

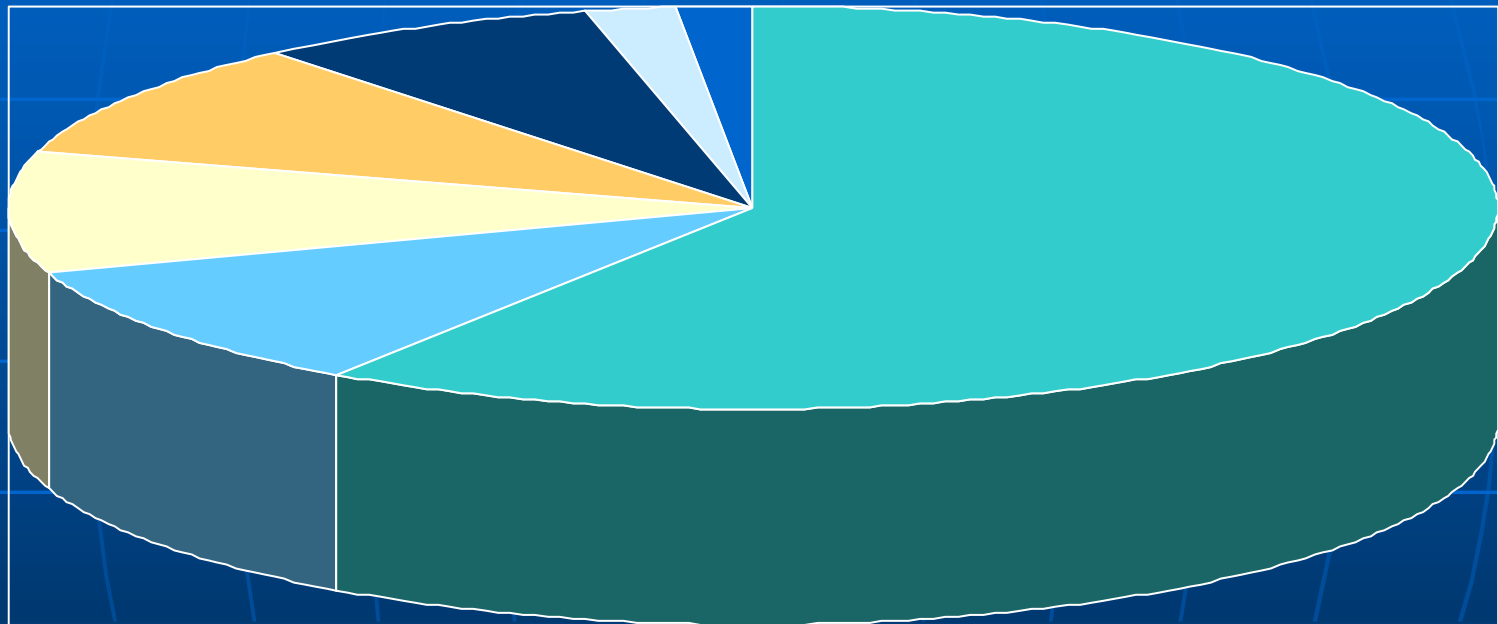
# **Canadian Food Soybeans – A Global Success Story**

