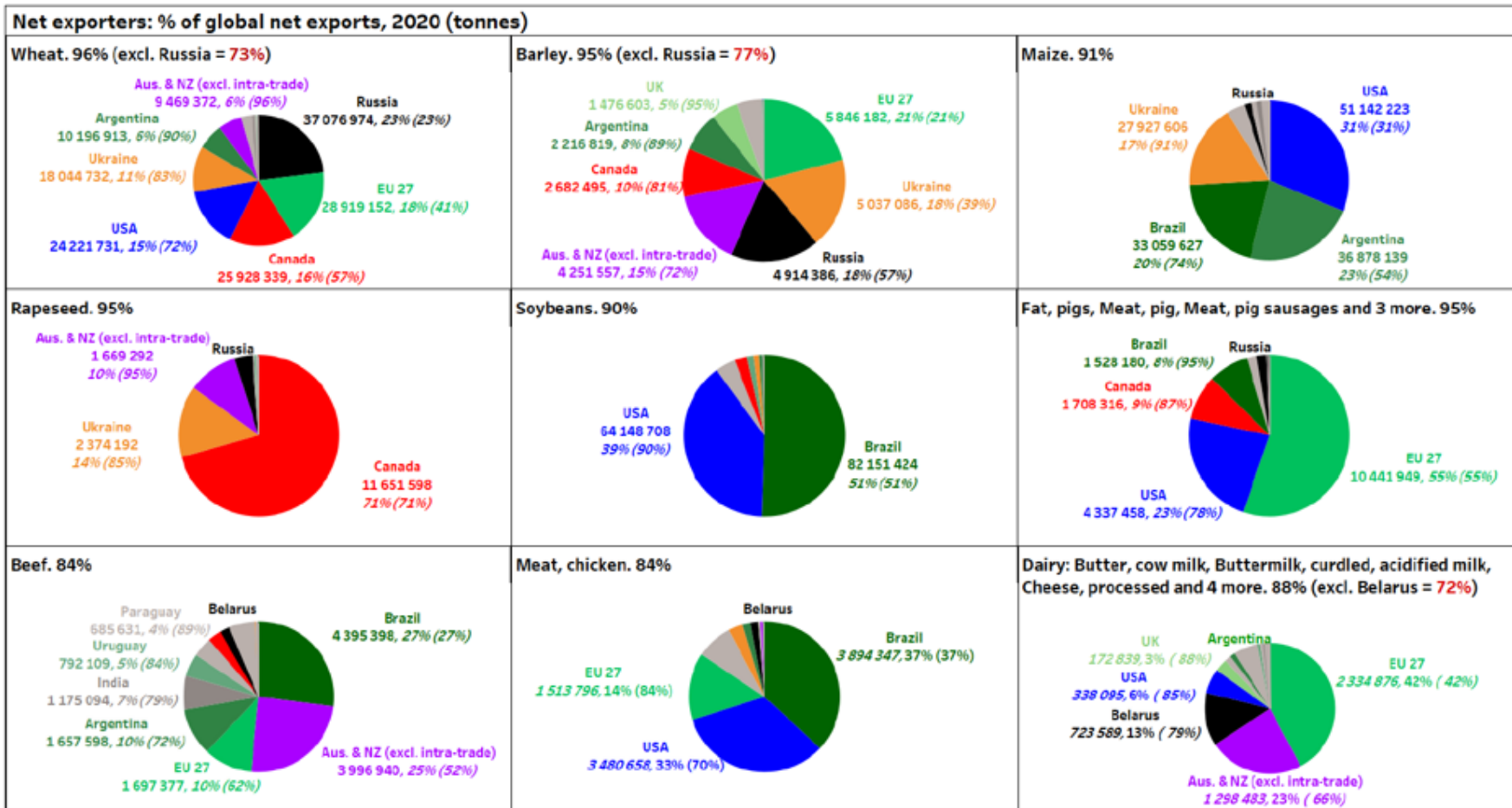
Total Ag/Food production by region in tonnes



The biggest **NET** food importers in the world – Slide/page 30



Excluding Russia and Belarus it takes only 3 to 6 countries to account for 72% to 95% of net exports of the staple commodities shown

