

ACCESS WEST

WESTERN ECONOMIC DIVERSIFICATION CANADA

January - March 2004

Agriculture...a Way of Life in the West

Golden fields of wheat, pastures with grazing cattle and orchards heavy with fruit are all part of Western Canada's spectacular panorama. Despite changing trends, agriculture continues to be a vital component of life in the West.

In May 2003, the Canada West Foundation (CWF) released the *State of the West 2003: Western Canadian Demographic and Economic Trends*. The report is part of the CWF's Building the New West Project, a multi-year research and public consultation initiative funded by Western Economic Diversification Canada (WD) and the Kahanoff Foundation.

Not surprisingly, the report indicates that 85.2 per cent of Canada's farmland is located in the West, with Saskatchewan and Alberta accounting for 70 per cent. The industry is dominated by cattle and grain farms, and to a lesser degree by fruit trees and nuts, vegetables, berries or grapes. And, while the number of farms and farmers drops, the average farm size has increased.

But fluctuating low profit margins and issues like drought and the mad cow crisis have hit the sector hard in recent years — a reminder that the West needs to diversify its traditional resources. Or, find new ways to improve the industry.

If you're outstanding in your field, Western Economic Diversification Canada and its partners have programs and services to help you establish a business or make it grow. You can access programs that help evaluate the potential of new inventions or hire a recent post-secondary graduate for science, technology or export-related projects. And, there are services to support business planning or to access capital.

For information about WD's programs and services, visit www.wd.gc.ca. For a copy of Canada West Foundation's various reports, visit their website at: www.cwf.ca 🍁



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Building Partnerships to Meet the Needs of Urban Aboriginals

As the Aboriginal population in Canadian cities grows, so do the challenges they face. In a number of cities, poverty is disproportionately concentrated among Aboriginal people. New partnerships will better address the needs of urban Aboriginal people and enable this growing group to play a stronger role in making our cities – and their own lives — more vibrant and prosperous.

On November 25th, the Government of Canada launched its Urban Aboriginal Strategy (UAS) by kickstarting a \$25 million, three-year **UAS Pilot Projects Initiative**. Working in partnership with provincial and municipal governments, Aboriginal and non-government organizations, and the private sector, the initiative will use pilot projects focused on local priorities in eight Canadian cities, including Vancouver, Calgary, Edmonton, Saskatoon, Regina and Winnipeg.

This approach recognizes that local communities are best placed to develop solutions that meet their opportunities and challenges. It also recognizes that all governments, and the communities they serve, need to work together to respond to pressing urban Aboriginal issues.

The pilot projects are designed to:

- respond effectively to the needs identified by communities;
- align federal programs with those of provincial and municipal governments and other efforts to respond to local priorities;
- test innovative policy and programming ideas; and
- improve the socio-economic conditions of urban Aboriginal people.

Government of Canada departments and agencies involved in this initiative include: the Privy Council Office, Human Resources Development Canada, Canadian Heritage, Health Canada, Indian and Northern Affairs Canada, Justice Canada, the National Secretariat on Homelessness, and in the West, Western Economic Diversification Canada.

For more information about the strategy, visit www.pco-bcp.gc.ca/interloc or www.wd.gc.ca. ♣

Federal-Provincial Investment a Boost to Western Canada

by Anna Classen

Senior Policy Analyst, WD Edmonton

Economic development is a shared responsibility and a goal of both federal and provincial governments. Western Economic Diversification Canada (WD) and the four western provincial governments take this responsibility seriously and are joining forces to boost economic growth and the quality of life in communities across Western Canada.

In September 2003, WD Secretary of State Stephen Owen announced a multi-year funding commitment with each of the four western provinces. Cost-shared equally between the federal and provincial governments, these new **Western Economic Partnership Agreements (WEPAs)** will see a total of \$200 million invested in the western Canadian economy over the next four years.

Under each provincial agreement, \$50 million will be allocated to targeted federal and provincial priorities, including innovation, entrepreneurship and sustainable communities.