**14<sup>th</sup> Australian Soybean Industry Conference**

Kim Cooper, Food Grade Soybean Manager  
South West Ag Partners

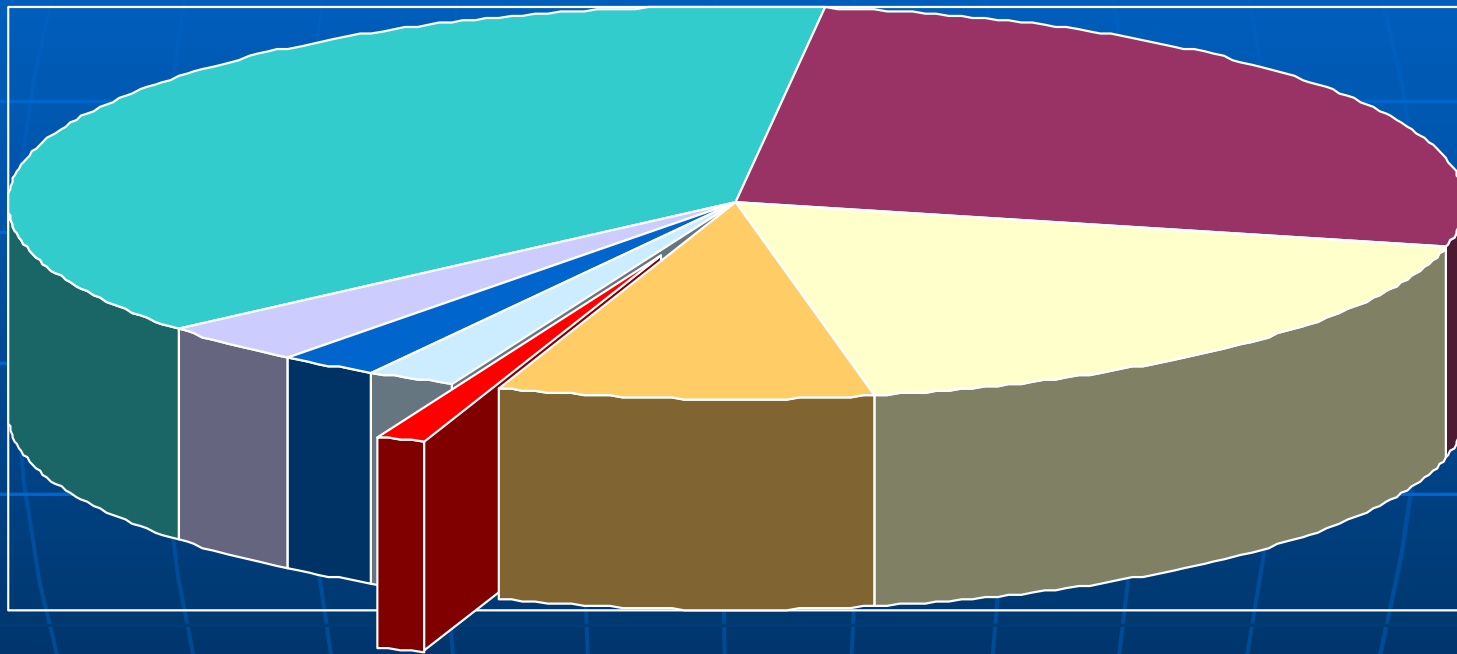
March 27, 2007

