Soy Canada

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SOY CANADA

Presentation Overview

1) Soy Canada

2) Canada’s Soybean Success Story

1. Soy Canada

1.1 Soy Canada Scope

- Value-chain industry organization created in 2014 from union of producer and exporter organizations

- Reflects the interests of all components of the soy sector, including research, seed development, production, transport, processing, and export

- Scope includes:
  i) non genetically modified (Non-GMO)
  ii) genetically modified (GMO)
  iii) Commodity / “crush” soybeans for oil and meal
  iv) Identity Preserved / “food grade” soybeans for tofu, soy milk, miso, soy sauce

1.2 Soy Canada Priorities

TRADE POLICY & MARKET ACCESS	GOVERNMENT RELATIONS & INDUSTRY PROFILE BUILDING	COORDINATE RESEARCH & INNOVATION	SUPPORT MARKET DEVELOPMENT
Maintain and expand market access by working to remove barriers	***Communicate and educate at all levels***	***Advocate for funding***	***Promote Canadian soybeans***
Seek improved trade policies and agreements	***Build strong relationships***	***Align efforts across Canada***	***Develop new markets***
		Support and collaborate with research organizations	***Promote new uses***

1.3 Soy Canada Relations with Government

Soy Canada interacts with many government departments and agencies:

- Agriculture and Agri-Food Canada
  - Canadian agriculture and agri-food policy
  - Access to international markets
- Global Affairs Canada
  - International trade agreement negotiations
  - Embassies, Consulates and Trade Commissioners

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1.4 Soy Canada Relations with Government

- Health Canada
  - Food safety approval of genetically modified organisms and plant breeding innovations such as gene edited plants

- Canadian Grain Commission
  - Creation and application of grade standards for soybeans
  - Canadian Identity Preserved Recognition System (CIPRS) for non-GMO soybeans
  - Harvest Sample Program analyses of soybean protein and oil content

1.5 Soy Canada Relations with Government

- Canadian Food Inspection Agency (CFIA):
  - Environmental safety and feed safety approval of genetically modified organisms and plant breeding innovations such as gene edited plants
  - Issues phytosanitary certificates

- Canadian Pest Management Regulatory Agency (PMRA)
  - Approves safety of new pesticides and re-evaluates currently registered pesticides

1.6 International Trade Agreements

Soy Canada supports the elimination of tariffs and non science-based technical barriers:

- Canada-Europe Comprehensive Economic and Trade Agreement (CETA)

- **Entered into force on September 21, 2017**

- Comprehensive and Progressive Agreement for the Trans-Pacific (CPTPP)

- **Entered into force on December 30, 2018 (January 14, 2019 for Vietnam)**
- **Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam**

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1.7 International Trade Agreements

- United States-Mexico-Canada Agreement (USMCA)
    - Negotiations concluded; signed on November 30, 2018; awaiting ratification
    - North American Free Agreement (NAFTA) remains in force in the interim

Negotiations Continuing:

- Canada-Pacific Alliance Free Trade Agreement
    - Chile, Colombia, Peru, Mexico
- Canada-Mercosur Free Trade Agreement
    - Argentina, Brazil, Paraguay, Uruguay

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1.8 International Trade Agreements

Possible Future Negotiations:

- Canada-ASEAN Free Trade Agreement (Association of Southeast Asian Nations)
    - Exploratory discussions concluded
    - Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam
- Canada-China Free Trade Agreement
    - Exploratory discussions concluded

1.9 Market Access

Soy Canada advocates for:

- **approval of new genetically modified traits**
- **approval of new plant breeding innovations (e.g., via gene editing)**
- **commercially viable low level presence of genetically modified grains**
- **science-based and commercially viable maximum residue limits for pesticides**
- **science-based and commercially viable country-specific import constraints**

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2.0 Canada's Soybean Success Story

2.1 March of Soybeans Across Canada

- 1941: Ontario
- 1986: Quebec
- 1991: Prince Edward Island
- 2001: Manitoba
- 2010: New Brunswick and Nova Scotia
- 2013: Saskatchewan
- 2018: Alberta

2.2 Reasons for Continuous Expansion

- Increasing global demand for high quality protein and vegetable oil
- Competitive financial return to producers
- Economically valuable option for crop rotation/pest control
- Research and innovation offers earlier maturity with fewer heat units and less rainfall
- Project another doubling of production anticipated during the next decade