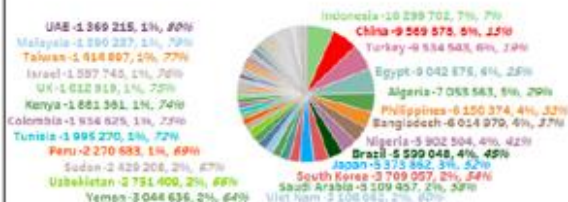




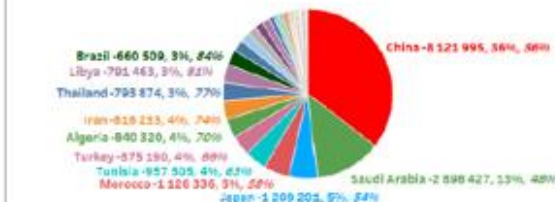
Net importers: tonnes, % of global net imports, running total



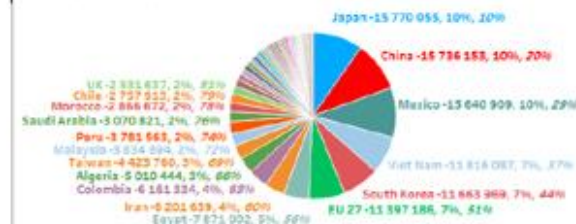
Wheat (30=80%)



Barley (10=81%)



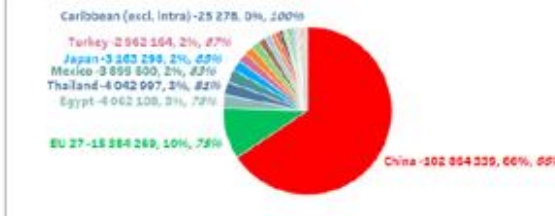
Maize (16=81%)



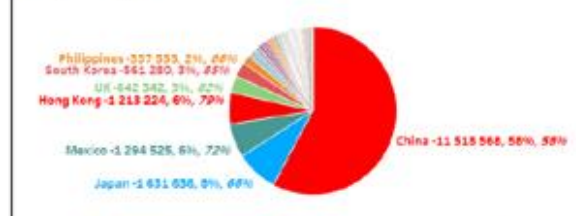
Rapeseed (4=81%)



Soybeans (4=81%)



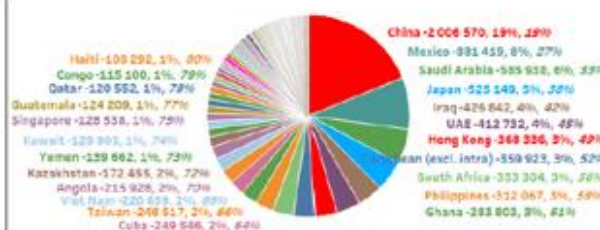
Pork (5=82%)



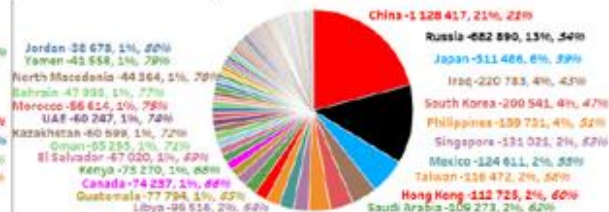
Beef (11=80%)



Meat, chicken (23=80%)



Dairy: Butter, cow milk, Buttermilk, curdled, acidified milk, Cheese, processed and 4 more (27=80%)



CONCLUSION

Only a handful of countries can feed a hungry world

Canada has opportunity to leverage its position and China's challenge



3. Agriculture on Canada's agenda

4. Geopolitical Issues



A stylized map of Eastern Europe. Russia is shown in a dark blue color, occupying the upper and right portions of the frame. Ukraine is shown in a yellowish-orange color, located to the south of Russia. The surrounding landmasses are in a light blue color, and the water bodies are in a darker blue. The map has a slightly textured, paper-like appearance.

RUSSIA

UKRAINE

Qs





5. China



A Few Thoughts on China

- More households >\$25,000
- Food security #1 priority
- Relationship with Russia & South America
- Dependent on US allied countries for meat, dairy and oilseeds
- Soil health, water and pollution
- Disease
- Focus on technology



6. Sustainability

Sustainability is changing the food system

The Public wants to know:

- ✓ How are you treating the **environment**?
- ✓ **How are you managing manure?**
... and nitrogen?
- ✓ Are you **treating animals humanely**?
- ✓ Do you have a **traceability program** I can trust?
- ✓ What's **your** carbon / GHG **goals**?