# World Oilseed Production

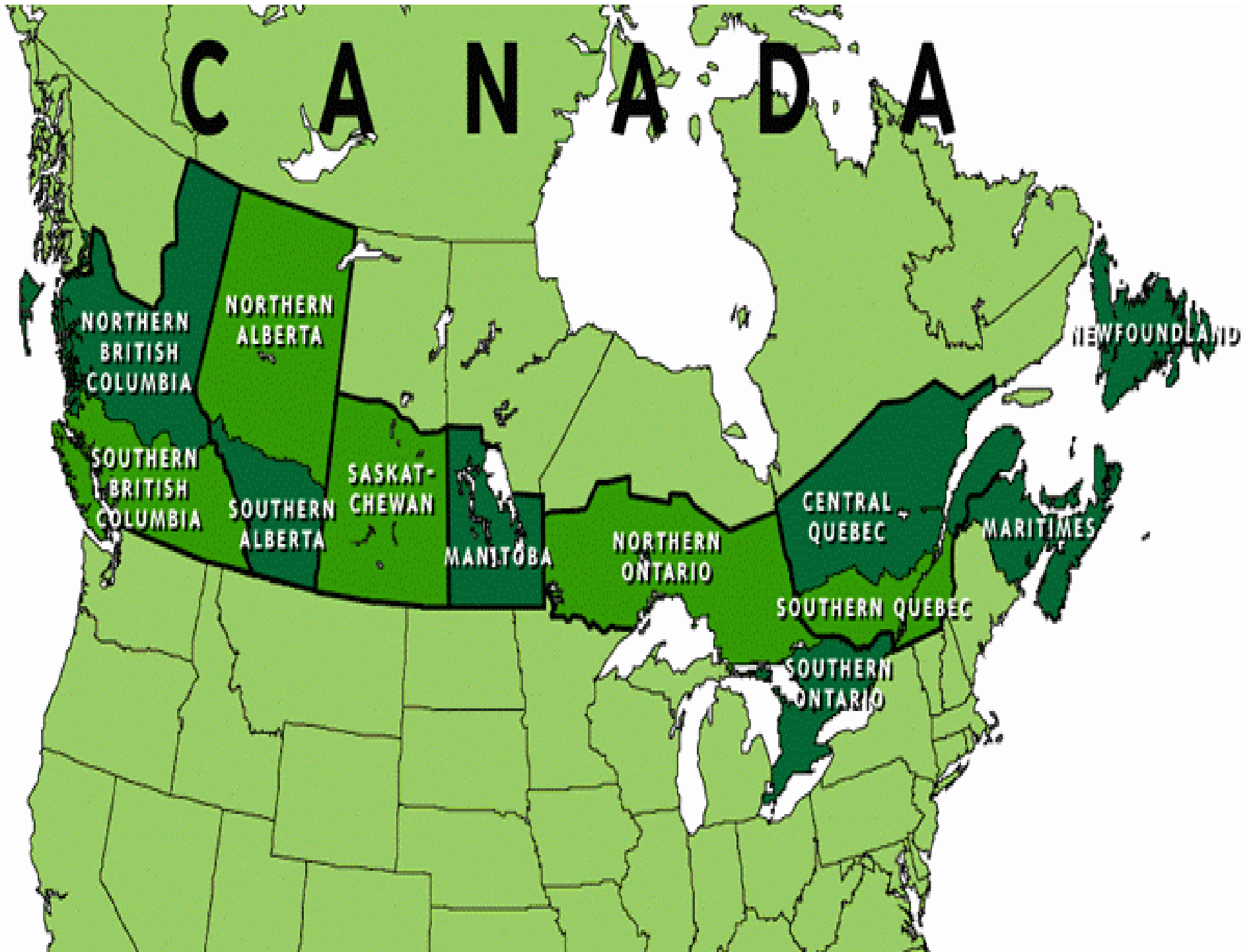


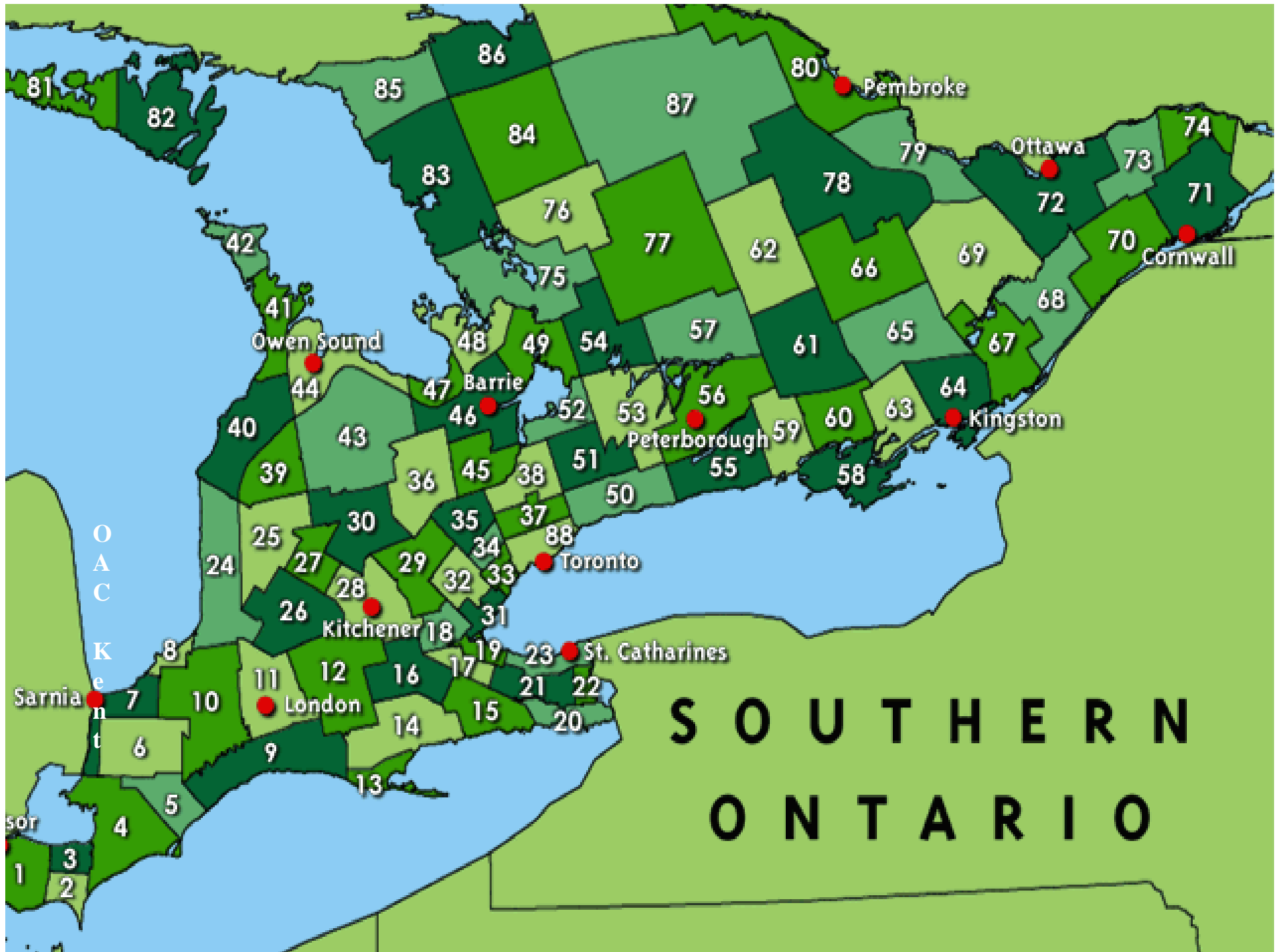
■ Soybeans   ■ Cottonseed   ■ Rapeseed   ■ Peanut  
■ Sunflower   ■ Palm   ■ Copra

