

Investing in Rural Canada

Capstone Project Summary

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Kristen Loritz

Central European University

Faculty Supervisor: Gyorgy Bogel, Michael LaBelle

Introduction

Ethanol plants that use non-maize inputs are typically less profitable than their maize-based counterparts. One of the largest biorefineries in Europe, in partnership with an American start-up, would employ a new technology to significantly change this economic situation.

Through a patented process developed by the start-up, the biorefinery is now able to convert a low-cost and low-input grain into a high-protein concentrate. This process, which also produces ethanol and several other sustainable by-products, would stand to 1) make a previously unprofitable grain input more lucrative, and 2) enhance the socio-economic conditions of everyone involved in the value chain, particularly in rural regions.

The Prairie provinces of Canada (Alberta, Saskatchewan and Manitoba) were identified as high impact regions, both for raw inputs and rural employment opportunities. The report analyzed grain delivery and production, employment, economic and sociopolitical variables in each of the Prairie provinces, and divided the findings into two primary sections:

1. Provincial level analysis (macro view)
2. Regional and city analysis (micro view)

Benefits and Outcomes

Prior to this report, significant resources had not been allocated to this expansion project. The refinery served to benefit from a thorough analysis of how a new facility built in a the Canadian Prairies could improve the socio-economic conditions of workers, particularly in the rural regions of each province.

The report identified and recommended the top Prairie province (macro analysis) and four suitable cities or towns (micro analysis). The first section was a broader discussion, where Saskatchewan is notably a leader in both grain production and deliveries, while Alberta is a top candidate for economic and employment stimulation opportunities.

The second section provided a more granular analysis within each province (including towns and their surrounding regions).

A one-page tear sheet was produced for each province, featuring a heat map and chart to visually summarize the top regions for potential investment. The success of this project is defined as the project sponsor using the report details to inform investment decisions.

Lessons

The first five weeks focused on research, with one week dedicated to each of the segments identified in the original project outline (including employment, environmental, financial and market forces). The scope was fairly broad, which left some interpretation for each of these sections and how they could contribute to making a sound case for investment.

Following the interim discussion,¹ there were a few notable changes and clarifications that were crucial to the successful completion of the project:

1) Early and Frequent Feedback

In the original project outline, it was assumed that environmental and market forces would be substantial stand-alone sections. Despite signing-off on these items in the outline, the project

¹ The interim deliverable was a set of 10 slides prepared for the project sponsor with detailed research achievements.

sponsor later indicated that these sections would be less relevant, or in some cases, completely irrelevant.

It was therefore crucial to maintain an on-going dialogue about the status of the report and some of the pertinent details as they were researched. This required an agile frame of mind to pivot quickly and accordingly. Fortunately, these sections were discussed during the interim, which allowed enough time to cut them from the final report. Additionally, this allowed other more significant sections to receive more attention.

2) Open Minded

A piece of data concerning grain delivery was discovered early in the research process. This was not originally part of the project outline, in fact, it was previously uncertain if this data existed. This information proved extremely valuable to the project sponsor and became a cornerstone of the research, as it directly concerned and impacted the goals of this project. It was therefore imperative not to dismiss new data just because it was not known / not recorded in the initial project outline.

3) Language

Many students complete a capstone project with their current employer. This project was completely independent which brought a unique challenge: an unfamiliarity with the Canadian agriculture and industrial landscape. As a result, some of the research findings presented during the interim discussion did not use the correct language to refer to key stakeholders. This was quickly corrected and omitted from the final deliverable.