



Okanagan Bioregion Institutional Procurement Study

Summary Report

Prepared by: Institute for Sustainable Food Systems,
Kwantlen Polytechnic University

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We focus predominantly on British Columbia but also extend our programming to other regions. Our applied research focuses on the potential of regional food systems in terms of agriculture and food, economics, community health, policy, and environmental integrity. Our extension programming provides information and support for farmers, communities, business, policy makers, and others. Community collaboration is central to our approach.

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Authors:

Annelise Grube-Cavers, Kristi Tatebe, Wallapak Polasub,, Grace Augustinowicz , Kent Mullinix

Corresponding author:

Wallapak Polasub, Senior Research Associate, Institute for Sustainable Food Systems
wallapak.polasub@kpu.ca

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The Challenge / Question

Public institutions, including hospitals, educational facilities (universities, colleges and schools) and correctional centres, represent a significant market opportunity for food producers and processors. Established models of procurement, however, are characterized by the use of large broadline distributors and Group Purchasing Organizations, who organize contracts at a provincial or national scale. It is difficult for local producers and processors to integrate into this supply chain.

The Ministry of Agriculture, under the Feed BC campaign, has a mandate to increase the amount of locally produced and processed foods being procured by public institutions. This research looks at how best to do so. Where are the gaps in the supply chain, or the possibilities for entry of local producers and processors? How could the supply chain be altered to better accommodate those local stakeholders?

Methodology

In order to obtain information on institutional procurement as well as the current production and processing capacity of the Okanagan bioregion we conducted over 100 interviews. Secondary data derived from census statistics as well as review of existing literature and pertinent government reports (including agriculture plans and market analyses for agricultural products) was incorporated into our analysis. The sources included in our search informed a comprehensive understanding of the institutional purchasing context and supply chains, as well as providing insight into the agricultural production and processing sectors ability to supply Okanagan Bioregion institutions, including their needs and opportunities in the bioregion.

Table 1: Total number of interviewees

	Farmer	Post-production business	Purchasing manager	Other governmental officials	Total
Number of people contacted	52	75	7	8	142
Number of people responded	37	58	7	8	110

Institutional Procurement: What has, and is being done?

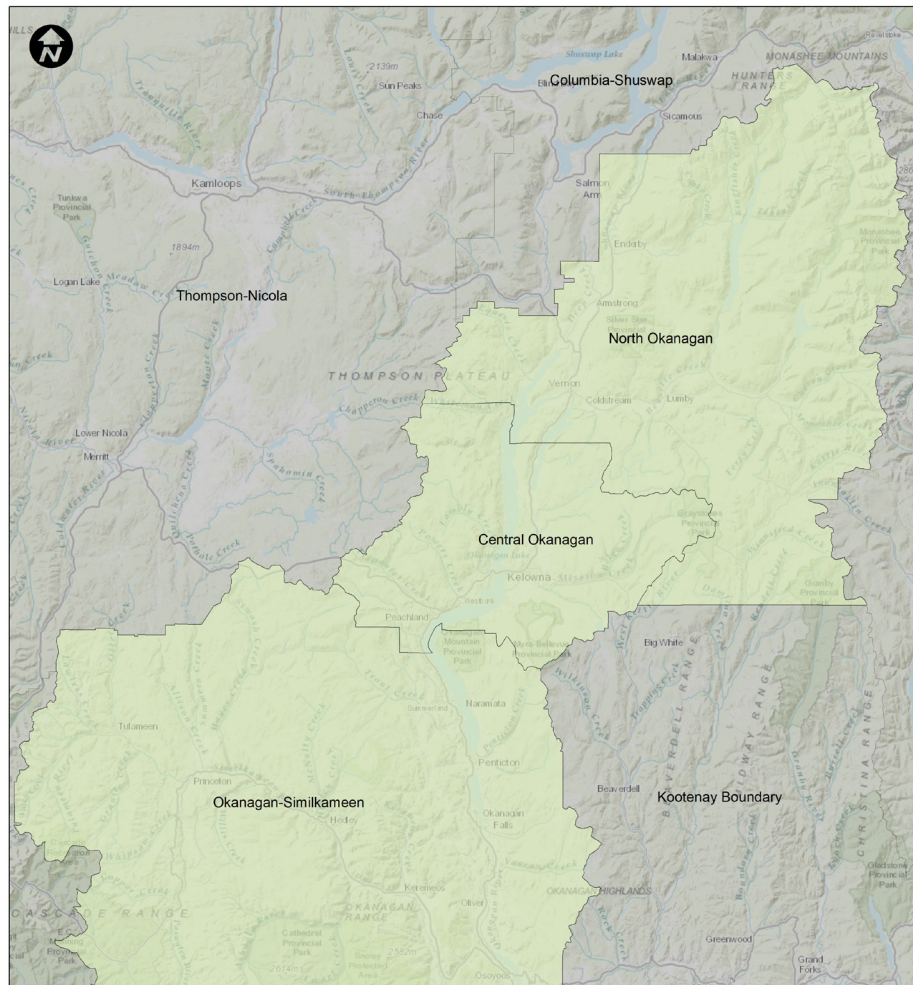
Previous research has looked at the potential to increase the amount of local foods in institutions. In Alberta, a group looked at four institutions, using the province as a whole to define 'local' (Beckie et al, 2017). In the Thompson-Nicola Regional District (TNRD) a consulting firm produced a report on institutional procurement for several Kamloops institutions, including the Kamloops Correctional Centre, Thompson Rivers University, and the Royal Inland Hospital. They reported little potential for increasing procurement in the TNRD (TRUE Consulting, 2012).

Within BC attempts to increase institutional connection to local food production have successfully been realised through many Farm to School programs, as well as being included in the university-wide procurement policy for UBC. The Interior Health Authority has started to act on a goal to achieve 30% local (BC grown or processed) food procurement across its 51 facilities. There is great interest and motivation to increase the reach of BC foods, a goal that encompasses institutional sectors from education to healthcare. But what if we look more locally? What is the potential of the Okanagan bioregion to support the institutions therein with the provision of local food?

The Okanagan Bioregion

Bioregions are generally defined as areas that share similar topography, plant and animal life, and human culture (Harris et al, 2016). In this study the Okanagan bioregion is comprised of three regional districts: the Regional District of North Okanagan (RDNO), the Regional District of Central Okanagan (RDCO) and the Regional District of Okanagan-Similkameen (RDOS). The bioregion is almost entirely within the Okanagan Nations Alliance territory, known collectively as the Sylix nation, with the most north-western portion a part of the Spltasin Band's territory, a member band of the Secwepmc Nation (known as the Shuswap nation). These districts extend the length of the hot and semi-arid Okanagan Valley, from the border with the USA, up to Grindrod, the somewhat more humid and forested edge of the Shuswap region. In total the bioregion is comprised of 20,817.58 square kilometres, with 3,210 farms reporting to Statistics Canada. The region has highly conducive growing conditions with a long frost free period, hot summers, low humidity and readily available water for irrigation (RDNO, 2015). It hosts one of the most concentrated areas of tree fruit production in Canada, along with significant dairy production as well as broiler chicken farms and vegetable operations.

Figure 1: Map of the Okanagan bioregion as defined for this report.



Institutional Context

This project focused on institutional procurement for four different types of public institutions in the region, drawing additional information from conversations with private residential care facilities. The four institutions were the Interior Health Authority (IHA), the Okanagan Correctional Centre (OCC), University of British Columbia-Okanagan and public schools using farm to school programs. While the interaction that these institutions have with local food is decided, for the most part, by their established supply chains, they also have different levels of motivation for pursuing and increasing procurement of local food for their institutions.