“These agreements are built on collaboration and innovative ideas that are the key to unlocking opportunities for western Canadians,” said Secretary of State Owen. “Working together, we can create economic opportunity and a more sustainable prosperity for all.”

This investment builds on previous agreements with the western provinces that were very successful. WEPAs have:

- leveraged an additional \$458 million from the private sector and contributions from other government resources;
- helped create approximately 120 new businesses, a number that is expected to grow to over 575 over the next five years;
- invested nearly \$500 million in buildings, equipment and projects;
- helped create over 1,300 full-time jobs; and
- strengthened federal-provincial partnerships and joint efforts that diversify the western Canadian economy.

Each of the four agreements is consistent with national economic priorities, while addressing the unique needs and opportunities of each province. Through joint federal-provincial planning and decision-making, and by supporting strategic initiatives, the agreements ensure that overlap and duplication are minimized, and federal-provincial relationships are strengthened.

Western Canada must continue to diversify its economy and develop more value-added goods and services to remain competitive nationally and internationally. Diversification and innovation is key to higher productivity, incomes and standard of living.

Together, we are building a stronger West, and a stronger Canada.

For more information, visit WD's Web site at: www.wd.gc.ca. 🍁



BRITISH COLUMBIA



ALBERTA



SASKATCHEWAN



MANITOBA

Cities – Today's Realities and Challenges

by Lisa Legault

Senior Business Officer, WD Edmonton

With 80 per cent of Canada's population living in cities, it is important to face reality. This increasingly diverse group is looking for a quality of life that is becoming more challenging for cities in terms of growth and pressures on the environment and infrastructure, and the demand for economic development and high-valued jobs.

Over 400 government and business leaders, academics, researchers and community leaders gathered at the Shaw Conference Centre in Edmonton, September 9-10th, to take part in the **Strategies for Urban Sustainability Conference**. The national conference provided a forum to raise awareness of

the challenges faced by Canada's large urban centres, explore a coordinated approach to urban sustainability, and examine innovative tools that can be used to improve the sustainability of urban centres.

The conference featured speakers from all three levels of government, prominent researchers and the private sector. Together they sent a clear message — Canada's cities are in trouble, and are no longer regarded internationally as examples of what to do right. Aging infrastructure, deteriorating streets and highways, booming suburban fringes and growing inner-city social problems are all putting increased pressure on already cash-strapped cities.



A panel of distinguished Canadians, each with their own passions and perspectives on cities, discussed the need for a national urban strategy.

Sir Peter Hall, one of the world's most renowned urban planners, warned that building strong cities is a fundamental ingredient in Canada's ability to remain competitive on the international stage and maintain its high standard of living. He added that fixing cities requires close cooperation between the three levels of government.

This conference was a prime example of that cooperation. The event was sponsored by the cities of Edmonton and Calgary, Alberta Municipal Affairs, and Western Economic Diversification Canada (WD).

and Planning for Tomorrow

In her remarks, WD Deputy Minister Oryssia Lennie said, “Western Economic Diversification Canada is proud to sponsor and co-host this conference because it is a positive and necessary step toward generating a better understanding of the factors that will sustain vibrant Canadian cities and healthy communities in the future.”

As reported by the Prime Minister’s Caucus Task Force on Urban Issues, many urban problems are inextricably linked with federal and provincial policies on key issues such as immigration, housing, healthcare and education. Ontario MP Judy Sgro, chair of the Task Force, noted in an interview with the *Edmonton Journal* that, “The most recent federal budget was a shift in the right direction.” The February 2003 budget dedicated \$3 billion over the next decade to help Canada’s cities repair aging roads, leaky pipes, crumbling bridges and other infrastructure, and earmarked millions more for housing.

Municipalities called on provincial and federal leaders to consider a “new deal” — one that gives them the power to tap into new revenue sources, rather than just collecting property taxes and user fees. Some of the solutions presented and discussed included an increased portion of the federal gasoline tax, implementation of a sales tax benefiting municipalities, and municipal gambling and liquor taxes.