# World Soybean Production



 United States	 Brazil	 Argentina	 China
 Canada	 Paraguay	 India	 Other





# Canadian Soybean History

- Soybean production expands after World War II

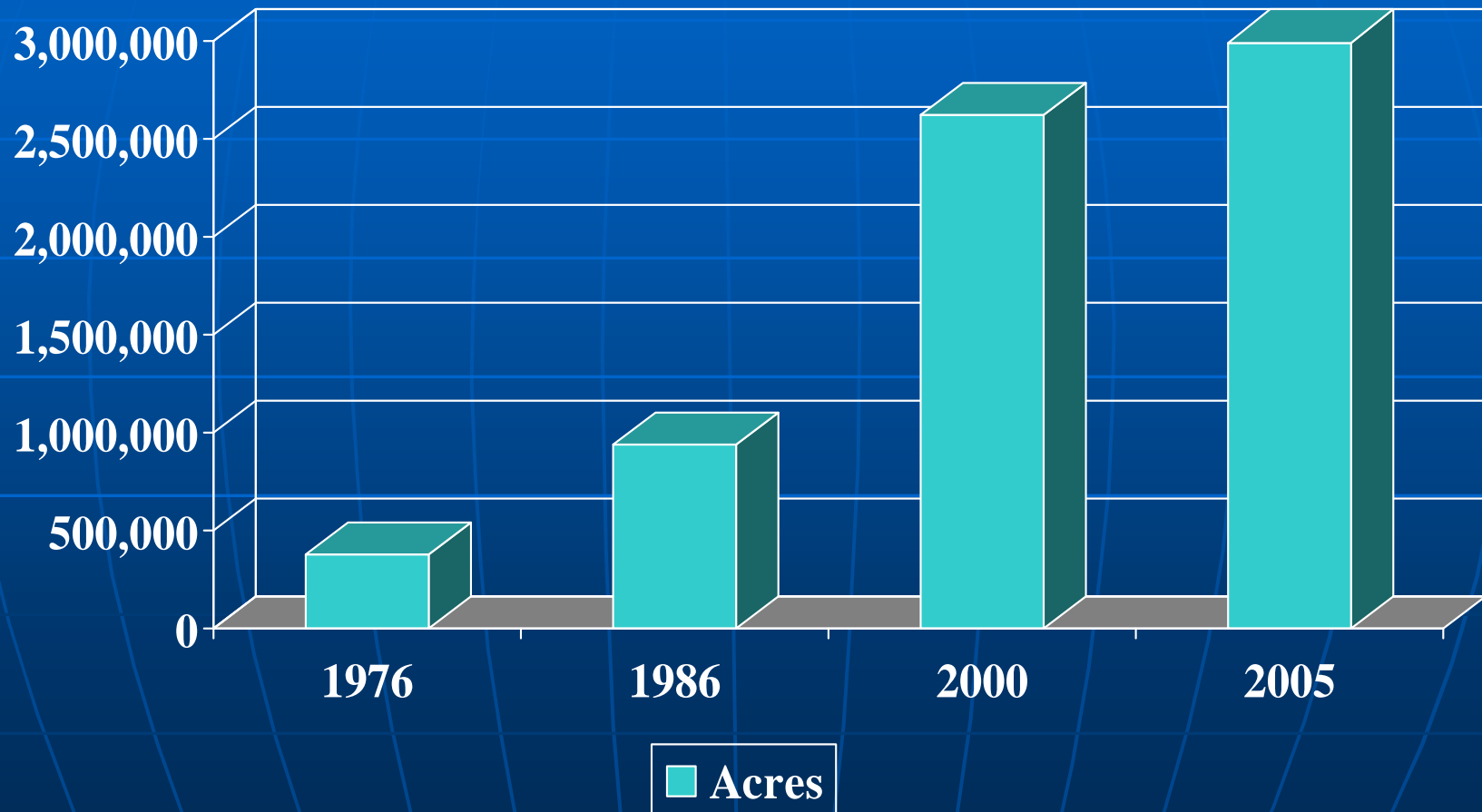
# Canadian Soybean History

- Soybean production started growing after World War II
- **Victory Soy Mills built in Toronto in 1945**

# Canadian Soybean History

- Soybean production started growing after World War II
- First soybean crushing plant in Canada in 1945 (Toronto)
- Soybean growth in Canada was modest until late 1970's

# Canadian Soybean Expansion



# Canadian Soybean History

- Long-term plan developed in mid 1970's

# Canadian Soybean History

- Industry members got together in the early 1970's and developed a plan
- What areas could Canada compete in relation to U.S. or South America?