Institutional Supply Chains

Existing institutional supply chains have some common actors, in addition to more specific actors that help facilitate food procurement for institutional use. The common actors in institutional supply chains in the Okanagan bioregion are:

Group Purchasing
Organizations (GPO)

An organization that negotiates prices for supply items, including food, on behalf of its members to create greater purchasing power.

Distributor (broadline)

An entity that houses and distributes products to individual facilities, as well as other parts of the food network (ie restaurants, grocery stores etc).

Vendor/Producer/
Processor

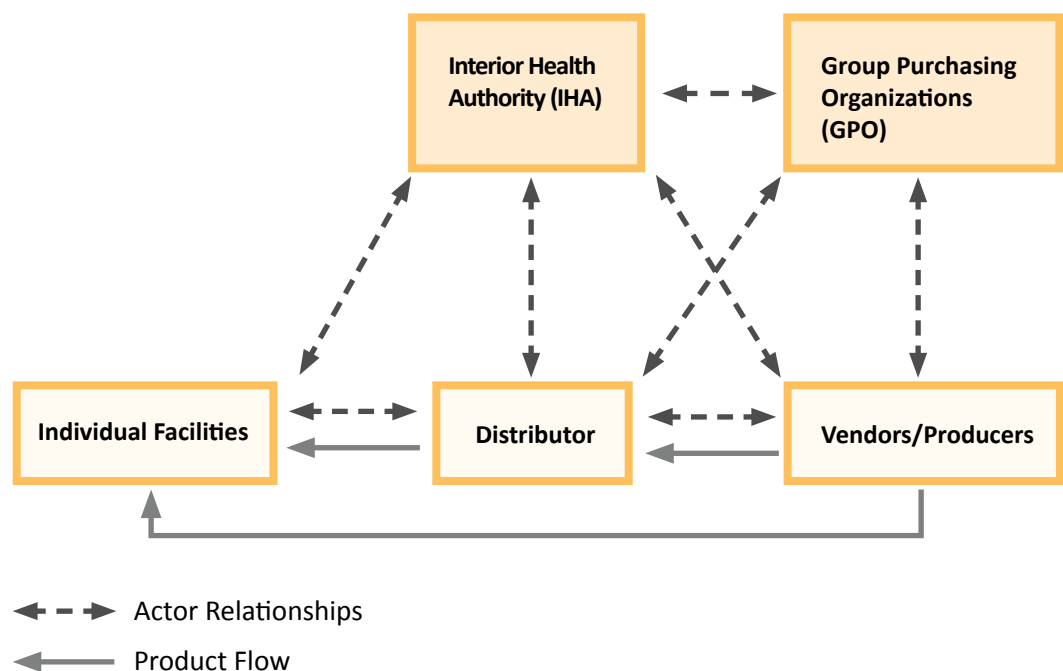
Those who sell food products to a distributor or directly to an institution/food retailer/restaurant etc.

Interior Health Authority

The Interior Health Authority's supply chain involves five key players; the three common actors, listed above, as well as two more.

- **Interior Health Authority (IHA)** – an umbrella entity who operates all of the public health care facilities in the Southern Interior region of British Columbia, 51 facilities in total. Operations include food procurement.
- **Individual facility** – A health care facility with a kitchen of some kind that serves food to patients or residents. There are also small residential care facilities that rely on receiving prepared meals to be re-thermalized from larger healthcare facilities within the IHA network.

While a supply chain involving both GPO and distributor is not the most direct, it reduces logistical and administrative costs for IHA. Regardless of structure, IHA currently has a goal to increase local (produced or processed within BC) food purchasing to 30% of their total food budget – an ambitious goal. They have hired consultants to assess their demands and identify potential BC sources for new products, and they are working with their distributor to order more local products from the existing product list.



The Okanagan Correctional Centre (OCC)

The OCC is one of 10 correctional centres operating under the provincial jurisdiction of the Ministry of Public Safety & Solicitor General. While the OCC does use the three common actors detailed above, there are an additional three parts to bring food service to the correctional centre. These are:

- **Ministry of Public Safety & Solicitor General** – approves menus and arranges contract with the food service provider
- **Food Service Provider** – fulfills contract obligations including procuring and preparing food and meals according to contract stipulations and the Ministry’s approved menu list
- **Individual Facilities** – prepare meals for number of inmates within facilities

Unlike IHA, where meals are prepared and served ‘in-house’ by IHA staff, the OCC’s kitchen is operated by a Food Service Management company. Compass Group Canada holds the current contract for corrections food service, which covers all ten provincial centres. The OCC’s kitchen is limited in terms of flexibility and must adhere to the provincial ‘approved menu’ list that is issued by the Ministry. Compass Group Canada is also required to serve the same meals on the same days at all ten facilities, creating a very centralized procurement system where volume and/or quantity are tightly controlled.

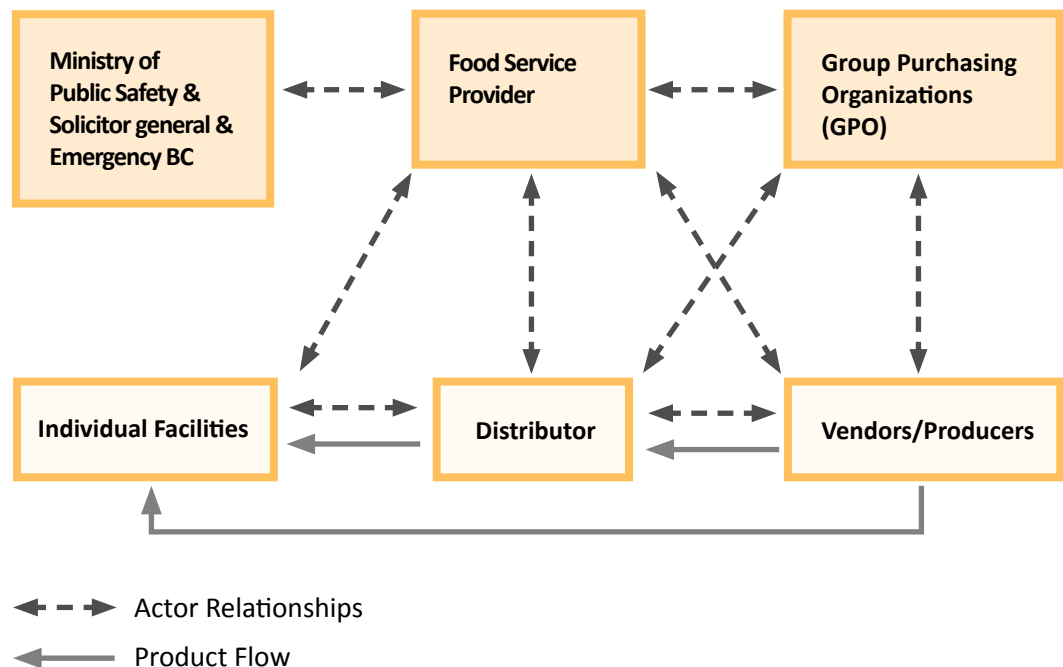


Figure 3: Food procurement supply chain for the Okanagan Correctional Centre

University of British Columbia – Okanagan

Unlike the previous two supply chains, the UBC purchasing policy has specific stipulations about quantities of local (and/or organic) food that must be procured for on-campus use (UBC, n.d.). These policies apply to all UBC campuses, including in the Okanagan bioregion.

