



FERTILIZER CANADA

Strategic Plan 2020 – 2025

Delivering Exceptional Member Value Through 2025

June 2020

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Introduction

This Strategic Plan is the result of meetings of the Board of Directors (November) and the Strategic Planning Steering Committee (January), as well as Issue Committees and staff meetings. It sets a new strategic direction for Fertilizer Canada for the coming five years.

Some elements of this plan provide continuity of direction in order to meet members' needs. There are also new areas of emphasis, which reflect our members' realigned priorities.

Our plan is organized around the presentation of a Strategic Framework, which illustrates our Vision Statement: "We will advance the safe, secure and sustainable production and use of fertilizer, through proactive science-based programs, innovation and advocacy – benefitting Canada and the world.

It also includes:

Pillars of Success – The core focus of our association's future success, which have been reduced from five Pillars to four, with a greater focus on policy and advocacy.

Strategic Intent – Clarifying the meaning of our Pillars of Success

Strategic Objectives – Our association's definition of success – the outcomes we intend to achieve. The plan has many new objectives, which when achieved will move our organization closer to the achievement of the Vision.

Key Initiatives – Identifying the major pieces of work that are required within each Pillar of Success to achieve the Strategic Objectives. This plan describes an ambitious plan of work.

This Strategic Plan will provide the basis for the Board of Directors to provide overall governance. It provides direction to the staff and committees to establish workplans and budgets that are aligned to this plan.

Industry associations help increase public and government confidence in the industries they represent. They can help by influencing public policies. Associations can also deliver programs and services that assist each member's potential, without interfering with the competitive dimensions of the marketplace.

Fertilizer Canada can continue to play an important role in all of these areas. The implementation of this plan will provide considerable value to manufacturers, wholesalers and retail distributors of nitrogen, phosphate, potash and sulphur fertilizers throughout Canada.

This Strategic Plan has identified four major areas of focus, or Pillars of success. It has defined the intended outcomes, or strategic objectives, which are both measurable and time framed. It has also described a host of Key Initiatives that will need to be undertaken to maximize member value.

The 2020-25 Plan builds on the success of the previous five-year plan which provided the framework for strong membership Return on Investment, which resulted in over \$600 million in savings over the past three years, a 50:1 ROI per year. For example, several major accomplishments were achieved in 2019 such as;

- Federal and provincial recognition of fertilizer production as an Emission Intensive Trade Exposed sector under greenhouse gas regulations (\$201 million)
- 4R Nutrient Stewardship (\$56 million)
- Regulatory modernization and reductions (\$35 million)

Upon approval Fertilizer Canada is capable of meeting the challenges it has set for itself. Fertilizer Canada is positioned to support its members through 2025, to: “advance the safe, secure and sustainable production and use of fertilizer, through proactive science-based programs, innovation and advocacy – benefitting Canada and the world”.



VISION 2025

We will advance the safe, secure and sustainable production and use of fertilizer, through proactive science-based programs, innovation and advocacy – benefitting Canada and the world.