WD Deputy Minister Oryssia Lennie moderated a panel discussion of Government of Canada officials whose departments are responsible for an important piece of the federal government’s urban agenda.

As Edmonton Mayor Bill Smith said in his closing remarks, “It is not just up to the federal and provincial orders of governments only to solve the problems of cities. Municipalities must work even harder to find sustainable solutions on their own.”

For more information about the Prime Minister’s Caucus Task Force on Urban Issues, visit: www.liberal.parl.gc.ca/urb/home_e.htm. ♦

Indigenous Entrepreneurs Share Prosperity Worldwide



In August 2003, indigenous entrepreneurs from around the world met in Toronto to discuss how they could embrace world trade as a new mechanism for shared prosperity.

The **1st World Summit of Indigenous Entrepreneurs** was organized by the World Trade University Global Secretariat, in partnership with BMO Bank of Montreal, Indian and Northern Affairs Canada, Industry Canada and the Canadian International Development Agency. It provided a global forum for entrepreneurs from a variety of industries, as well as those wishing to do business with them.

Participants were diverse – a broad mix of representatives from indigenous tribes and groups, countries and regions of the world. They represented commercial interests in food and agriculture, information and communication technology, textiles and fabrics, arts and crafts, energy, e-commerce, manufacturing, tourism and natural resources management, to name just a few.

The summit looked to: define, shape and influence the things that matter most to indigenous entrepreneurs globally; provide a forum for international joint ventures, networking and partnership opportunities; and to facilitate dialogue and understanding between entrepreneurs, governments, multilateral agencies and private-sector organizations.

By engaging entrepreneurs from around the world, the Summit was a significant step towards developing the global trade initiative that is necessary for doing effective business today, and expanding the focus of indigenous entrepreneurs globally.

For more information about the Summit and its outcomes, visit: <http://wsie.wtuglobal.org/intro.php> ♦

The growing Aboriginal population represents an opportunity to increase Aboriginal participation in business opportunities. It is estimated that over 200,000 jobs will be needed across Western Canada within the next 15 years to meet workforce demands. This is an unprecedented opportunity to improve opportunities for Aboriginal peoples, and to increase economic productivity across the region.

The Government of Canada and Western Economic Diversification Canada are committed to, and involved in, working with our indigenous peoples to develop strong Aboriginal economies, not only within Canada, but throughout the world.

Maintaining Prosperity in Western Canada

by Jason Brisbois

Chief Economist, Headquarters, WD Edmonton

Western Economic Diversification Canada (WD) and the **Conference Board of Canada** released *Insights on Western Canada: A Socio-economic Report*.

The report compares Western Canada's performance in various categories with other selected jurisdictions that reflect comparable economic structures, including: the rest of Canada, eight states in the northwestern U.S., Australia and Finland. By comparing the region's performance in innovation, the environment, education and skills, health and society, the study provides an assessment of the overall quality of life enjoyed by western Canadians.

According to the report, the western Canadian economy has been operating close to its potential for the past 20 years, meaning that the economy has utilized the capital and labour available in the region to almost the maximum possible extent. But, if the economy is to maintain this level of performance in the future, certain issues must be addressed. The region's track record in innovation, involvement of Aboriginal people in the economy and urban migration must be improved in order to maintain and build upon our high quality of life.