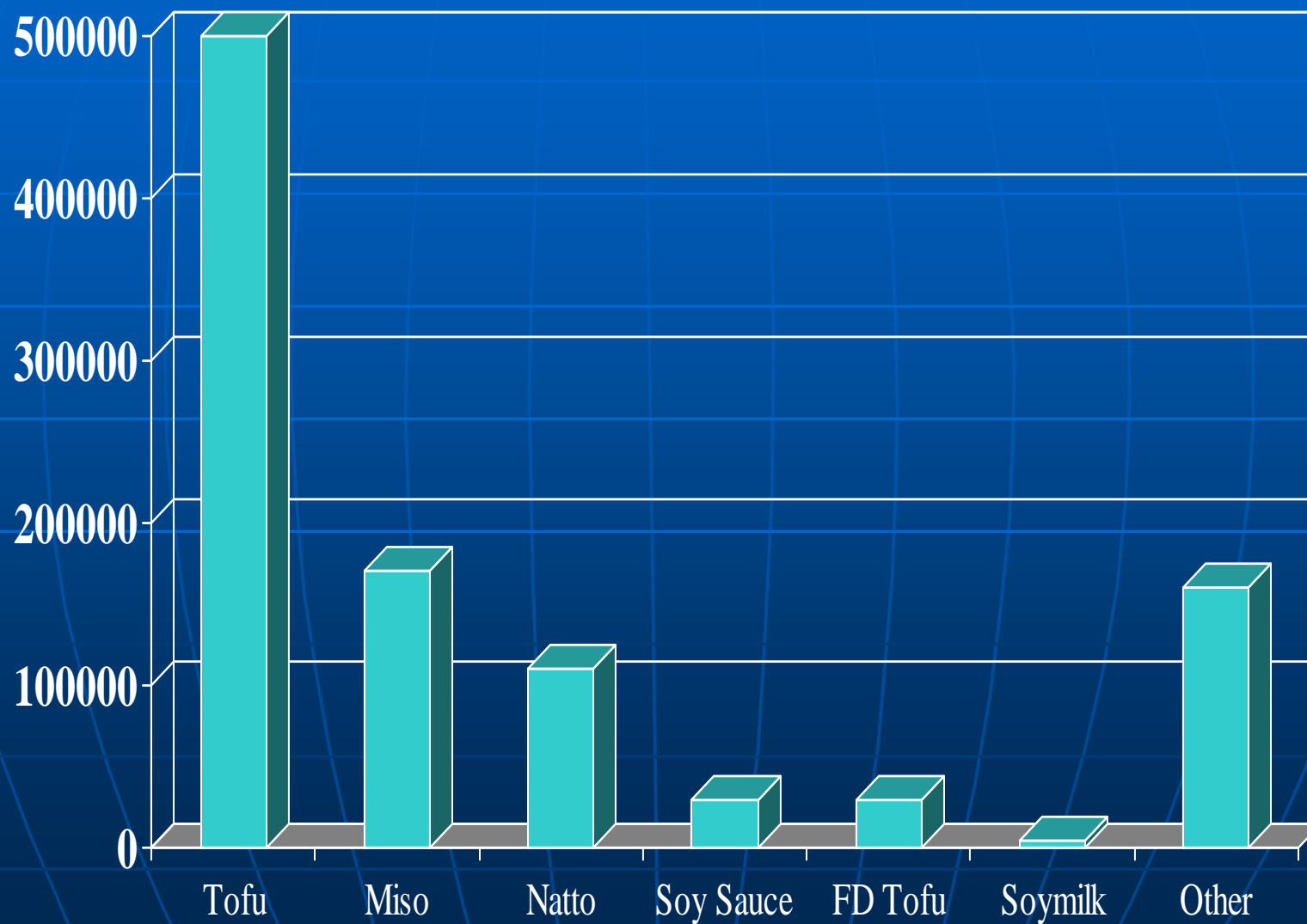
# Canadian Soybean History

- Result of 1970's meetings
  - food soybeans

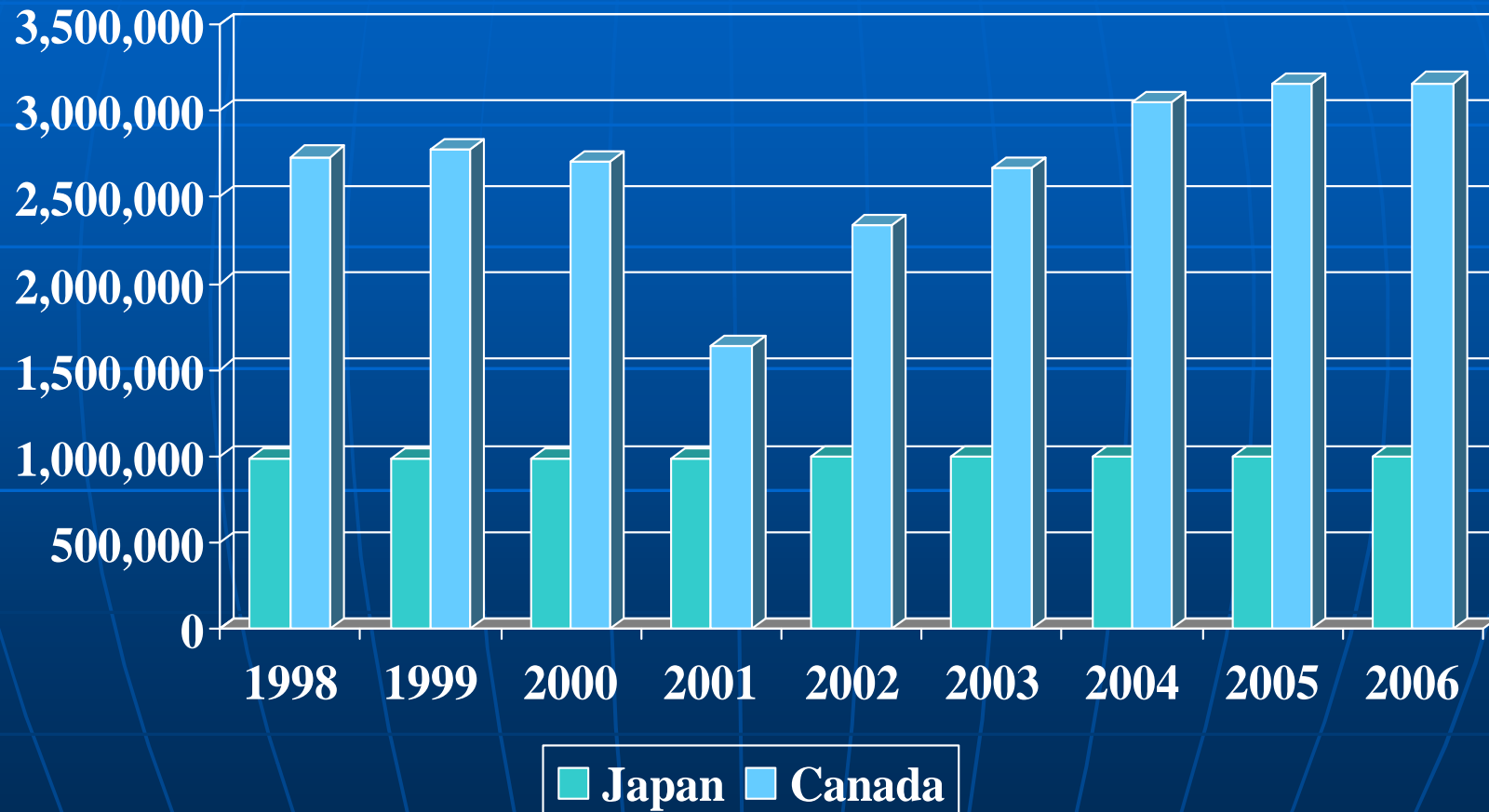
# Canadian Soybean History

- Decided to spend efforts and time on small niche market – food soybeans
- First container of SQWH (Special Quality White Hilum) to Hong Kong and Japan in 1971