Moved from
'climate change'
to 'climate action'

Walmart 



Supply chain demand for assurance is increasing

Supply chain companies increasingly demand full tracking on sustainability through the supply chain from farm or field to fork



Cargill's Corn Commitment

*As a leading purchaser, processor and transporter of corn, Cargill is **committed to sourcing sustainably-produced corn** in major supply chains worldwide.*



Nestlé's Sustainable Sourcing Guidelines

As a leading food and beverage manufacturer, we have established a robust set of guidelines on responsible sourcing and are continually working to make our supply chain more transparent.



General Mills Sustainable Sourcing Goal

Our goal is to sustainably source 100% of our top 10 priority ingredients by 2020.



PepsiCo Global Sustainable Agriculture Policy

As a leading food and beverage company, agriculture is central to our supply chain... As we continue our journey in Sustainable Agriculture, PepsiCo's agriculture decisions and actions are based on the following principles.



Walmart 



BlackRock

What are sustainability-aware investors looking for?

- Commitment to local communities and economic development (e.g., jobs)
- Climate change mitigation and adaptation
- Protecting the environment
- Protection of unique or fragile areas
- Cultural sensitivity

Larry Fink, CEO of BlackRock (2018)

“Every company must not only deliver financial performance, but also show how it makes a positive contribution to society.”





7. Inflation, Debt & Interest Rates



8. Labour

Forces of Change impacting trade



1. Globalization of trade has stalled
2. Capital investments have dropped and are decelerating
3. Protectionism
4. Rising costs

Creating an edge for Canadian products



- Make better products
- Make more sustainable products
- Make them more accessible
- Fit the agenda of the buyers
- 'Show up' in markets – be there lots

other

- The period we experienced in the last 30 years is gone ... and never returning.
- Millennials and Gen Z will soon be managing people
- 4-day work week on the horizon
- Wild pigs is a huge issue



The Future



The Farm

- Bigger & Smaller
- Fewer & More
- Older & Younger
- Gender & Diversity
- New Neighbours
- Digital
- Robotics
- Professional business practices
- Supply chain ➡ Value Chain