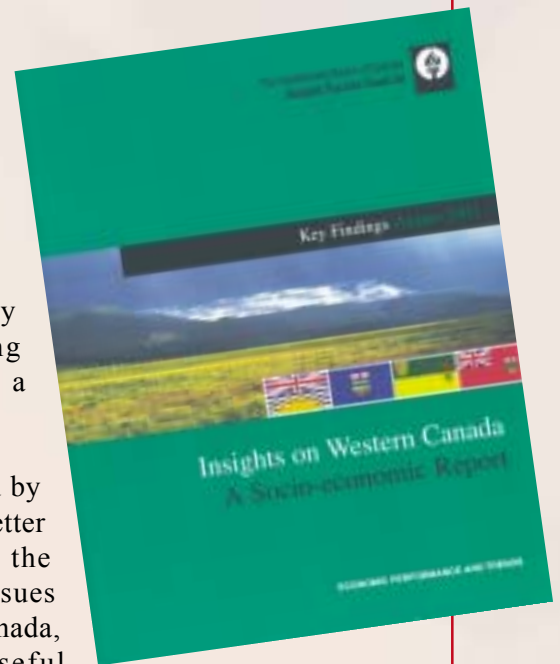
The comparison showed, for example, that the West is a top performer in health, an average performer in economy, education and skills, and society, but a poor performer in both innovation and the environment. Because of the degree of prosperity enjoyed by the region over the past 20 years, it is difficult to create a

sense of urgency about addressing challenges to a prosperous future.

The report, funded by WD, provides a better understanding of the challenges and issues facing Western Canada, and provides useful analysis to support the development of policies and the design of new programs that address western economic development needs and opportunities.

"This report confirms that Western Economic Diversification Canada's core program areas of innovation, entrepreneurship and sustainable communities are on target for improving the quality of life for western Canadians," said WD Secretary of State Stephen Owen at the release of the study in August 2003.

For a copy of the report and its key findings, visit the Conference Board's website at: www.conferenceboard.ca. ♦



BSE Surveillance is Priority One in Alberta



In 2002, there were 5.310 million head of cattle, 187,000 head of sheep (Statistics Canada) and 60,970 head of domesticated deer and elk (AAFRD) in Alberta.

Whether we call it *Bovine Spongiform Encephalopathy* (BSE) or “mad cow disease,” we all know how a single case reported in May 2003 crippled Canada’s beef industry. The effect was immediate and widespread. The beef industry lost up to \$11 million a day and is still struggling to recover.

Imagine the effects if Alberta didn’t have a top surveillance program in place. The **Food Safety Division** of Alberta Agriculture Food and Rural Development (AAFRD) has a world-class facility that performs scientifically-valid, internationally-credible animal health and food safety surveillance in support of market access for Alberta’s agri-food industry.

BSE is a form of a progressive, degenerative, fatal disease of the brain known as a transmissible spongiform encephalopathy (TSE). Alberta’s surveillance program not only looks for BSE, but also *Chronic Wasting Disease* (CWD) in deer and elk, and *Scrapie* in sheep. It is believed that these diseases are caused by abnormal prion protein.

The Agri-Food Safety Branch (AFSB) of the Food Safety Division has had a BSE/CWD monitoring program in place since 1996, and conducted a Scrapie surveillance project in 2001-2002. They are continually enhancing surveillance for TSEs in Alberta livestock and wildlife, in collaboration with Sustainable Resource Development of Alberta and the Canadian Food Inspection Agency, based on advances in science and technology.

In March 2001, the **Canada/Alberta Western Economic Partnership Agreement** provided funding assistance to continue and enhance Alberta TSEs surveillance. Western Economic Diversification Canada and AAFRD each provided \$195,000.

“The AFSB’s ability to detect the single case of BSE is proof that Alberta’s programs really work,” commented Dr. Gerald Ollis, Alberta’s chief provincial veterinarian. “The Edmonton laboratory is the only lab in the world that has correctly detected and confirmed field cases of BSE, CWD and Scrapie. The ability of the surveillance system to detect TSEs, despite their low prevalence, is reassuring for consumers.”

This was evidenced by the tremendous support for the industry across the country. Consumers weren’t afraid to fire up the barbeque to grill steaks and burgers, despite the response from other countries.

The Alberta government recently committed \$15 million toward increased operating costs and upgrading the lab facilities to allow, among other benefits, for testing of up to 25 times more cattle for BSE using rapid testing methods.