PILLARS OF SUCCESS	STEWARDSHIP	POLICY & REGULATORY AFFAIRS	ADVOCACY & COMMUNICATIONS	ORGANIZATIONAL EXCELLENCE
<p>STRATEGIC OBJECTIVES</p>	<p>By 2025, we will: In partnership with members and grower customers, achieve 15 million validated acres under 4R Agronomy programming.</p> <p>Survey and support grower associations and provincial governments in achieving their 4R sustainability targets (30M acres).</p> <p>Achieve and maintain 100% compliance within member companies for the Safety and Security Codes of Practice.</p> <p>Implement a performance management system (2022) for the Safety and Security Codes of Practice.</p>	<p>By 2025, we will: Achieve fair, competitive and science-based policies and regulatory oversight.</p> <p>Achieve recognition of rail, trucking, ports and marine transportation as an essential services.</p> <p>Elevate the fertilizer industry's status as an energy-intensive, trade-exposed (EITE) industry.</p> <p>Be the "recognized organization" for federal and provincial government consultations regarding policies affecting fertilizer.</p>	<p>By 2025, we will: Achieve 3 advocacy wins annually.</p> <p>Achieve federal & value chain recognition for 4R Nutrient Stewardship as the standard for nutrient management.</p> <p>Achieve federal recognition of the Codes of Practice as the standard in product safety.</p> <p>Achieve an 85% favourability rating on a survey of government and industry stakeholders.</p> <p>Achieve 100 per cent engagement with member companies.</p>	<p>By 2025, we will: Have a membership that represents 90 per cent of the tonnage in the Canadian fertilizer market.</p> <p>Achieve 2 new net member/partner gains annually.</p> <p>Achieve an employee engagement rating in the 90th percentile, compared to similar organizations.</p> <p>Achieve succession and diversity targets of 20% within the Board.</p> <p>Achieve continued financial and organizational sustainability.</p>
<p>KEY INITIATIVES</p>	<p>Nutrient Stewardship</p> <ul style="list-style-type: none"> - Establish formal corporate (member) commitments to deliver the 4R program - Identify and address barriers to adoption and educate farmers on specific 4R practices and benefits - Expand the 4R designation program - Generate additional MOU's - Survey and advise grower groups to ensure targets are realized - Implement an industry sustainable best practices benchmarking. - Continue to support strategic 4R BMP research to fill gaps and expand guidance tables <p>Safety and Security Codes of Practice:</p> <ul style="list-style-type: none"> - Implement a performance management system for the Codes - Develop and implement an industry-led ammonia tank database 	<p>Undertake a policy development process, including economic and industry analyses, and member engagement, to develop Fertilizer Canada positions on issues related to competitiveness, regulatory burden and vital infrastructure for exporting, importing and domestic activities.</p> <p>Provide policy support for lobbying on issues related to competitiveness, regulatory burden and vital infrastructure, including rail as an essential service and fertilizer as an EITE industry.</p> <p>Develop a strategy to support specialty products including biostimulants and biologicals.</p> <p>Build a network of advocates with common policy interests, to champion Fertilizer Canada's positions.</p>	<p>Develop and implement a strategy designed to achieve federal & value chain recognition for 4R Nutrient Stewardship.</p> <p>Develop and implement a strategy designed to achieve federal recognition of the Codes of Practice.</p> <p>Establish the top 3 wins required and implement campaigns to succeed.</p> <p>Develop communications materials and work with teaching institutions that tell Fertilizer Canada's story and the needs of the industry.</p> <p>Implement improvement plans from a survey of government and industry stakeholders about the favourability of Fertilizer Canada's representations.</p> <p>Establish a matrix of member engagement touch points, implement a strategy and track progress.</p>	<p>Develop and implement a new member growth strategy.</p> <p>Implement professional development plans for all employees.</p> <p>Implement succession planning for the Board and staff.</p> <p>Implement a diversity strategy for the Board.</p> <p>Implement a financial plan that results in a positive cash flow through 2025.</p> <p>Implement a cost recovery/revenue strategy.</p>

Fertilizer Canada's Four Pillars of Success

To articulate the definition of a strategy, Fertilizer Canada has identified four core areas of focus, or Pillars of Success, for the next four years. Each of these Pillars of Success are member centred. They include:

- Stewardship
- Policy and Regulatory Affairs
- Advocacy and Communications
- Organizational Excellence



In the following sections of the document, each Pillar of Success is addressed

in terms of:

- The Strategic Intent, clarifying the meaning of the Pillar;
- The Strategic Objectives, or outcomes that need to be achieved; and
- The Key Initiatives that will be undertaken to achieve the desired member value.

Pillar of Success – Stewardship

The strategic intent of this Pillar is to demonstrate the industry's social commitment, by delivering current and future programs that ensure the safe, environmentally responsible and sustainable manufacturing, handling and use of fertilizer products.