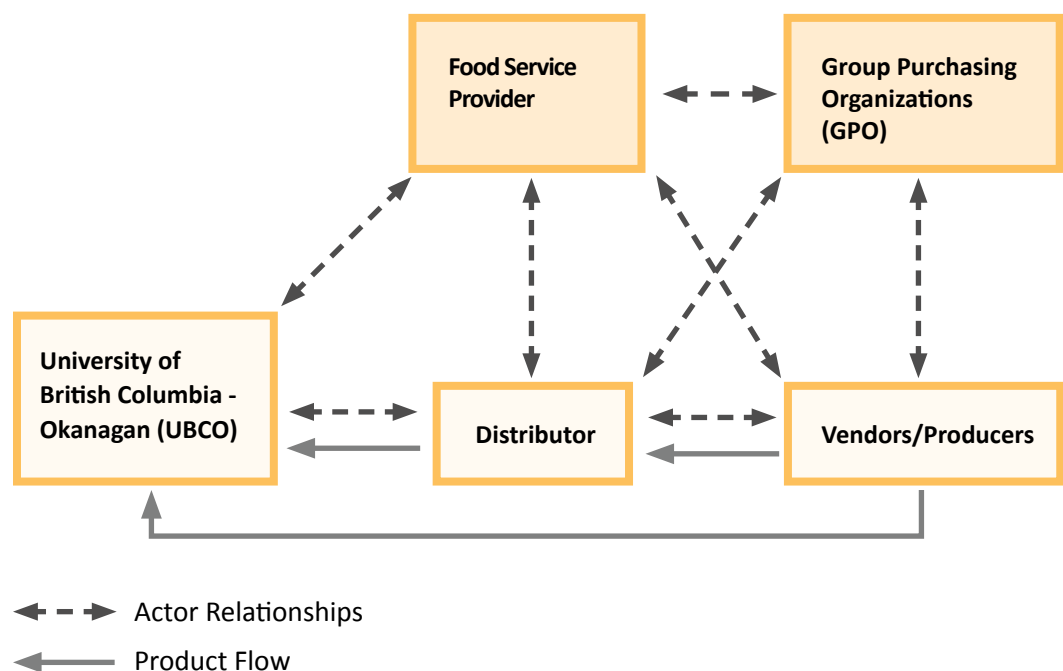
While the three common supply side actors are also at play in the UBC Okanagan food procurement network, there are two additional actors:

- **UBCO** – arranges contract with a the food service provider
- **Food Service Provider** – fulfills contract obligations including preparing and procuring food and meals according to the contract stipulations

Both the OCC and UBCO engage a food service provider, however the stipulations in the UBCO example are not as restrictive as for the correctional centre. At UBCO there is flexibility in terms of menu creation, and therefore procurement.

In addition to the sustainable purchasing policy, the UBCO campus has a champion for local food, Gordon Robinson, executive chef with Aramark, the current Food Service Provider. Both of these facts, plus the increased flexibility and budget allotted to food service where some the cost can be passed on to the consumer (as opposed to healthcare or corrections where the cost is absorbed by the institution) facilitate and support increased volumes of local food moving through the institutional kitchen. While the volume of meals served by UBCO may be less than the other institutions, it is, in some ways, exemplary of what positive change can be made via increasing local procurement by institutions where there are purposeful, committed stakeholders involved.

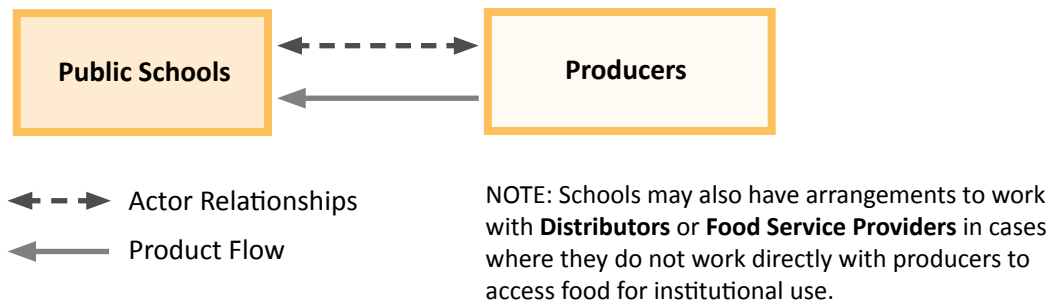
Figure 4: Food procurement supply chain for the University of British Columbia -Okanagan (UBCO)



Public Schools

Public Schools, unlike the institutions outlined above, have more autonomy in terms of what types of food programs they run, including from where they procure food. The bottom line is that for any school food program to operate there likely needs to be active buy-in from members of the school community (teachers, parent advisory committees, or other volunteers) and for those programs to integrate a farm-to-school meal program there needs to be local food champions engaged in the process. Farm to School programs offer the most straightforward farm to institution model of procurement, with no middle entities necessary. The food program leaders can decide what kind of program they would like to run, including the kinds of food they would like to procure and where they will procure food from. Direct relationships can form between the individual facilities/institutions and producers. What is more school children are often able to have field trips to farms to learn about how food is grown and harvested thereby linking the farm to school meal program with the curriculum

Figure 5: Food procurement supply chain for Public Schools



Institutional Demand

The largest public institution in the region is IHA, which serves approximately 5 million meals per year (Koenig, 2018, Pers. Comm.). IHA’s service area includes the entire Okanagan bioregion area, as well as portions of the Thompson Nicola and Kootenay-Boundary Regional Districts. It includes some 55 institutions, 21 of which are in the Okanagan (Koenig, 2018, Pers. Comm.). The study team worked with IHA to obtain and analyze information regarding demand for a variety of food products.

Table 2 below provides a summary of the top-purchased items procured by IHA, per year, by amount spent. Units are conveyed as they appear in the report, which includes both imperial and metric units for different items.

As revealed in the table, many of the food items purchased by IHA, including those that represent the highest cost items over the course of the year, have undergone some level of processing. This may just be grating, as is the case with a cheese product listed, or the processing may be more

involved, for example the cooked, roasted, mashed potatoes. It should also be noted that, other than bananas, there are no raw whole fruits or vegetables among the highest cost items, rather these positions are occupied by animal products (meat, eggs and dairy) and ground coffee. All of these animal protein items require some sort of processing before reaching the market, slaughter at an abattoir and potentially and processing (cut and wrap), eggs at a grading facility or possibly a processed egg facility, and dairy (milk and cheese) at a pasturizing or cheese making facility.

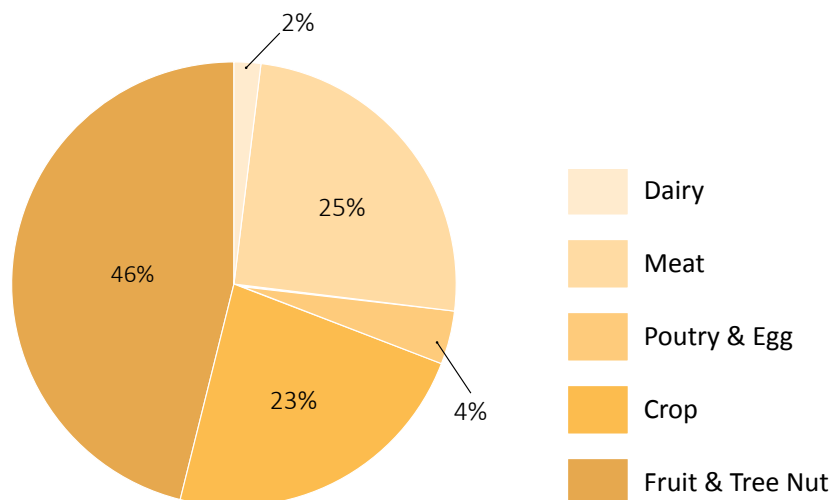
Table 2: Top 25 items purchased by the IHA ranked by spending.