The Future - Farm



Regenerative

The Future - Farm



Indoor

The Future - Farm



Non-traditional

The Importance of Pets



The Future - Genomics

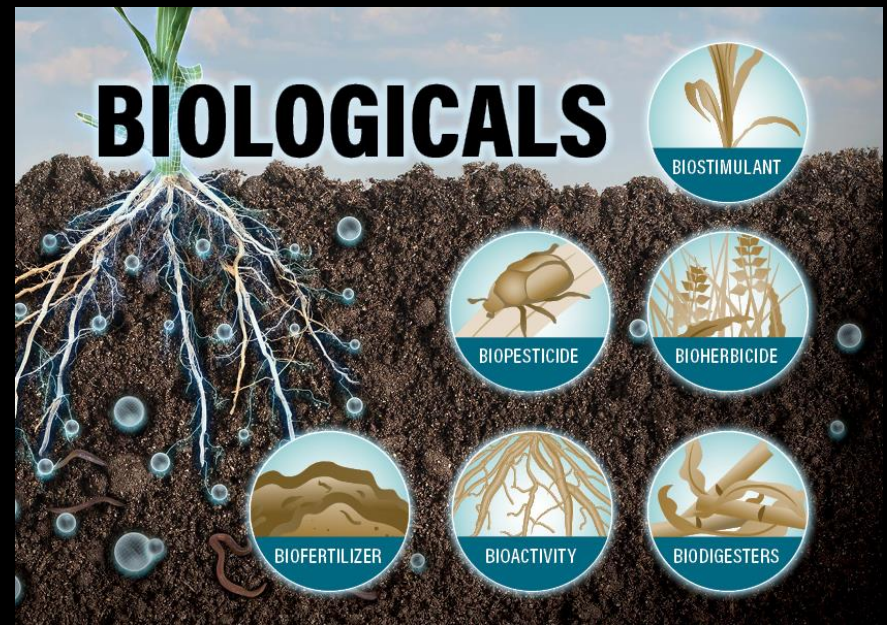


The Future - Digital





The Future - Biologicals



Bioplastics and Pharmaceuticals



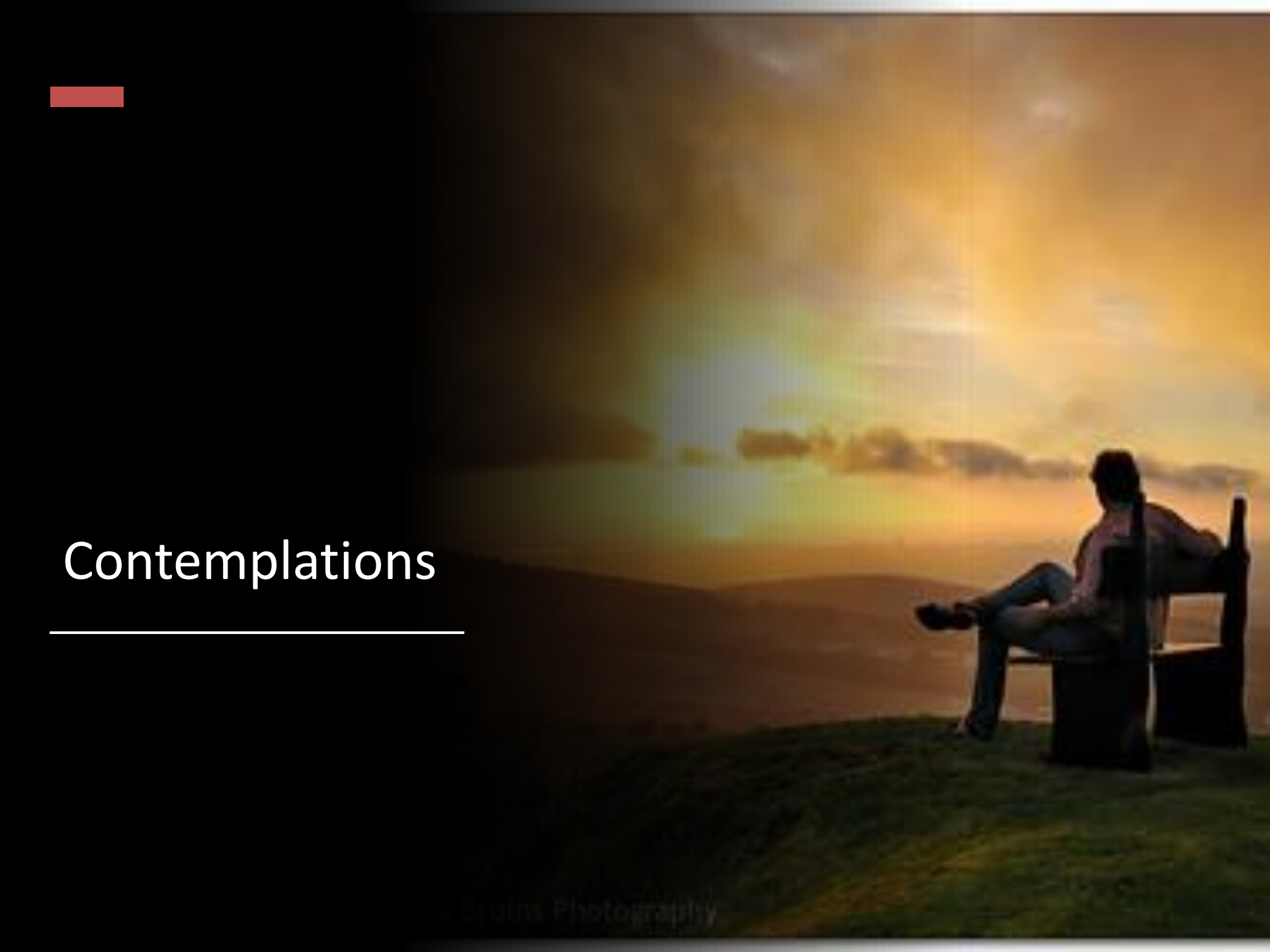
The Future - Carbon



Carbon Market

It's a changing world!