Anticipated Outcomes – Strategic Objectives

By 2025, we will:

In partnership with members and grower customers, achieve 15 million validated acres under 4R Agronomy programming

Survey and support grower associations and provincial governments in achieving their 4R sustainability targets (30 million acres)

Achieve and maintain 100% compliance within member companies for the Safety and Security Codes of Practice

Implement a performance management system (2022) for the Safety and Security Codes of Practice

Key Initiatives

Nutrient Stewardship

We will establish a formal corporate (member) commitment process to deliver the 4R program. This is expected to enhance the achievement of 4R goals and respond specifically to our members' needs. The formal commitment by the Board of Directors will state that each company hold 4R Nutrient Stewardship as an important industry and company priority, committing to supporting and encouraging efforts that will ensure we successfully meet our 2025 validated 4R acre goal. Following this commitment, Fertilizer Canada will provide all retail members with a secondary commitment that details what is required of a 4R program at their company and allows them to set their own company-specific 4R acre target.

To support grower associations and provinces, we will develop a system to provide resources to agri-retailers and grower groups in Canada, to ensure they have access to all the benefits of the 4R program and thereby achieve their targets for 4R sustainability. Implementation of 4R is a partnership that must include the farm level. Educating growers on the benefits of 4R is fundamental when discussing adoption of 4R practices on the farm. Our Fertilizer Use Survey will identify barriers to adoption and inform our efforts and 4R Communications to members and grower organizations. Fertilizer Canada will survey growers on an annual basis to assess knowledge and implementation of 4R best management practices (BMPs).

Stewardship as an important priority

Expanding the 4R Designation program is a priority. Currently, the 4R Designation Program is implemented in western Canada by a few specific companies. We will take measures to expand to other provinces and with other member or non-member companies, to increase participation and validated 4R acre submissions.

One method of growing 4R adoption are Memorandums of Agreements. Fertilizer Canada will aggressively work to conclude agreements with Alberta, Nova Scotia and New Brunswick and their respective farm organizations and environmental groups.

We will implement an industry sustainable best practices benchmarking initiative. An expert panel will be assembled to define the tracking criteria and the methods of gathering data. The panel will also develop a program of communicating the results of the best practices benchmarking to Fertilizer Canada members, governments, grower groups and other stakeholders.

We will continue to support strategic 4R BMP research to fill gaps and expand guidance tables. This will include continued support for fundamental and field-scale research that identifies crop and climate specific 4R BMPs for Canadian growers. We will ensure that researchers are identifying the economic and environmental benefits of implementing these practices, which will provide retailers with science-based knowledge and growers with practices that help increase yields and reduce nutrient losses.



Sustainable best practices

Fertilizer Canada will leverage the resources of International Plant Nutrition Institute (Canada), which is being re-branded as Plant Nutrition Canada, to support 4R adoption in Canada, the United States and the world. Fertilizer Canada was entrusted with financial resources and intellectual property to sustain Plant Nutrition Canada for the next five years after the dissolution of IPNI's global operations. Fertilizer Canada will successfully execute and complete the \$17-million 4R Solution Project in Africa, which received \$15 million in federal funding in April 2019.

Implementation of a performance management system for the Safety and Security Codes of Practice will be undertaken. This will include an identification of the measures that need to be tracked and creating a system of national collection. Very importantly, a dashboard will provide real-time reporting of results and an annual report will be provided which will help members, governments and other stakeholders understand the role the industry plays in safety and security.



Codes of Practice performance management system

We will develop and implement an industry-led ammonia nurse tank database. This will provide reliable and accurate information on the quality and safety of the ammonia nurse tank fleet in Canada. It will enable the fertilizer industry to better manage safety and compliance practices, while fostering continued public and regulator confidence in the Canadian anhydrous ammonia agri-retail sector. Database reporting provisions will come into force in 2022.

Pillar of Success – Policy and Regulatory Affairs

The strategic intent is to build member consensus on regulatory and policy issues, and proactively create the case for changes that will improve competitiveness.