# Japan Food Soybean Usage (tonnes)



# Japan Food Soybean Usage vs. Canadian Soybean Production (tonnes)



# Canadian Soybean History

- Decided to spend efforts and time on food soybeans
- First container of SQWH to Hong Kong and Japan in 1971
- SQWH - main Canadian export type of soybean

# Canadian Soybean History

- Customers ask for more consistency in shipments – beginning of segregation



# Canadian Soybean History

- Customers more consistency in shipments
- IP (Identity-Preservation) practices started to expand

# Canadian Soybean History

- 1992 – formation of the Canadian Soybean Exporters Association (CSEA)



# Canadian Soybean History

- CSEA membership includes all sectors of industry

# Canadian Soybean History

- Much of CSEA success had to include having the producers understand what was needed and why it was needed

# Canadian Soybean History

- Producer information sessions
- Producer training seminars
- Producers meeting our end customers and getting them to talk to each other and understand each other

# CSEA Development

- Outgoing mission trips

# CSEA Development

- Worked with our government embassies and consulates

# CSEA Development

- Seminar presentations to soyfood manufacturers and soybean buyers

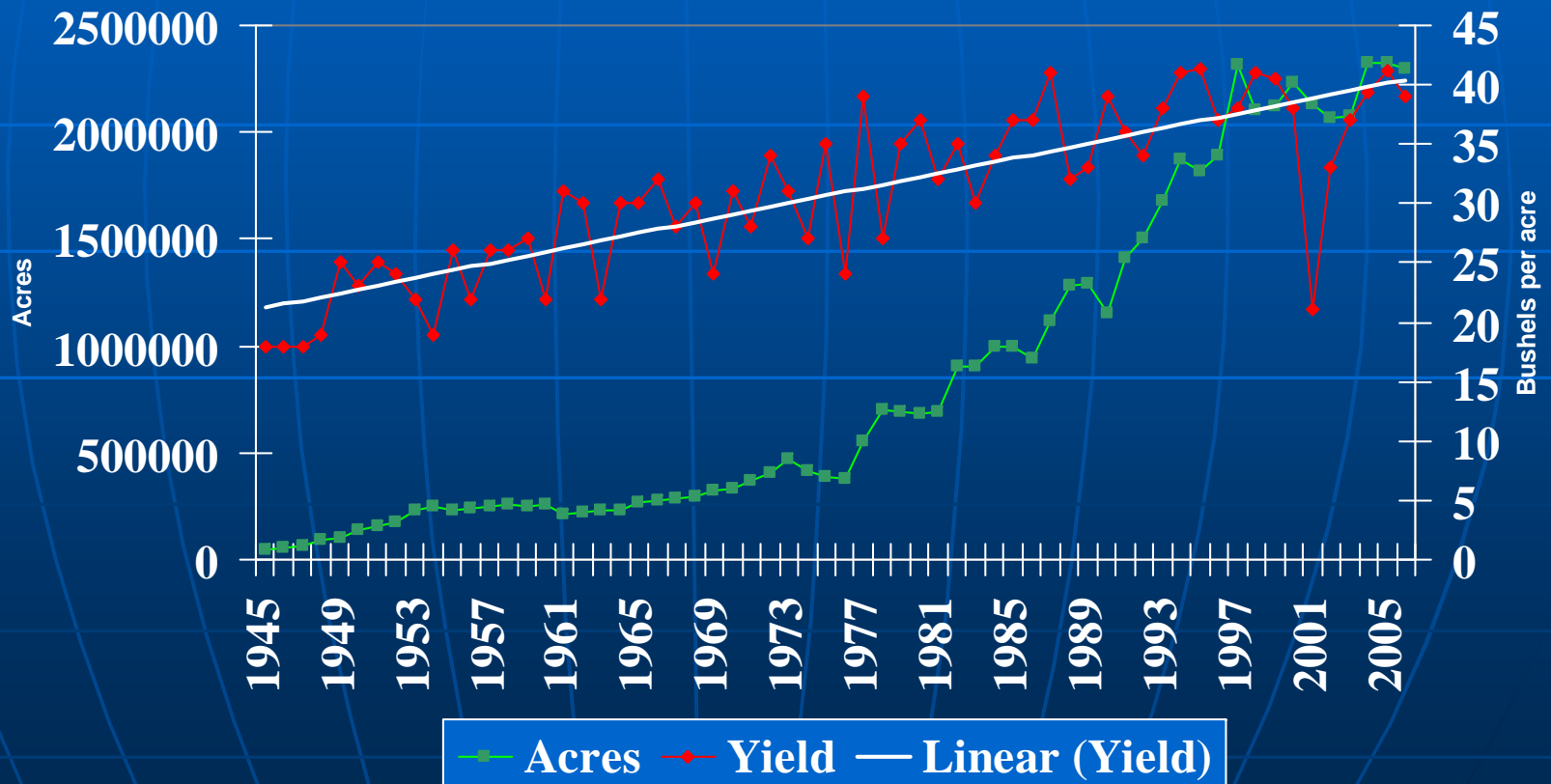




# CSEA Development

- Canadian researchers established testing parameters for soy varieties

# Ontario Soybeans Acres & Yield



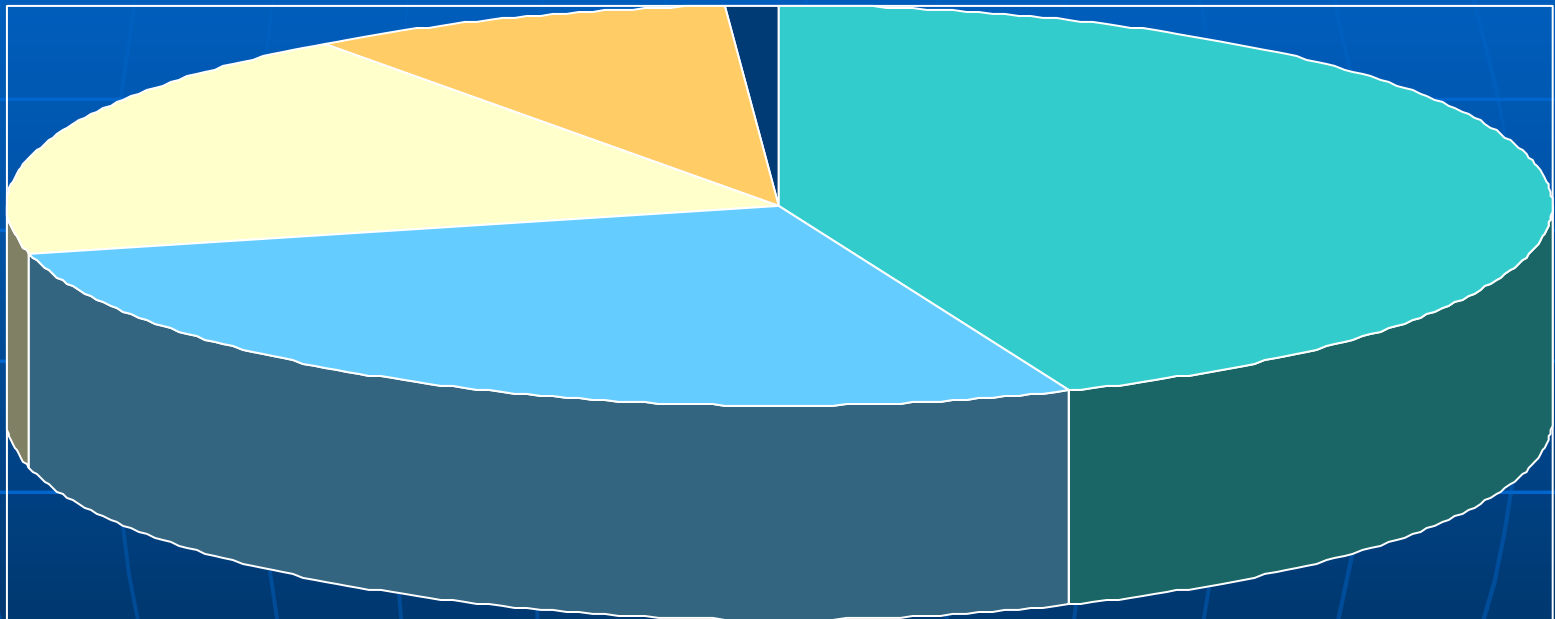
# CSEA Development

- Incoming mission trips
  - SE Asian countries
  - Western Europe
  - Bob Colton, OAF

# CSEA Development

- Successful in portraying a 'team' approach to our customers – the team very much included our producers
- Important to have a stable producer base