Contemplations

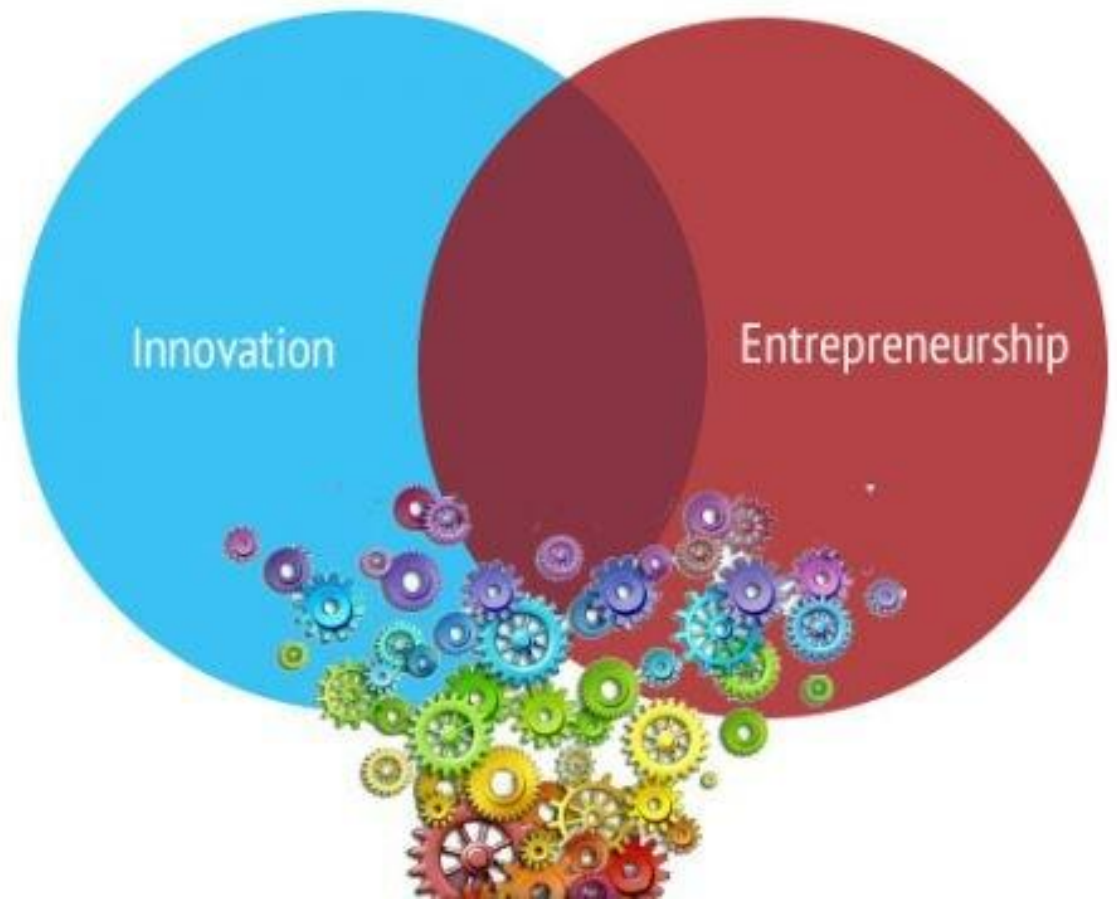


1. Perception Problem

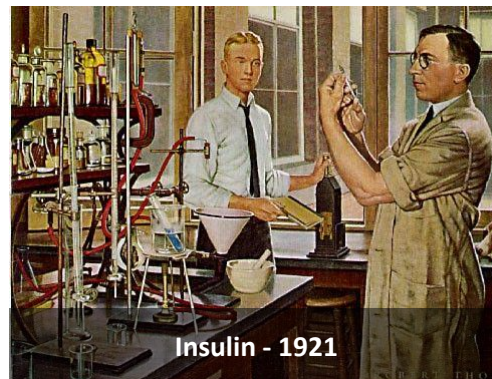
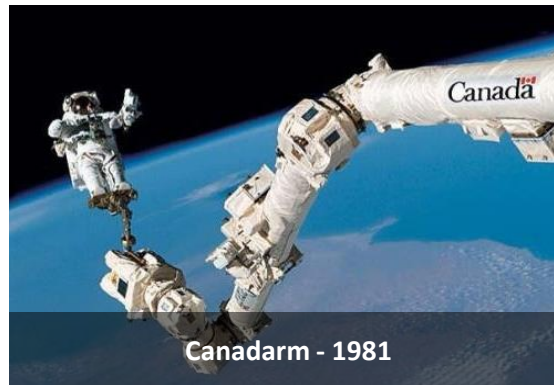


- Everyone thinks they know agriculture
- Rarely mentioned ... bad
- Live in our own den
 - East / West
- Seldom invited to the table
- Scared of smell