Rank	Item Description	Item Size
1	beef round steak	7.5 kg
2	lean beef ground	10 pound
3	potato cooked, mashed, roasted	6 pound
4	chicken breast cooked grilled low sodium	2 kg
5	egg (shell) canada grade "a"	15 dozen
6	yogurt	100 gram
7	cheese cheddar mild lite individual portion	21 gram
8	coffee ground anthos	16 ounce
9	banana fresh	40 pound
10	pork roast cooked sliced	4.8 kg
11	supplement two calorie	235 ml
12	chicken strip reduced sodium	10 kg
13	turkey breast roasted cooked low sodium	1.1 kg
14	juice apple pure	1 litre
15	stew beef - diced grade a	2.5 kg
16	cheese cheddar shredded med	2.5 kg
17	egg liquid whole (carton)	1 kg
18	cheese cheddar	21 gram
19	juice apple no sugar added	114 ml
20	bacon sliced reduced sodium	5 kg
21	turkey breast roast raw	2.2 kg
22	coffee grnd premium decaf	16 ounce
23	chicken thigh grilled healthy	2 kg
24	pork cutlet ground	85 gram
25	salmon pacific loins 3 oz	10 pound

Bioregional Capacity

We included a total of 840 businesses within our business directory for producers and post-production businesses and used it to contact over 100 different producers and processors to gain insight regarding their businesses and the challenges they face relative to supplying local markets including institutions. We also asked whether there was anything an innovation centre could provide to assist them, and whether other supports were necessary for their business, or sector, to be successful, to grow, and vis-a-vis to engage in institutional food supply.

Figure 6: Number of farms in the Okanagan bioregion, classified by farm type (NAICS)
Source: Statistics Canada, 2018c



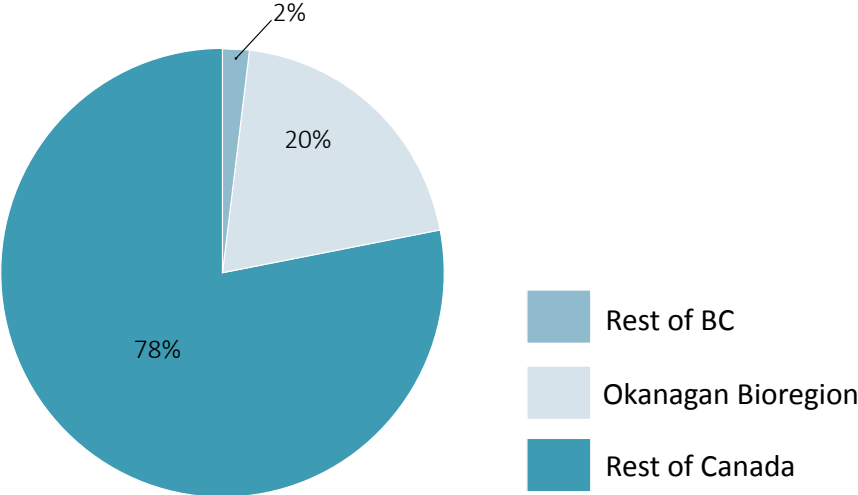
Current Bioregional Capacity - by sector



Fruit and Vegetables

Over half of the total of 3,210 farms in the Okanagan bioregion are tree fruit and nut farms (Statistics Canada, 2017e). According to the 2017 Census of Agriculture, there were 1,473 farms that produced fruit, tree nut and vegetable (Statistics Canada, 2017a; 2017b), most produce tree fruit. These farms earn nearly half of gross farm receipts for the Okanagan bioregion (Statistics Canada, 2017e). Apples are among the highest volume produced fruit or vegetable in Canada. The last Agricultural Census only reported tomatoes with higher per acre yields by weight (Statistics Canada, 2017g). In 2016 3,835 farms reported growing apples in Canada, 1,648 of these, or 43% were located in British Columbia and 46% of BC's apple-growing farms and

Figure 7: Area of apple cultivation in Canada, 2016
Source: Statistics Canada, 2017e



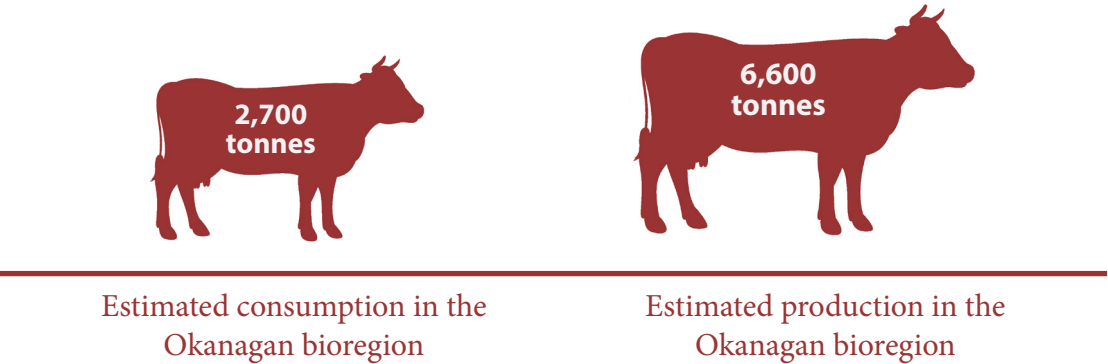
orchards were located in the Okanagan Valley, but those farms account for 89% of the hectares of apple production in the province (Statistics Canada, 2017e). The total apples produced in Canada were in excess of 387,000 metric tonnes in 2016 and 20% of Canada’s apple acreage was in the three regional districts comprising the Okanagan bioregion (Statistics Canada, 2017e). They account for approximately one fifth of national fruit sales (Statistics Canada, 2017f).



Meat

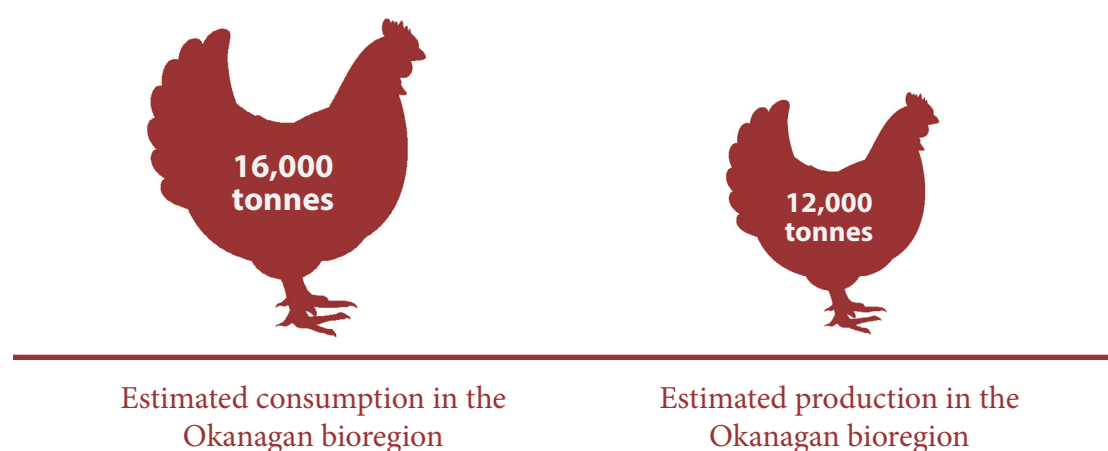
Livestock producing farms are the next most common type, followed by market crop farms and then broiler poultry and layer operations. Broilers, layer hens, and dairy are all supply managed sectors of agriculture. An average broiler operation in the interior of BC has quota for 71,305 kilograms live weight per cycle (BCCMB, 2016). Chicken is the meat type produced in the greatest quantity in the Okanagan bioregion, with ample production and processing to supply the entire population of the bioregion, assuming typical consumption rates (Statistics Canada, 2017h; Agriculture and Agri-Food Canada, 2017b). Based on available data we estimate that approximately 16 million kilograms of chicken were produced in the Okanagan in 2016. Six percent of BCs broiler chickens are grown in the Regional District of North Okanagan.