Anticipated Outcomes – Strategic Objectives

By 2025, we will:

- Achieve fair, competitive and science-based policies and regulatory oversight
- Achieve recognition of rail, trucking, ports and marine transportation as essential services
- Elevate the fertilizer industry’s status as an energy-intensive, trade exposed (EITE) industry
- Be the “recognized organization” for federal and provincial government consultations regarding policies affecting fertilizer, including the proposed Clean Fuel Standard

Key Initiatives

As part of achieving fair, competitive and science-based policies we will undertake a policy development process, including economic and industry analysis, and member engagement, to develop Fertilizer Canada positions on issues related to competitiveness (e.g.: clean fuel standards), regulatory burden and vital infrastructure for exporting, importing and domestic activities. The initiative will provide the industry the tools, information and processes to find common ground and build a foundation for positive policy outcomes.

Fertilizer Canada will implement a strategy for the effective development of industry positions through its Issue Committees and Working Groups for coordinated and timely responses to government policy initiatives.

We will develop new ways to tell the industry’s story. Through to 2025, Fertilizer Canada will work with its Issue Committees to develop strong information and data tools to demonstrate the important role that the fertilizer industry plays in Canada and globally, and the need for its continued competitiveness. Existing economic and performance benchmarks will be updated, and new analyses will be proactively developed, focusing on the industry’s state of technology and social impacts.

Fertilizer Canada will enhance capacity to provide strong policy support for lobbying on issues related to competitiveness, regulatory burden and vital infrastructure, including rail as an essential service and fertilizer as an EITE industry.

Strong policy support

We will continue to engage federal and provincial governments on policies which threaten the industry’s competitiveness and ability to transport fertilizer products safely, efficiently and economically.

The association will promote the sector’s greenhouse gas reduction potential through science-based information and programs to offset these emissions downstream on Canadian farms.

Fertilizer Canada will broaden the scope of the Products Committee to address regulatory issues pertaining to definition and compliance authority of certain specialty products, for example, supplements or dual-use products. As part of this initiative, we will develop a strategy to support specialty products including biostimulants and biologicals.

We will continue to build a network of advocates with common policy interests to champion Fertilizer Canada's positions. This will involve finding common ground with others who can assist in elevating interests and issues during policy development, by creating a louder voice and demonstrating a wider impact.



*Champion Fertilizer
Canada's positions*

Fertilizer Canada will continue to maintain our working partnerships and look to grow our network where positive policy outcomes are needed for the benefit of the fertilizer industry and society.

Pillar of Success – Advocacy and Communications

The strategic intent is to influence stakeholders and decision makers and achieve wins for our industry.

Anticipated Outcomes – Strategic Objectives

By 2025 we will:

Achieve 3 advocacy wins annually

Achieve federal and value chain recognition for 4R Nutrient Stewardship as the standard for nutrient management

Achieve federal recognition of the Codes of Practice as the standard in product safety

Achieve an 85% favourability rating on a survey of government and industry stakeholders

Achieve 100% engagement with member companies

Key Initiatives

Fertilizer Canada will annually establish the top three wins required annually and implement campaigns to succeed. As part of this initiative, Fertilizer Canada will develop a comprehensive advocacy plan to have Federal and Provincial recognition of the fertilizer industry as an essential service and the 'go to organization' for policy consultations affecting the industry.

Fertilizer Canada will develop and implement a strategy designed to achieve federal, provincial & value chain recognition for 4R Nutrient Stewardship. This will involve our engagement with technical and policy officials within Agriculture and Agri-Foods Canada so they can validate both the processes and the benefits of the 4R program. A similar level of engagement will be required with the significant levels of the agriculture value chain, particularly the food manufacturers, food service and food retailers, with a view to gaining their understanding and explicit support for the practices of 4R.

*Recognition for 4R
Nutrient Stewardship*

We will develop and implement a strategy designed to achieve federal recognition of the safety and security Codes of Practice. We will engage with technical and policy officials within the federal government to validate both the processes and the benefits of the Codes of Practice. As part of this initiative Fertilizer Canada will rebrand the Codes of Practice into a recognizable program, (such as responsible care). The result of this initiative should enable companies to have continued license to operate and farmers to have access to critical fertilizer products.

We will develop communications materials and work with teaching institutions and organizations such as Nutrients for Life that tell Fertilizer Canada's stories and the needs of the industry.