Innovation Powerhouse

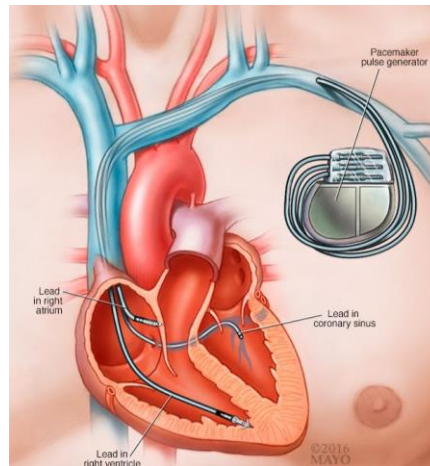
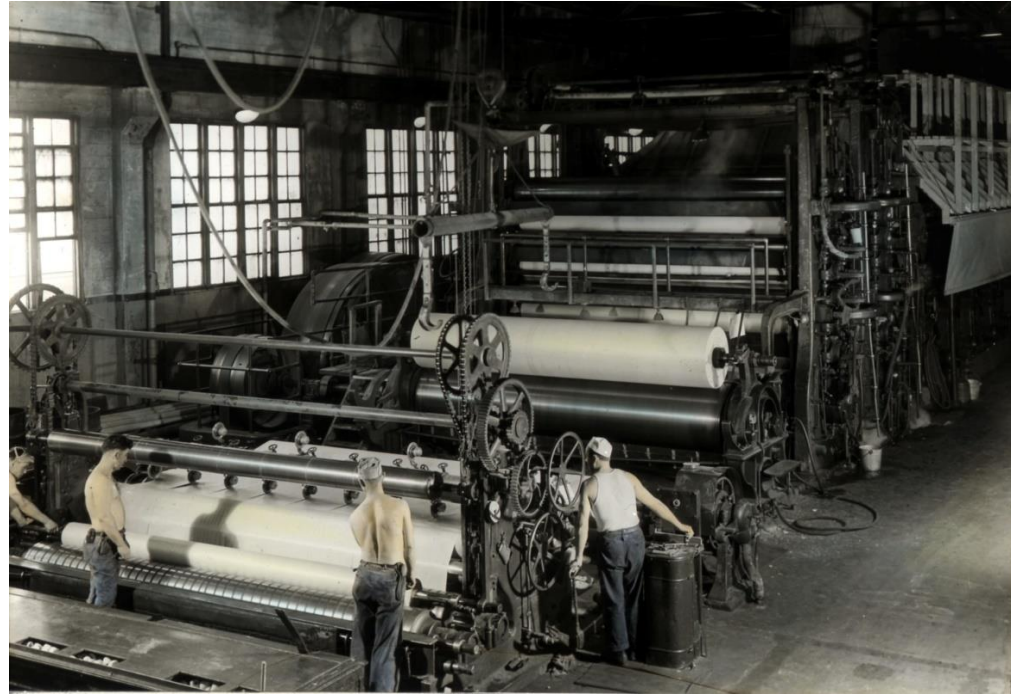