# Canadian Soybean Exports



■ Asia ■ Europe ■ USA ■ West Europe □ Other

# I.P. Production

- 2001 - CSEA I.P. national soybean standard – first in the world

# IP Standard Details

## ■ Producer Level

- Seed Standards
- Planting
- Field Season
- Harvest
- On Farm Storage
- Transportation

## ■ Processor Level

- Elevator Receiving
- Elevator Storage
- Processing
- Loading
- Auditing

# I.P. Production

- 2001 - CSEA I.P. national soybean standard
- 2004 - CIPRS national soybean standard, developed and audited by Canadian Grain Commission - traceability

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- Demand for food safety – HACCP, ISO – both for industry and producer

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- Demand for traceability - CIPRS
- Demand for food safety – HACCP, ISO
- **Pharmaceutical and industrial requirements**

# Demands of IP Soybean Buyers

## ■ Assurance of Quality

- Protein profile, large seed size, non-GMO, sugar profile, clean, bright colour
- What you say you are going to sell is in fact what you are selling

# Demands of IP Soybean Buyers

- Assurance of Traceability
  - Adequate IP standard to work from and adhering to standards (audit)

# Demands of IP Soybean Buyers

- Assurance of Food Safety
  - Becoming one of the most important factors in many areas of the world
  - Pesticide residue testing – Japan, Taiwan, China

# Demands of IP Soybean Buyers

- Assurance of Supply
  - Consistency
  - Quality
  - Service

# Demands of IP Soybean Buyers

- Commitment to Research & Development
  - New and improved soybean varieties
    - Sizing (bigger is better)
    - Profiles (protein and sugar)
    - Resistance (disease, drought)
    - Health (Omega, fatty acids, isoflavones)