*Recognition for
Codes of Practice*

Building upon the advocacy plan, Fertilizer Canada will develop a communications plan that will highlight the leadership role the Canadian industry is showing with environmental and product stewardship, the economic contribution to Canada's GDP, and to ensure proper recognition of the globally competitive nature of the industry. The plan will target members, governments, media, stakeholders and other key public influencers through traditional communications as well as social media.

Fertilizer Canada will implement improvement plans from a survey of government and industry stakeholders, about the favorability of Fertilizer Canada's representations. Stakeholder and government official engagement in the association is key to continued policy success. Validation of Fertilizer Canada's activities through respected third parties increases knowledge of the industry's issues and builds the credibility of the association as a trusted policy source. Fertilizer Canada will build upon the 2018 Perception Audit reaching out to both traditional and non-traditional stakeholders in the agricultural, environmental and stewardship spaces.

We will establish a matrix of member engagement touch points, implement a strategy and track progress. Members are the backbone of Fertilizer Canada. The association has invested significant resources in Board governance, committee policies, communications materials and advocacy efforts, all to ensure the Canadian fertilizer industry's social license to operate. An annual engagement strategy will be developed to ensure each company's needs are addressed and understands the services the association provided to them.



*Ensure each company's
needs are met*

Pillar of Success – Organizational Excellence

The strategic intent is to foster a dynamic workplace that produces high member value and employee satisfaction, through efficient and effective operations

Anticipated Outcomes – Strategic Objectives

By 2025, we will:

Build a membership that represents 90% of the tonnage in the Canadian fertilizer market

Achieve two new net member/partner gains annually

Achieve an employee engagement rating in the 90th percentile, compared to similar organizations

Achieve succession and diversity targets of 20% within the board

Achieve continued financial and organizational sustainability

Key Initiatives

Our new member growth strategy will include increased consistency in our member and partner services programs and greater engagement with existing members in the identification of potential new members and partners. We will revise our partnership offerings to appeal to a broader range of industry-related companies and create attractive sponsorship opportunities for all events.

A strategic skills initiative for all staff will be implemented to facilitate organizational development and succession planning. All employees will have a development plan in place that enables skill acquisition and builds experience.

*Organizational development
and succession planning*

A skills training platform will be established to ensure core skills training is available and easily accessed by all employees. Greater depth in the organization will be achieved through the creation of formal cover-off assignments.

A diversity strategy and succession plan for the Board of Directors will include a Board formation model that considers representation based on gender, geography, industry sector, tenure on the Board and experience on committees. Selections for positions of leadership on the Board and Committees will use the model-based criteria.

We will design and implement a financial management plan that protects the reserve and ensures positive cash flow through 2025. Our financial planning initiative will entail the creation of multi-year budget scenarios; contingency plans

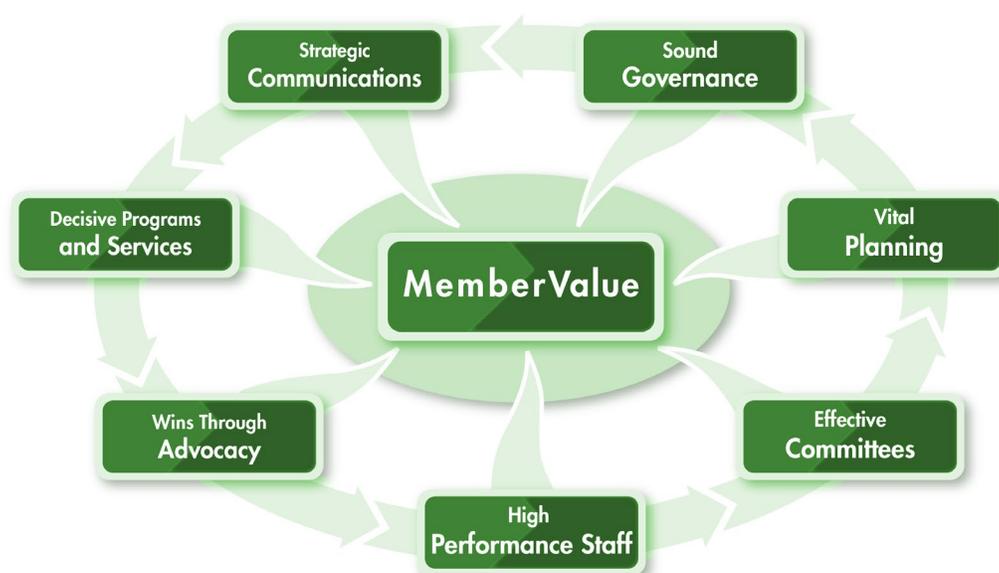
*Financial and organizational
sustainability*