Figure 8: Estimated beef production and consumption in the Okanagan bioregion, 2016
Source: Statistics Canada, 2017j



While there is ample processing for chicken there is a notable lack of processing for red meat: beef and pork, forcing some producers to go outside the bioregion for stock slaughter and processing. Institutional standards require all meat to come through a federally regulated facility, which greatly limits the provenance of meat for institutional procurement in the bioregion. Currently there is only one Canadian Food Inspection Agency (CFIA) regulated beef abattoir in the whole province, which happens to be located in the bioregion. However in that abattoir processes for only producers under the same corporate umbrella and the resulting products are certified organic and sold nationally and internationally (CFIA, 2016) prohibit its utilization

Figure 9: Estimated broiler chicken production and consumption in the Okanagan bioregion, 2016
Source: Statistics Canada, 2017i



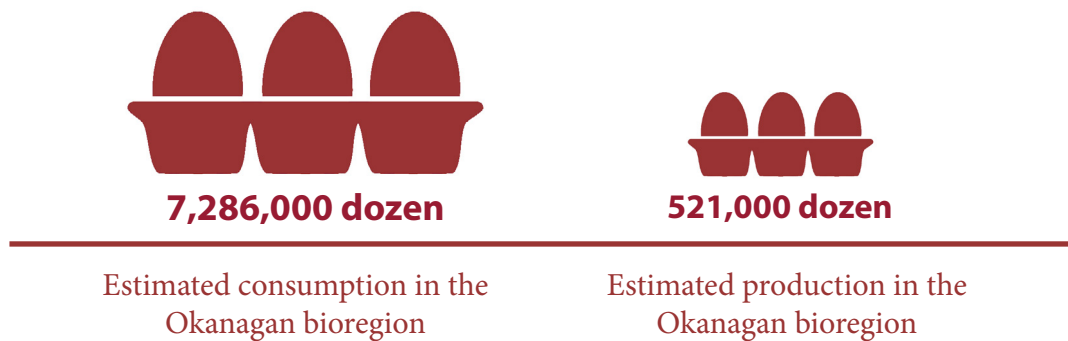
by the wider sector. Within the bioregion there is one CFIA regulated chicken abattoir, that currently sells to Sysco (the main distributor for local institutions) as well as to other large retailers. That facility is also approved to export product to select foreign markets (CFIA, 2016). In addition to those federally regulated facilities there are seven other abattoirs: 3 provincially regulated chicken abattoirs that are able to sell anywhere within the province and 2 provincially regulated beef abattoirs (one of which also processes a number of other animal species) as well as 1 abattoir specifically for lamb, sheep and goats. We are also aware of at least one abattoir for beef that has a limited license for on-farm slaughter, is only able to process animals from their own farm, and only up to 10 animal units (454 kg live weight) per annum.



Eggs

Egg production in the Okanagan bioregion is relatively limited. There are only three quota-holding egg operations in the area, all within the RDNO (Pers. Comm, BC Egg, 2018). Including their production there were 521,646 dozen eggs reported to Statistics Canada for the 2016 year (2017b). Based on an average consumption of 19.9 dozen eggs per person per year this amount could feed a total of 26,213 people or about 0.07% of the total population in the Okanagan bioregion (Statistics Canada, 2017b; Statistics Canada, 2018a; Agriculture and Agri-Food Canada, 2017c). Nearly half of these eggs are produced on small non-quota holding operations, six of which have small lot permits enabling them to have a flock of up to 399 chickens (Pers.

Figure 10:
Estimated egg
production and
consumption in
the Okanagan
bioregion
Source: Statistics
Canada, 2017h,
Agriculture and
Agri-Food Canada,
2017c



Comm, BC Egg, 2018). While the quota-holding farms' eggs are transported to grading facilities on the coast, the smaller operations are only permitted to sell direct to customers, their eggs not having gone through a CFIA registered shell egg station.

According to our demand analysis, meat proteins and egg products (whole eggs and processed) are some of the top-expenditure items on institutional food procurement reports.



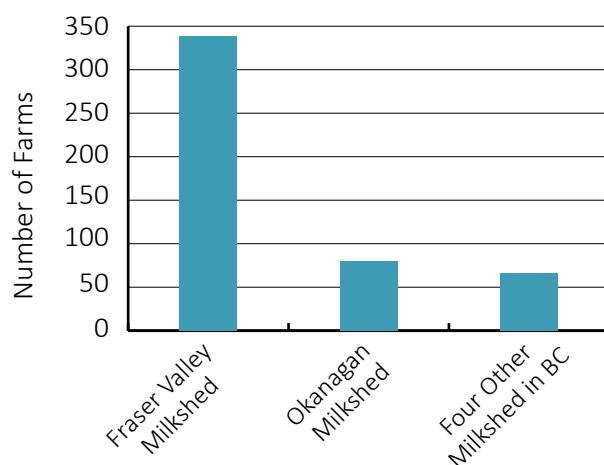
Dairy

Dairy is also a high spend item with different institutions. IHA holds a separate contract specifically for dairy because it is such a significant part of their food procurement budget. Healthcare also requires specific portion sizes to align with dietary requirements and the volumes of meals being served in institutions.

Demand for dairy has increased across the population as attitudes towards butterfat have changed in recent years (Canadian Dairy Commission, 2006). What was formerly seen as negative has an increasingly positive regard and, as such, butter consumption has increased since the 1990s. Yogurt and cheese have also increased in demand steadily since the 1960s (Canadian Dairy Commission, 2006).

The dairy industry is supply managed in Canada and is the source of 26% of total farm receipts for livestock and livestock products (Statistics Canada, 2017b). BC produced 8.7% of national dairy in 2017, a total of more than 8,755,953,000 litres of milk, and received 9.5% of national farm receipts associated with dairy (Canadian Dairy Information Centre, 2018a; 2018b). Eighty of BC's 484 dairy farms are located in the Okanagan Milkshed, which includes portions of the Columbia Shuswap Regional District, the Thompson Nicola Regional District and the Regional District of the North Okanagan (BC Milk Marketing Board, 2017). The Okanagan Milkshed, as defined by the milk marketing board, has the second highest concentration of dairies in the province after the Fraser Valley Milkshed (with 338 dairies) (BC Milk Marketing Board, 2017). Approximately 55 of those 80 are within the RDNO and produce an estimated 75,555,000 litres of milk per year (Pers. Comm. Kamloops Okanagan Dairy Association, 2018).

Figure 11: Number of Dairy producers in BC, 2016
Source: BC Milk Marketing Board, 2017



Despite this very significant amount of dairy production there is a dearth of processing in the Okanagan bioregion. Only cheesemakers (5, plus one goat cheese producer) are located in the region. 3 of those producers provided quantitative information when asked by researchers. Their combined processing amounts to only 1,127,000 litres of milk per year. While there is over 75 million litres of milk produced within the Okanagan bioregion every year, there is only a tiny fraction of that amount available for processing. Regardless there are no larger-scale facilities for the processing of liquid milk, yogurt or other dairy products including in the Okanagan bioregion.