# Problems Over the Years

- Competition
- Stable producer base
- Non-tariff barriers
- Consistent quality soybeans
- GMO growth
- Return to farmer for growing IP soybeans is not keeping up with risks and demands

# GMO Issue

- Soybeans are seen as a direct food consumption product

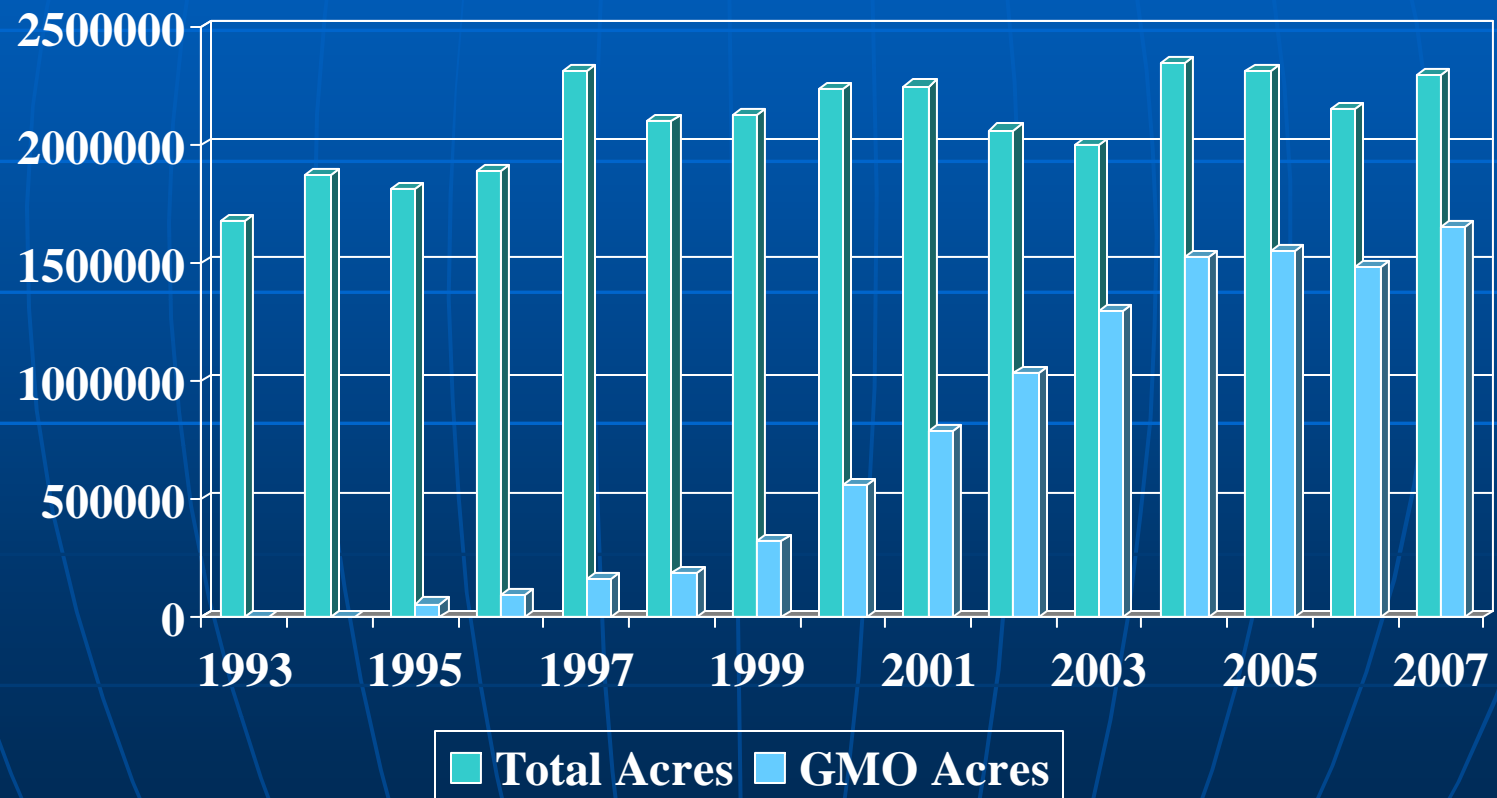
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# GMO Issue

- Soybeans are a direct food consumption product
- General consumer opinion in many Asian countries is that GMO poses a possible long-term risk to health and environment
- Australia must decide to either continue as non-GMO or pressure government to introduce GMO varieties – two sides to this issue

# Ontario GMO Soybean Acres



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- Growing demand for I.P. products, especially food
- Food safety concerns will increase demand for I.P. products
- Industrial, pharmaceutical and health areas have been and will be requiring I.P. products
- GMO varieties will be under I.P. production
- Record keeping will become more vital for producers and processors (HACCP, ISO)

# Personal Thoughts

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- Need for Specialization - products and services
- Customers are looking to find out what sets you apart from others in your industry
- Alignments and alliances will become more of a reality
- **An aging world demands more safe and healthy foods**

# Personal Thoughts

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- Changes in food production will happen - HACCP & ISO at both the farm and processing level

# Personal Thoughts

- Food safety concerns around the world
- Changes in food production – HACCP & ISO
- **Adaptability and innovation will be key for future growth**

# Canadian Soybeans

*The Trusted Taste  
of Quality*