to address unexpected situations such as revenue shortfalls and extraordinary programming requirements; and integrated cashflow forecasting with an investment strategy that maximizes investment returns, while ensuring program continuity is maintained. We will ensure budget models reflect the actual cost of delivering specific programs. Finally, we will investigate the feasibility of charging or increasing fees for service offerings such as e-learning courses.

We will strengthen our IT infrastructure by implementing a cyber security strategy with a three-pronged approach: work with service providers to ensure all technology remains up to date with respect to security patches and protocols; implement regular briefing sessions with all employees to raise awareness of IT threats and best practices; and ensure redundancy in our data backup processes to guarantee recovery, access and viability of our systems.

Summary

Fertilizer Canada is positioned to achieve the Strategic Objectives described in this plan. In reviewing the capability of the organization there are seven elements that are recognized as necessary for association success. The relationship of each of these seven elements to the strategic plan is described below.



Sound Governance

The challenge is to balance the national governance functions and the professional management support, in a way that creates a supportive team environment and provides timely decision-making to accomplish results. The work that has already been undertaken during the period of the previous Strategic Plan has ensured a sound platform to move forward.

Vital Planning

The approval of this Strategic Plan will enable the production of Work Plans and Budgets that are aligned to the strategic direction of the organization. The financial dimensions of Fertilizer Canada are implicated in each of these three management tools – Strategic Plan, Work Plans and the budget. Fertilizer Canada is well positioned to use these management tools effectively, within an annual planning cycle as referenced in the Organizational Excellence Pillar.

Effective Committees

Following the approval of this Strategic Plan, work will be undertaken to ensure that the number and types of committees is optimal and are aligned to the Strategic Objectives. The Fertilizer Canada Committee system and guidebook will continue to be used as the basis for a high performing association.

High-Performance Staff

The current team is comprised of a seasoned executive group, an accomplished management team and a skilled and enthusiastic workforce. The initiatives outlined in the Organizational Excellence Pillar will support the continued professional growth of all employees.

Wins Through Advocacy

The Strategic Plan has outlined how Advocacy and Communication will be supported by the other interdependent Pillars of Success:

Stewardship
Policy and Regulatory Affairs

We have a team of staff and industry representatives that can deliver on the promise of wins through Advocacy. The Advocacy and Communications Pillar details our priorities and the initiatives to deliver results. At the end of the day its about achieving wins for our industry.

Decisive Programs and Services

Within the Stewardship Pillar we have described how Fertilizer Canada is creating the capacity to define and create programs and services for members.

Strategic Communications

Effective communications with our members, decision-makers, influencers, other stakeholders and government officials will support all aspects of this Strategic Plan. Fertilizer Canada will employ a variety of communication tools, to reach these groups and encourage feedback.

It is essential that our members know, understand and believe in the work of Fertilizer Canada. It is essential that stakeholders recognize Fertilizer Canada as a credible partner with business led solutions that offer win-win outcomes.

A Final Word

This Strategic Plan has identified four major areas of focus, or Pillars of success. It has defined the intended outcomes, or strategic objectives, which are both measurable and time framed.

It has also described a host of Key Initiatives that will need to be undertaken to maximize member value.

Fertilizer Canada is capable of and committed to meeting the challenges it has set for itself. Fertilizer Canada is positioned to support its members through 2025, to:

Advance the safe, secure and sustainable production and use of fertilizer, through proactive science-based programs, innovation and advocacy – benefitting Canada and the world.