Higher Level Processing

While there is ample agricultural production in the Okanagan bioregion there is a lack of processing in several sectors. Institutional demand requires processing to some degree for many, or most, products ordered by facilities. This may be as simple as sliced or frozen fruits and vegetables, or it may be pre-made soups, pre-cooked meats or foods processed other ways (i.e. mashed or roasted potatoes). There is some specialized processing within the bioregion, primarily for condiments (examples include Summerland Sweets and Little Creek Dressing) as well as a frozen dough maker, and some other smaller specialty items (e.g. Black Forest Noodles in Vernon).

Barriers & Opportunities



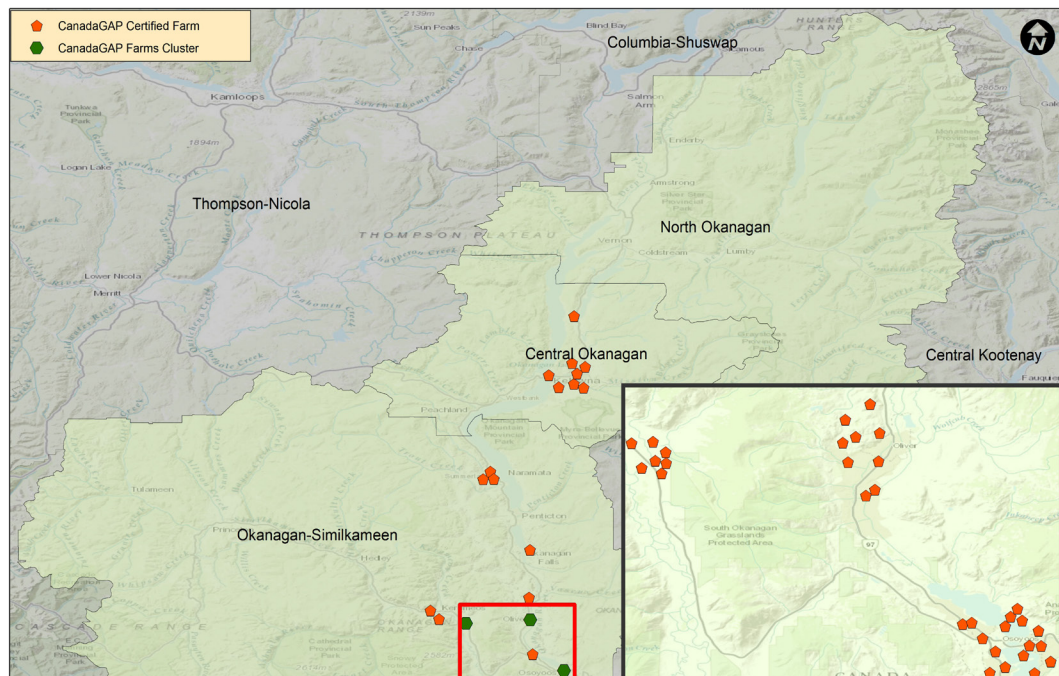
Barriers

Over the course of our analysis several barriers and opportunities were brought to light. Both in the availability of data; yield information from statistics Canada, annual reports from various marketing commissions, as well as information from municipal and regional reports and from our many conversations with producers, processors and other participants in the local food supply chain.

Specific to the institutional supply chain there are several significant barriers to new entry by producers or processors including:

1. **Institutional food safety regulations:** Including CanadaGAP (on-farm food safety certification) as well as meeting CFIA standards, as opposed to food coming from regionally regulated food processing facilities.
2. **Certification requirements:** CanadaGAP, mentioned above, a certification currently held by only 50 farms in the Okanagan bioregion. This certification applies to fruit and vegetable farms, that may be certified for harvesting and/or packing specific items.

Figure 12: Map of CanadaGAP Certified Producers in the Okanagan bioregion



3. **Insurance requirement:** Both distributors and institutions may require vendors to carry insurance, which in some cases may exceed the cost of insurance they would otherwise procure.
4. **Market Entry:** Distributors currently play a central role in institutional procurement. They seek an 'optimal assortment' of goods and are unlikely to take on a new vendor who produces a product they already carry.
5. **Volume Requirements:** Distributors also require consistent volume availability to keep the customer demand for products consistently satisfied.
6. **Logistical barriers:** Transportation to a distributor or institutions may pose logistical challenges for producers or processors, who may be located far from central distribution warehouses.
7. **Price point:** The most commonly cited reason that producers and processors interviewed were not interested in working with a distributor was the lower price point they would receive. Distributors benefit economically from sourcing product at lowest cost.
8. **Lack of post-production facilities:** For eggs, dairy and meat, post-production facilities are essential before products can enter the institutional supply chain. An evident lack of such facilities prevents increased participation in this market.

Other challenges not specific to the institutional supply chain:

- For **fruit growers**, access to markets and the domination of the sector by tree fruit distributors were cited as problematic.
- Among **egg producers**, the limitations on allowable flock sizes were listed as a challenge.
- **Meat producers** have difficulty accessing slaughter facilities close to their farms, and can sometimes be driving animals for 4 hours or more in order to reach slaughter and processing facilities, resulting in increased costs to producers (reduced profit), and increased stress to animals (compromised quality and ethical treatment).
- **Dairy producers** mentioned the lack of local processing facilities. While the current system (which includes a clustering of dairy processing in the Lower Mainland) does work, there can be issues. One example given was the power outage in the Fraser Valley in the autumn of 2017, which resulted in a stall in processing. The most expensive part of the milk (the cream), was skimmed off and saved while much of the liquid milk was dumped. The financial burden of that loss of product was placed on the producers, rather than on the processors.
- **Meat processors** often stated they would like to source more local meat, but that limited accessibility to abattoirs and higher prices made them look further afield for red meat especially.



Opportunities

1. Aggregation of product

Through innovative new businesses, such as the Okanagan Food Hub Cooperative and Urban Harvest Organic Delivery, producers and processors are able to reach a broader audience and market their products potentially further than they may have as an individual farm or business. Incentives for the formation of more aggregation capacity (business) would be beneficial.

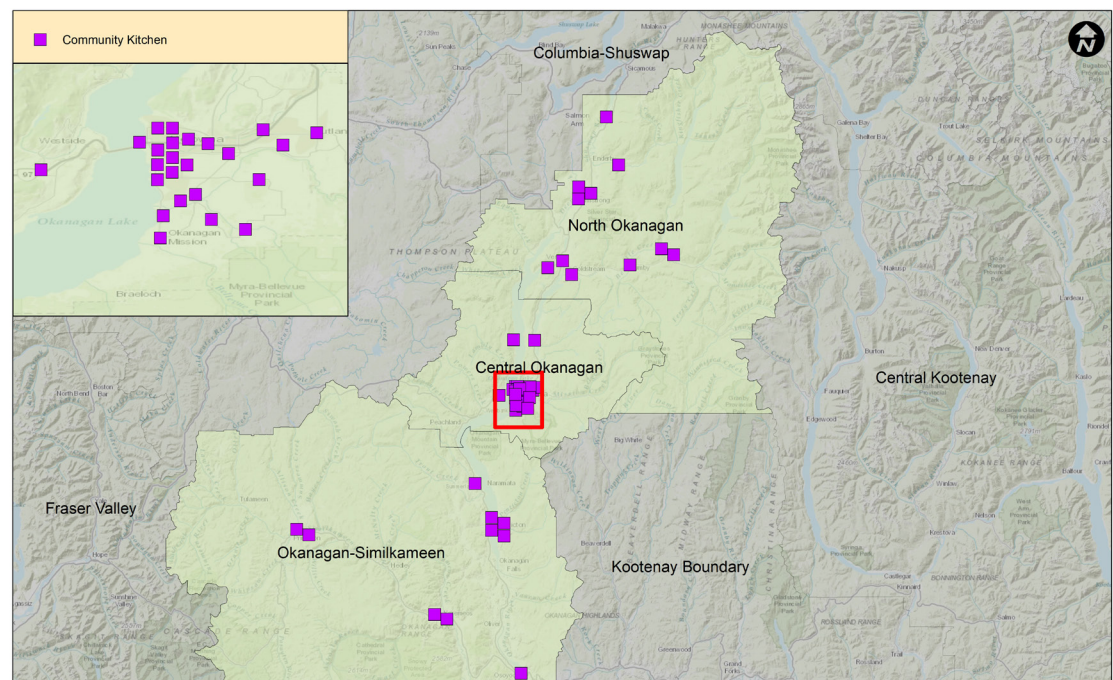
2. Optimization of current facilities

There are currently a multitude of commercial kitchen spaces available for use or rent in the Okanagan bioregion. These facilities could be used to create value-added products for primary producers. There are also facilities that are not being used to their maximum capacity either because they may be processing only their own products, or they may have trouble finding employees.