Canadian Innovation



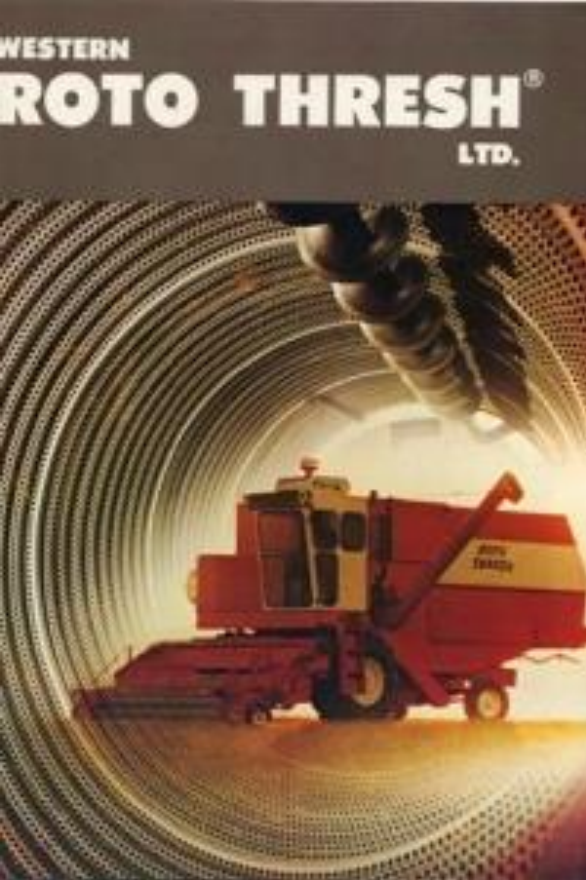
1996

Canadian Innovation

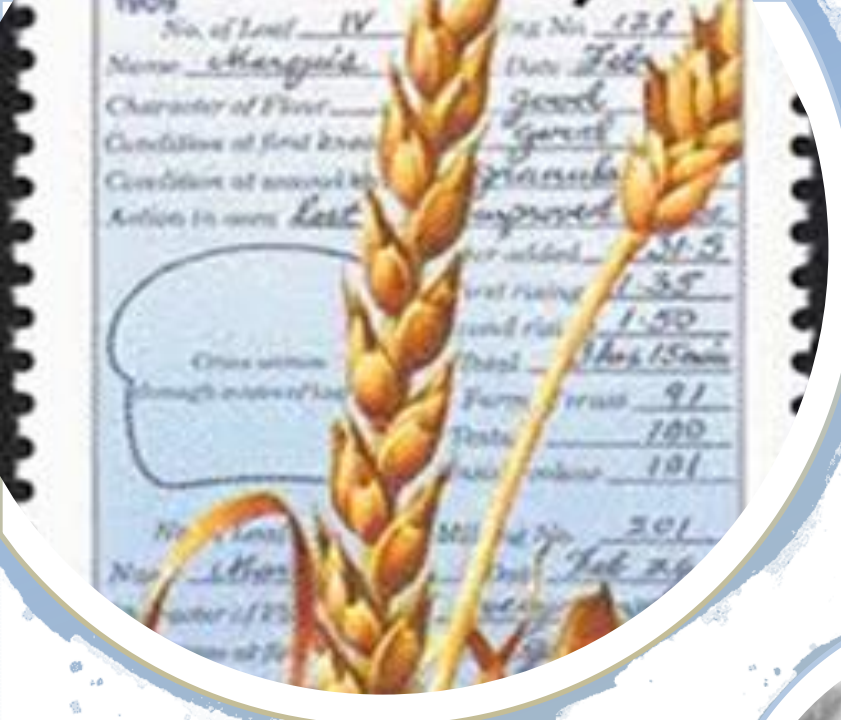


Canadian Innovation



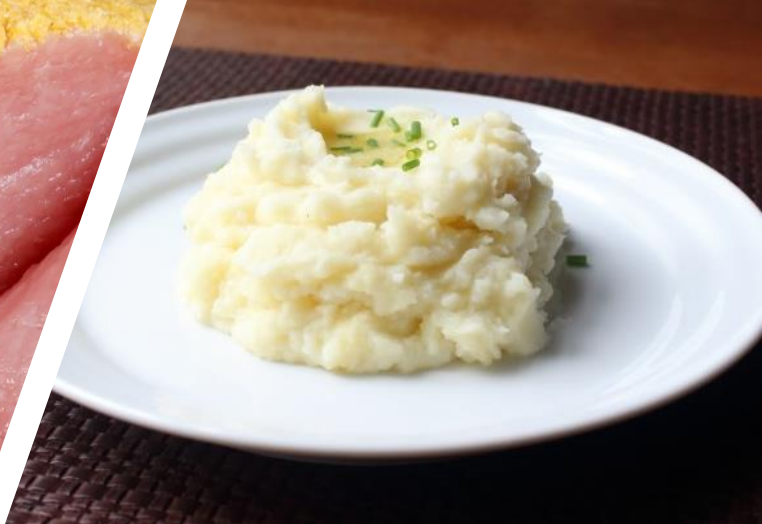


Agriculture – Equipment Leaders



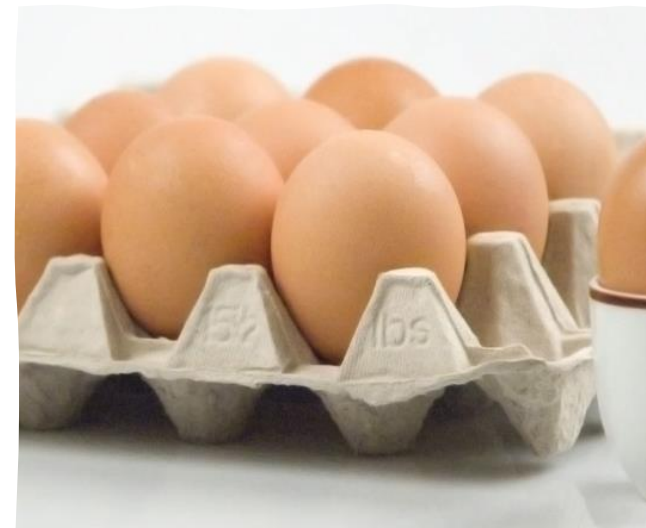
Agriculture - Crops





Food

Food Processing





3. The Benefits of Co-ops



Suggestions



1. The Plan



INSTEAD OF RISKING ANYTHING NEW,
LET'S PLAY IT SAFE BY CONTINUING OUR