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2.3 Decade of Strong Expansion Nationally

Geography	Harvest disposition	Type of crop	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Percent Increase (2009-2018)
Canada	Seeded area (acres)	Canola	16,529,700	17,585,900	18,989,680	22,176,000	20,445,800	20,899,600	20,784,700	20,784,044	23,014,100	22,813,200	38%
		Corn	3,040,900	3,079,800	3,191,816	3,564,100	3,709,100	3,157,100	3,359,000	3,588,290	3,575,500	3,626,500	19%
		Soybeans	3,518,000	3,738,800	3,851,662	4,192,000	4,633,200	5,613,000	5,532,000	5,607,397	7,282,000	6,320,100	80%
		Wheat	24,917,100	21,134,100	21,562,830	23,692,800	26,271,500	24,387,800	24,187,300	23,782,597	22,551,300	24,892,100	0%
	Average yield (bushels per acre)	Canola	35	33	34	28	40	35	39	42	41	40	13%
		Corn	134	155	142	146	152	148	163	157	160	155	16%
		Soybeans	38	44	43	45	43	40	43	44	39	43	13%
		Wheat	42	42	44	43	54	46	43	53	50	48	15%
	Production (metric tonnes)	Canola	12,898,100	12,788,600	14,608,100	13,868,500	18,551,000	16,410,100	18,376,500	19,599,200	21,328,000	20,342,500	58%
		Corn	9,796,200	12,043,300	11,358,700	13,060,100	14,190,700	11,606,400	13,679,500	13,889,000	14,095,300	13,884,700	42%
		Soybeans	3,581,600	4,444,600	4,466,500	5,086,400	5,355,900	6,044,800	6,456,300	6,596,500	7,716,600	7,266,500	103%
		Wheat	26,949,900	23,299,600	25,288,000	27,246,000	37,589,100	29,442,100	27,647,400	32,139,900	29,984,200	31,769,200	18%

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2.4 Soybean Production by Province (Tonnes)

	2017	2018
• Ontario:	3,796,600	4,200,500*
• Manitoba:	2,245,300*	1,581,600
• Quebec	1,115,000	1,164,000*
• Saskatchewan:	479,000*	231,800
• Prince Edward Island	49,000	43,200
• New Brunswick	16,200*	14,900
• Nova Scotia	15,500	18,500*
• Alberta	-	11,600*
• Canada:	7,716,600*	7,266,500

* = All-Time Record Production

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2.7 Export Trend
(New Record in 2018)

	2008	2017	% Increase
Exports (MT)	1,910,600	6,043,812	216%

Source: Statistics Canada CANSIM Tables

2.8 Top 4 of 72 Export Markets
(Tonnes)

	2014	2015	2016	2017	2018	% of 2018
China	586,685	1,162,840	1,787,828	1,964,729	3,576,968.132	59.2
European Union	1,272,268	969,703	1,264,112	1,272,601	697,048.472	11.5
United States	771,118	814,873	541,176	467,735	541,188.818	9.0
Japan	368,546	357,430	341,278	352,767	365,149.799	6.0
Total Top 4 Destinations	2,998,617	3,304,846	3,934,394	4,057,832	5,180,355.221	
Total Exports	3,675,710	4,502,218	4,854,480	4,977,572	6,043,812.431	
% To Top 4 Destinations	81.6%	73.4%	81.0%	81.5%	85.7%	85.7

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2.9 Top EU Member State Markets
(Tonnes)

	2014	2015	2016	2017	2018
European Union	1,272,268	969,703	1,264,112	1,272,601	697,048
- Spain	124,266	3,531	184,459	305,016	2,300
- Italy	123,489	186,317	199,827	302,546	262,110
- Germany	24,937	86,035	162,598	171,418	44,542
- Netherlands	648,753	276,248	322,654	159,049	85,345
- Portugal	20	61	71,540	110,516	31,581
- Belgium	200,059	146,112	127,547	98,324	35,201
- Ireland	28,204	50,060	19,385	63,035	152,004
- France	121,284	156,324	82,568	32,517	1,785
- United Kingdom	117	18,765	25,294	9,030	39,383

Thank You