3. Creation of new facilities

In response to needs for specific processing facilities, incentives could be created to encourage companies to locate processing facilities within the region, specifically with regards to dairy and meat. For eggs the location of grading or processing facilities in the area may catalyze the creation of additional egg production.

Figure 13: Map of locations of IHA Licensed Community Kitchens in the Okanagan bioregion



4. Product-specific processing opportunities

Through conversations with local institutions and producers and processors some specific processing opportunities were identified for the Okanagan bioregion. These include:

- single serving juices (small size)
- single-serving fruit cups
- single-serving applesauce
- individual cheese portions

Figure 14: Map of Dairy (Cheese) Processors in the Okanagan bioregion

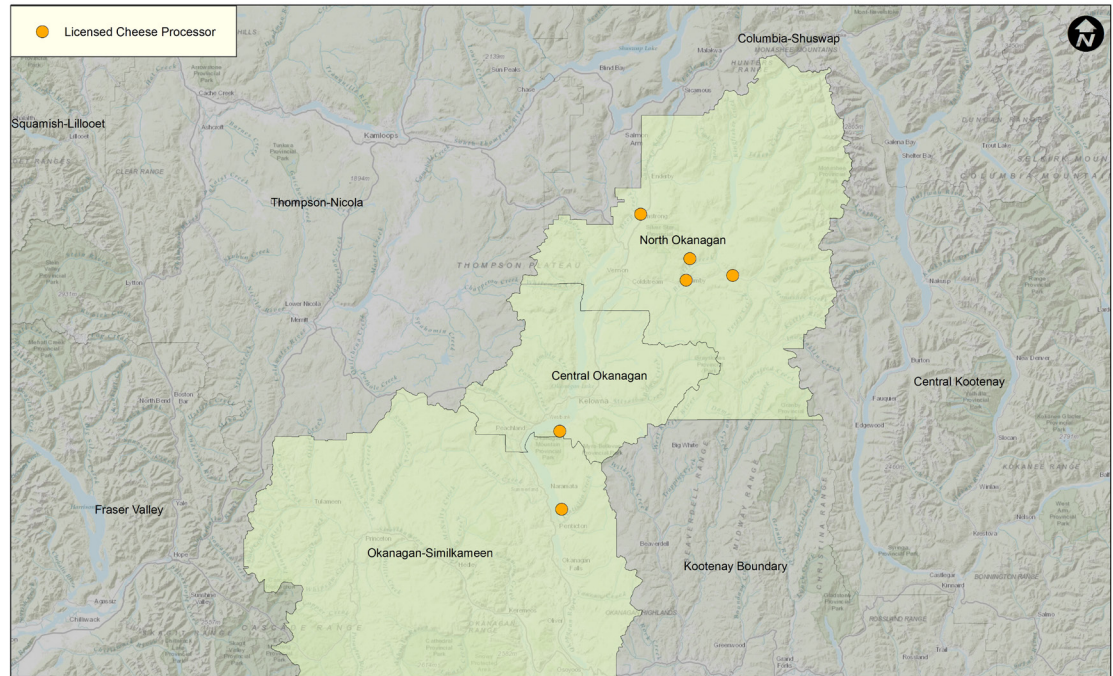
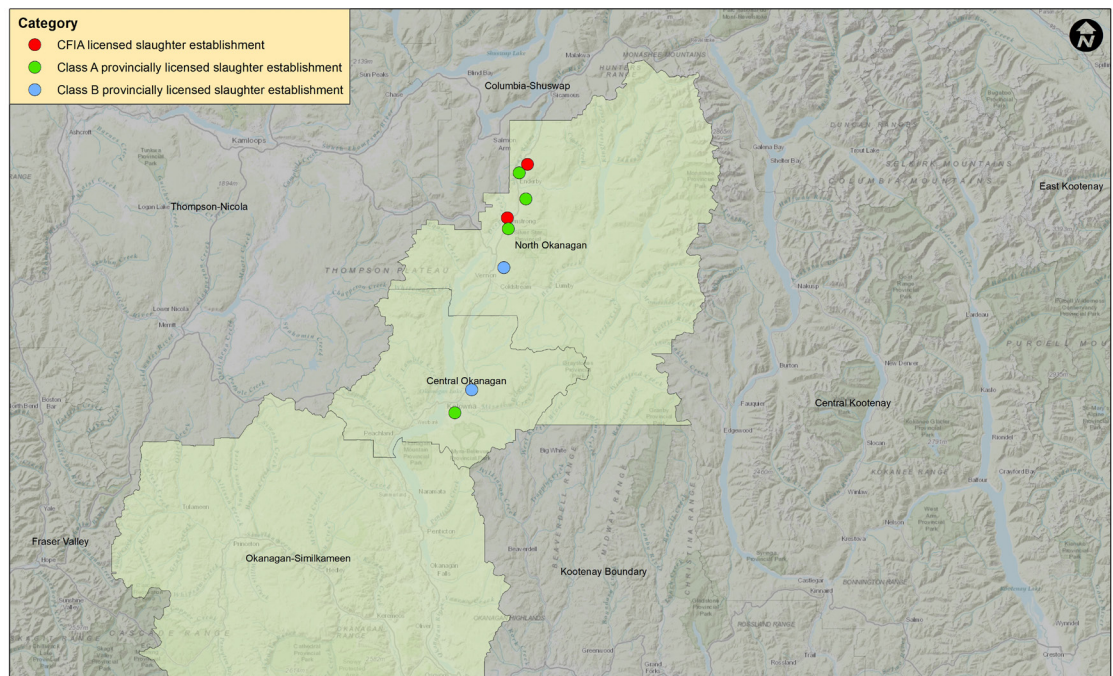


Figure 15: Map of Slaughter Establishments in the Okanagan bioregion by License Types



5. Changing food service models

While Interior Health Authority does all of their meal preparation in-house, by IHA employees, not all institutions operate on this scale. The Okanagan Correctional Centre has kitchens operated by a Food Service Manager. Returning some food service management contracts to public, in-house, food service models could help to make local food more of a priority. When a food service management company bids on a contract, their budget dictates their margins. The economic benefits to a community local procurement can result in may not be in their economic interest. Alternatively, food service contracts could stipulate the amount of local procurement expected by a company or sector.