SLOW DECLINE INTO OBSOLESCENCE.



TOM
FISH
BURNE

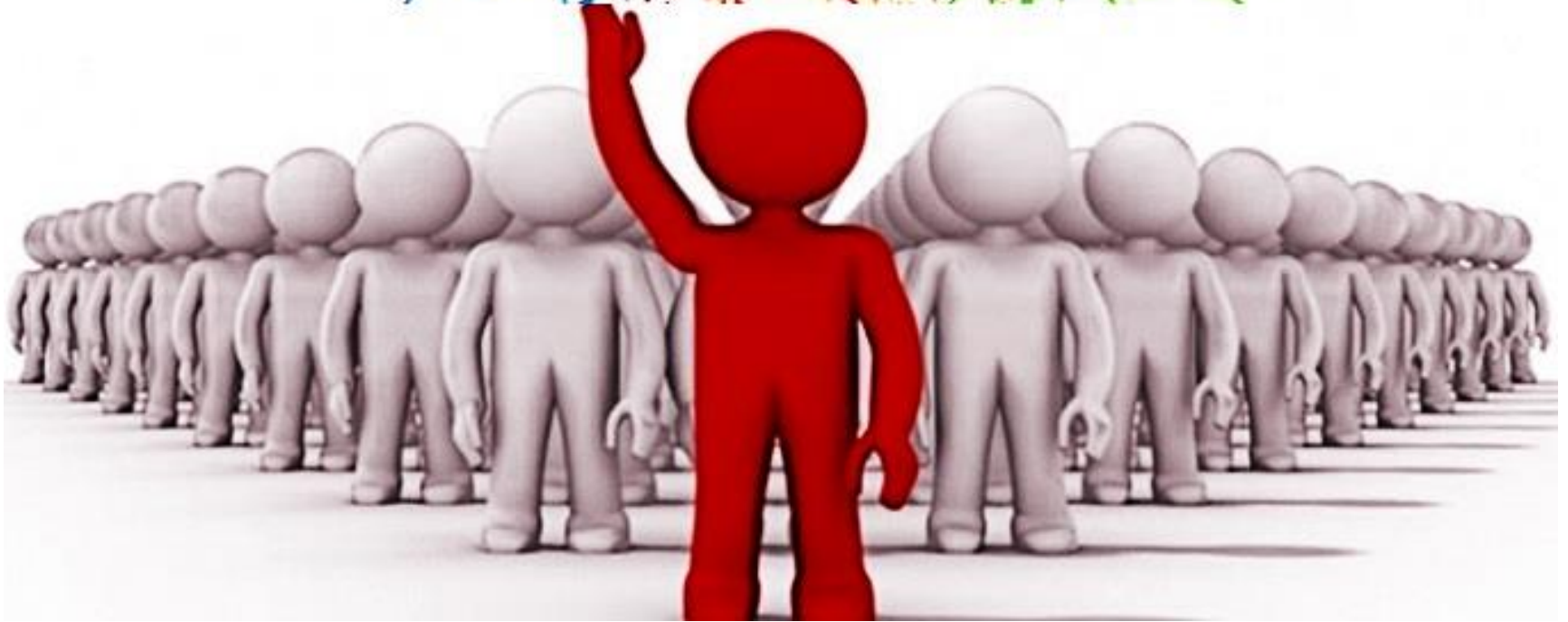


*The Great
Philosopher*

Mike Tyson

2.

Leadership





New Generation Leaders



Engage with the future leaders





3.
A Role to
Play



It's a Changing World
If you're not moving forward, then
you're going backwards





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Merci à



Sollio
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