

SASKATCHEWAN WHEAT POOL

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Thank you for the invitation to participate in this conference. It has been very informative; the papers very well done; the discussion interesting and the people wonderful. Saskatchewan Wheat Pool (SWP) is very pleased to be a sponsor of the conference—we care deeply about the health of the agricultural sector. It is my understanding that as a wrap up panelist, my job is to synthesize the papers and highlight crosscurrents about competitiveness. I am going to approach my task slightly differently and suggest a different framework to view competitiveness. Innovation can be risky, so please bear with me.

While I listened to the papers, it was clear that competitiveness is complex and multi-dimensional. To capture competitiveness, perhaps we should use a balanced scorecard approach: consumer orientation, financial viability, business process and intangible assets. I believe that all of these components are necessary for longer-term supply chain competitiveness.

I agree with Barb Isman that the customer drives the business. This quadrant measures the success of meeting the customer's need. Does the sector produce what the customer is willing to pay for? Are you retaining customers that are profitable?

The second quadrant is the financial viability of the chain. I was very pleased to see the break-even analysis in the U.S. livestock presentation. Volume and market share are not necessarily related to profit. For financial success, the supply chain has to produce cash flow for all of its participants.

The third quadrant is business process. Here, I would place such things as food safety, quality, logistical and information process. The world is now very process orientated and this will continue in the future.

The fourth quadrant contains intangible assets such as intellectual property rights, research and development, environment and people. This quadrant also reflects our responsibilities and commitments to society. In order to be competitive, there has to be learning and growth in the supply chain.

In the brave new world, risk management, as mentioned many times, will be a fundamental core competency. This approach also reflects the importance of people, and in the final analysis, it is people that actually change the functionality of supply chains. As an example of this paradigm, I would like to give you an example of

starting to build a competitive supply chain utilizing a balanced scorecard involving what Barb Isman would consider the “have nots.” These are producers of organic grain and oilseeds.

There are several hundred Saskatchewan producers with organic production and many more producers with semi-organic production. They have small farms and very low gross farm incomes. Prior to SWP directly entering the supply chain, there were problems with producers not getting paid for products and having to wait a long time for payment. The supply chain was very fragmented and dysfunctional.

The consumer demand for organic production is strong and growing. Saskatchewan Wheat Pool has worked on the four quadrants. The first is consumer demand. We make sure producers know what end users want. The second is process. In this quadrant, we have identity preservation, the certification process, standardizing, organic regulations and Canadian Wheat Board “buy-backs”. The third quadrant is people. We have meetings to help producers become certified. We also educate them on environmental concerns and social responsibility. The final quadrant is the financial side. Producers are paid and connected to an end user. SWP utilizes redundant assets which can be utilized for identity preservation. We can also link the producers and end users with production contracting.

Thank you for the opportunity to participate in the conference. It has been a valuable experience.