For more information about Alberta’s surveillance programs, visit: www.agric.gov.ab.ca/surveillance. ♣

The Most Important Harvesting Advance Since the Combine

by Lee Gregg

We've come a long way since the 1830s when combines were pulled by horses. Today's machines come equipped with air conditioning, stereo systems and comfortable seating, although the actual process of combining has remained virtually the same – until now.

Bob McLeod, president of **McLeod Harvest Inc.**, has devised an alternative technology to the combine that will revolutionize the grain harvesting system by increasing agricultural productivity and environmental sustainability.

Conventional combines reap, thresh and clean only the kernels. The McLeod Harvest System takes the chaff, screenings and weed seeds and turns them into a valuable second crop called millings – nutritious animal feed for livestock. For every 10 acres of grain harvested, there are enough millings to keep one cow fed over winter, at no extra cost.

Since 2001, 14 prototypes have been built and sold to prairie farmers. Company engineers work in the field with the farmers testing the equipment and designing improvements for the most optimal performance.

With funding assistance through Western Economic Diversification Canada's **First Jobs in Science and Technology Program**, McLeod hired engineering graduate Jean-Louis Gratton to coordinate research into the agronomic benefits of its system and aid in the development of components and processes for the equipment. With a Master of Science degree in biosystems engineering and a background in developing prototype agricultural equipment, Gratton was a natural fit.

"This is a very ambitious project. Our engineering personnel have to be at least as clever as the competition,"

said McLeod. "The First Jobs program helped us hire someone as well-skilled and educated as Jean-Louis, and train him to meet McLeod standards."

"It's worked out well for both of us in terms of objectives," added Gratton. "I've received a lot of training and it's exciting to be part of a project that will help farmers to be more productive."

McLeod's goal is to manufacture the world's premium harvesting equipment. With a system that harvests two crops instead of one, reduces herbicides and bailing costs, recovers and produces a cleaner crop, and is environmentally friendly – he's achieved just that.

For more information, contact McLeod Harvest at (204) 772-8650 or visit their website at: www.mcleodharvest.com. 🍁



McLeod Harvest System pull-type harvester.

Photo courtesy of McLeod Harvest Inc.

Forest Floors Provide a Garden of Opportunities

Sheltered beneath the forest canopy lies a garden that one might think is overlooked. In fact, the commercial harvest of non-timber forest products contributes approximately \$280 million in direct sales annually to the British Columbia economy.

“When developing local economies, you first look at your existing assets. The North Island region has an abundance of non-timber forest products,” said Cathy Denham, manager of the **Community Futures Development Corporation (CFDC) of Mount Waddington**. “Our forests have tremendous potential to create a new stream of income for the region that, in turn, will lead to new employment opportunities.”

Non-timber forest products include everything found in a forest, except the actual trees – wild mushrooms and berries, medicinal and pharmaceutical products, cedar oil, and floral greens such as ferns, mosses and cedar boughs.

With this in mind, the CFDC and **Royal Roads University** joined forces on a project with the potential to foster the development of new products and markets for the forestry-dependent economy of northern Vancouver Island. Together, they are preparing a business plan for a **North Island Non-Timber Forest Products Innovation Centre**, in consultation with First Nations and many others. The



Chanterell mushrooms, a fall variety, are currently selling for \$14.99 a pound at specialty food stores.

centre would help accelerate the economic development of the region by utilizing a portion of the forest resources currently unused.

While people may see picking mushrooms as a seasonal job at best, there are many opportunities for year-round employment for those who take the time and effort to build a business that

handles several products.

When the forest operations in Port McNeill closed down, everything shut down according to Graham MacDonald. After attending meetings about non-timber forest products, he began harvesting Salal, an evergreen plant with edible purple berries, off the logging roads in the area. Today, MacDonald also harvests Bracken Fern, Chanterelle mushrooms, pussy willows and blue and red huckleberries.

Funding for the Innovation Centre’s business plan was provided by Western Economic Diversification Canada. Funding proposals that would make the Port McNeill centre a reality have been submitted to the Softwood Industry Community Economic Adjustment Initiative and the B.C. Coast Sustainability Trust Fund.