Figure 16: Map of IHA Licensed Meat Processors in the Okanagan bioregion

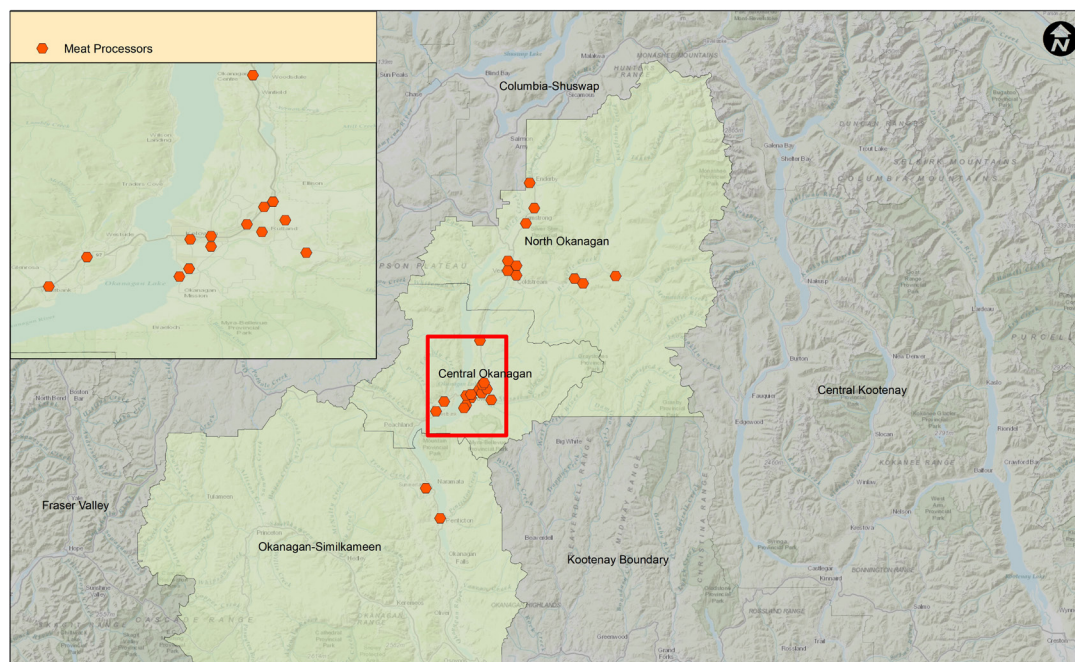
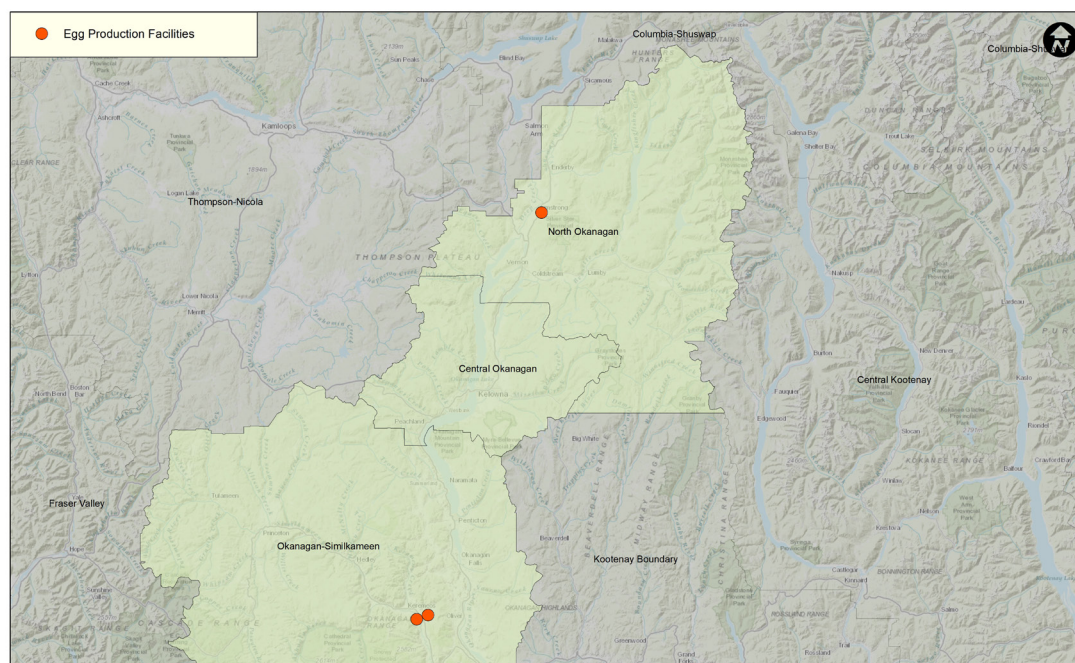


Figure 17: Map of Certified Egg Grading Facilities in the Okanagan bioregion



Innovation Centre and Other Supports Needed

Among the potential roles for a food processing innovation centre we shared with interviewees **food safety support**, including lab testing, was by far the most supported. Other suggestions that received positive responses included **business development services** for businesses wanting to scale up, as well as help **navigating food safety certification** (also a part of ‘food safety support’). The possibility of an innovation centre helping to coordinate **group purchasing** to lower costs was of interest to a few processors, but the response was only marginally positive. There was no interest expressed by any interviewee regarding the possibility of having a commercial kitchen as a part of the centre. Logistics of moving products back and forth was a concern, and most businesses either already had a facility they owned or rented, or a commercial kitchen in proximity to their business or sales outlet, which they used.

Apart from supports that could be provided by an innovation centre producers and processors listed several other challenges they faced. These included **meat processors accessing qualified employees**, which could be helped by increased support for meat cutting educational programs as well as specific visa programs to help European-trained meat cutters and sausage makers get work permits for Canada.

CanadaGAP certification program, barriers including cost and simply the paperwork required was also cited and may also warrant examination.

Distribution challenges for small businesses were commonly cited. Providing support to innovative business cooperatives, marketing cooperatives and farmers’ markets could all help to facilitate institutional sales for regional small producers and processors.

Increasing marketing opportunities for primary producers through businesses or **services that aggregate and distribute fresh produce cost effectively** for producers is necessary for the regional food system to supply regional institutions or other regional markets expanding farmers’ markets. The mandate of Buy BC appears to align with this need, but project specifics have not yet been rolled out.¹

¹ Buy BC: <https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/growbc-feedbc-buybc>

Recommendations

Institutional procurement of locally produced and processed foods in the Okanagan bioregion can be improved with the necessary supports. For example, there are currently opportunities for local producers and processors to access the institutional supply chain, but they must comply with local distributor requirements, and be offering a desired product.

The constraints of national and international trade agreements could be addressed by decentralizing purchasing and giving more autonomy to individual facilities in terms of ordering. Policy changes could help support greater flexibility in terms of what can be purchased and how the purchasing choices may be assessed and made.

While it may be a long-term goal, pursuing opportunities to restructure current institutional supply chains along the lines of farm to school programs (utilizing smaller-scale, more decentralized, local/bioregional scale procurement) may help capture some of the institutional market and provide benefits to the local economy.

Increased budgetary flexibility for institutions would help them be able to procure local products, which may be more costly than something produced elsewhere. It must be kept in mind that this money would then be returning to the community and increasing the well-being and economic viability of local business and citizenry.

In sum, there are currently opportunities for Okanagan bioregion agricultural producers and processors to access the significant institutional market, but this must be facilitated through calculated, strategic support and policy change at both the provincial and federal levels of government. With adequate support and bold vision for change, significant advances to institutional procurement in the Okanagan bioregion are possible, for the benefit of producers, institutions and the communities at large.

Summary of Recommended Actions:

- Address policy barriers (trade agreements, RFP's, integrating local requirements)
- Support small producers (aggregation, new facilities)
- Explore product-specific processing opportunities (dairy, eggs, individual servings)
- Decentralize procurement
- Increase budgets to support local purchasing
- Support local champions

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