



CANADIAN FERTILIZER INSTITUTE
INSTITUT CANADIEN DES ENGRAIS

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Canadian Fertilizer Institute

Presentation to the

Senate Standing Committee on Agriculture and Forestry

*Study on international market access priorities for the Canadian
agricultural and agri-food sector*

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Thank you for the introduction, Mr. Chairman. Good morning,
Members of the Committee.

My name is Clyde Graham, and I am Acting President of the Canadian Fertilizer Institute. CFI represents the manufacturers of nitrogen, phosphate, potash and sulphur fertilizers, as well as major wholesale and retail distributors in Canada.

Our members produce over 25 million metric tonnes of fertilizers annually, over 75 per cent of which is exported to more than 60 countries around the world. Canada accounts for about a third of world potash production and 45 per cent of world potash trade. Canadian farmers purchase 3.5 billion dollars of fertilizer annually.

There are three key points I would like to make today.



1. Global markets are increasingly demanding that farmers demonstrate their crops have been grown sustainably
2. Fertilizer is essential to feeding the world, but we have to use it more effectively to improve economic, environmental and social outcomes.
3. 4R Nutrient Stewardship system – the right source of fertilizer at the right rate, right time and right place -- is a critical tool for sustainable crop production

Sustainable production has become increasingly important for gaining market access and market share for Canadian grains, oilseeds, pulses and special crops. Increasingly, importing countries and food processors are including environmental and social considerations in national trade policy or product sourcing specifications. They want to know if the food is healthy, and whether it was produced in a sustainable way. In some cases, participants along agriculture-based value chains



are being, or will soon be asked, to demonstrate compliance with sustainability standards to gain access to international markets or food processors or retailers.

Canadian agriculture must embrace the challenges and opportunities presented by the growing global demand for sustainably grown food products. To enable cross-sector dialogue, information sharing and collaboration in support of this objective, the Canadian Roundtable for Sustainable Crops was formed in 2013. Comprised of grower, industry, customer and the food industry, the roundtable is a national, industry-led forum engaging value chain stakeholders in assessing and responding to marketplace demands, and showcasing Canada's performance, in the area of agriculture sustainability. The Canadian Fertilizer Institute is at the table.



While these sustainability requirements can have the potential to function as market access barriers, they can also provide significant opportunities. Canada is in a position to benefit – we are already doing a great deal to facilitate the adoption of sustainable production practices and measure outcomes to satisfy customer requirements.

As an example, last year Walmart drew considerable media attention announcing a goal of 30 percent reduced fertilizer use on 10 million acres in the U.S. by 2020. The launch of their Sustainability Hub included a tiered system for best practices documentation by suppliers. Today, Walmart continues to work with the fertilizer industry to focus on increasing nutrient use efficiency and productivity, rather than reduced fertilizer use. In fact, they have recognized 4R Nutrient Stewardship as part of their tiered system.



4R Nutrient Stewardship is an innovative approach to improving profits, protecting the environment and meeting society's goals on Canada's crop lands. The objective of the program is simple—helping to ensure producers apply fertilizer using the right source, right rate, right time and right place system.

With the world population expected to reach more than nine billion by 2050, we must grow more food on a limited amount of farm land without harming the environment or putting farmers in the poor house. It is a serious challenge. More fertilizer will be required. We must use it more wisely.

Science is showing that implementing the 4Rs in Canadian farms can cut greenhouse gas emissions from nitrogen fertilizer by 25 per cent and even more. And there is evidence that the 4Rs reduce fertilizer losses to rivers and lakes, groundwater and the air. That also means better yields and more money in farmers pockets.



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The 4R Nutrient Stewardship program is being implemented in provinces across the country. Over the past two years, CFI has developed regionally specific programs through partnerships with farm groups, provincial governments and environmental groups in Prince Edward Island, Ontario, Manitoba and Alberta. We are planning to expand into Saskatchewan and New Brunswick this coming year.

The Canadian Fertilizer Institute also provides \$200,000 a year in funding support for scientific research projects in Ontario, Manitoba, Saskatchewan and Alberta to verify the effectiveness of the 4Rs in the field in reducing greenhouse gas emissions from fertilizer application. And more is coming. An additional \$1 million has been allocated to Canadian projects under the new North American 4R Research Fund over the next five years.



CFI works closely with well over 20 organizations on 4R Nutrient Stewardship nationally including agriculture partners like, Keystone Ag Producers in Manitoba, the PEI Potato Board, government-funded bodies like Alberta Bio Innovates and NGOs such as The Nature Conservancy. We are enormously proud of the results that have come out of our research and extension work with all of these partners.

We must continue to work proactively and collaboratively to build on this foundation to grow Canada's market share. This means working with all value chain links to raise awareness, transfer knowledge and assess and promote adoption of sustainable practices such as 4R Nutrient Stewardship.

Conducting research, developing tools to measure compliance with marketplace indicators and getting in front of the marketplace as an industry will maximize our opportunities.



To be successful, this will require strong industry-government partnerships and dedicated resources on a long term, sustainable basis. Without industry-government partnerships and dedicated resources we cannot achieve what is necessary to maintain and increase Canada's share of agri-product trade – this has serious consequences for the domestic economy – nationally, provincially and in rural economics.

I would like to thank the members of the committee for this opportunity to present our views and I am pleased to answer any of your questions.