For more information about the Non-Timber Forest Products project, contact the CFDC of Mount Waddington at 1-877-956-2220.✻

We All Need a *Headstart* in Life

by Jean Collins

Dr. Deborah Haines, co-founder of **Saskatoon Colostrum Company (SCC)**, says she didn't set out to make some of the world's highest quality colostrum products — it just happened. Colostrum is the first milk produced by female mammals. It is special because of its high levels of disease-fighting antibodies.

In 1993, Haines and co-founder Brian Chelak were researching existing commercial colostrum products at the Western College of Veterinary Medicine in Saskatoon. They found the products contained inadequate levels of the antibodies necessary to prevent disease in calves. In response to the market demand for a better quality product, they established SCC in November 1994.

Since then, SCC has launched several colostrum products for calves, dogs and cats. "Headstart™ is the top selling colostrum product in Canada and Japan," attests Haines. It accounts for about 70 per cent of the company's domestic and international sales. Sales of its nutritional supplement for pets, PETerna™, are expanding — especially in the United States. They also export to Germany, Japan and Mexico, averaging a 30 per cent sales increase over the last five years.

In 2002, SCC hired University of Saskatchewan Animal Science graduate Pam Kish through Western Economic Diversification Canada's (WD) **International Trade Personnel Program (ITPP)**. Kish conducts animal trials for SCC's product development research. "She was key in doing the animal feeding trials supporting the development of one new product and in expanding the label on another," commented Haines.

Kish prefers the hands-on experience working with the animals, but she acknowledges the research experience she's gained through this opportunity. She has a new appreciation for the years of work necessary to bring a product to market. "It's not stuff they teach you in school," she noted.

While the exact method of processing the colostrum is a trade secret, Haines will admit their process involves milk collected from several dairy farms in Saskatchewan, Alberta and Manitoba. It is spray dried at a private plant in Alberta and packaged in Saskatchewan.

For more information about Saskatoon Colostrum's products, call 1-866-242-3185.

For additional information about the ITPP or other WD programs, call 1-888-338-WEST (9378) or visit our website at: www.wd.gc.ca.



Pam Kish prefers the hands-on experience of working with animals, but is gaining valuable research experience.

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Building a Gateway to Prosperity

...Edmonton begins construction on the Prairie's first World Trade Centre

by Laura McNabb

Long known as the Gateway to the North, Edmonton stepped forward to become a portal for international business growth and development, as well as nation-wide innovation and entrepreneurship.

The historic Canadian Imperial Bank of Commerce (CIBC) building on Jasper Avenue and 101st Street is being renovated to house **World Trade Centre Edmonton**, thanks in large part to funding from Western Economic Diversification Canada (WD) and the Government of Alberta. Each contributed \$3.5 million towards the refurbishment of the Edmonton landmark.

As part of a network of over 300 World Trade Centres operating around the world, Edmonton's facility will act as host to international travelers, offering



Conceptual drawing courtesy of HIP Architects, Edmonton.

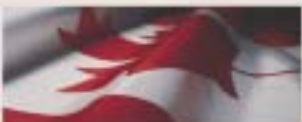


(L to R) Edmonton Chamber President Maureen McCaw joins Minister Anne McLellan and Edmonton-Glenora MLA Drew Hutton to kick off construction on the World Trade Centre in Edmonton.

services and access to some of the region's economic development and tourism agencies. The restored building will also be a key component in Edmonton's downtown revitalization strategy, bringing both businesses and visitors to the core.

"Commerce is an international language," said Health Minister Anne McLellan, on behalf of WD Secretary of State Stephen Owen. "Innovation and opportunity speak to people around the world, and it is essential that Canada's voice be heard. The establishment of a World Trade Centre is a triumph, both for the people of Edmonton and for many across the West."

The facility is slated to open its doors to businesses and international travelers in the spring of 2004.✻



1-888-338-WEST



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