



CAPI

*The Canadian Agri-Food
Policy Institute*



ICPA

*L'Institut canadien des
politiques agro-alimentaires*

Discussion: Can Science and Innovation be Canada's Core Competency ?

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General Response

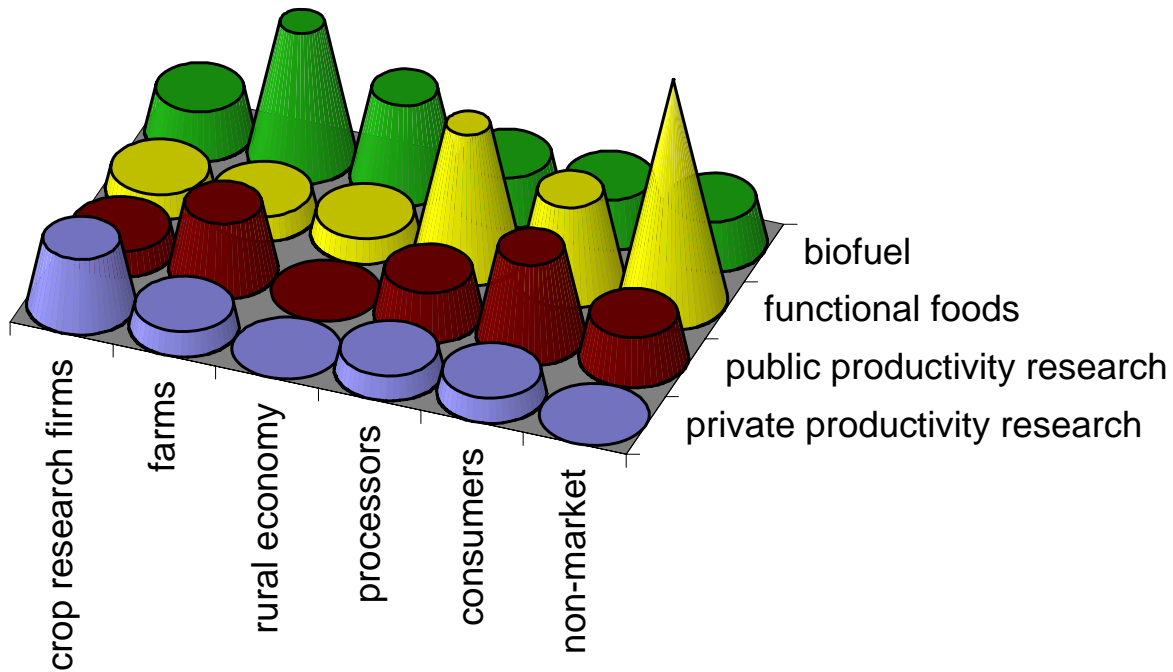
Main argument is sound

- We need a core competency
- Innovation is based on knowledge and time
- Health is economically the most important economic problem facing Canadians
 - Agriculture and food can play a role
 - A real opportunity for value added

Main Challenges for Health Based Ag Strategy

- **Many of the benefits are non-market**
 - Commercial drivers cannot capture the full potential
- **The impact on farm income will be minimal**
 - Cannot use much volume
- **Value added may not occur in rural areas**
 - Economies of scale in processing

Distribution of R&D Benefits



Productivity Based Strategies

- **High rate of rates of return**
- **Ownership of technology matters to distribution**
- **Size of markets matter**
- **We need to stay competitive**

A Grain Energy Based Strategy

- Wheat is 15 to 25% the cost of natural gas per BTU of heat
- the price of natural gas higher than oil so why look at just liquid fuels
- Grain does not require processing or elaborate storage/handling
- Eliminates the holdup problem with specialized fuels
- We do need better grain burning technology
 - Furnaces, Commercial boilers, Co-generation



Which core competencies do we pursue???