

Summary Report

Feed B.C. Value Chain Industry Stakeholder Meeting

Prepared for
BC Ministry of Agriculture, Agriculture Science and Policy Division

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Contents

1. Introduction3

1.1 Background & Purpose.....3

2. Industry Stakeholder Meeting.....4

 Hopes, Interests & Potential Learnings4

 Desired Future: what does better look like?.....4

 Value Chain Challenges, Barriers & Solutions.....5

 Initiatives for consideration.....7

3. Conclusion and Recommendations.....8

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1. Introduction

1.1 Background & Purpose

The Ministry of Agriculture has recently launched their initiative Grow BC, FeedBC, Buy BC which aligns with the governments priorities¹. These initiatives support BC's agriculture, seafood and processing sectors by encouraging the consumption of BC products and therefore building resiliency within the sector. In turn this will enhance economic development, especially in rural regions, and further job creation. FeedBC's goal is to build the value of and access to BC food. One of its objectives is to *"Build capacity along the value chain of BC producers, processors, and distributors to expand the availability of BC foods"*. One of the government's strategies to meet this goal is a mandate to work with government partners to increase the procurement of BC food within government institutions.

The purpose of this project is to support the government's mandate by hosting a working meeting with key industry stakeholders along the value chain to determine gaps and opportunities for increasing the amount of B.C. food in B.C. government supported facilities. Recommendations arising from the meeting will identify actions that can be undertaken by the Ministry, and industry stakeholders, to address existing gaps and opportunities. Another purpose is to create an industry working group that work with the Ministry to collaborate and test potential new actions.

Stakeholder Meeting Objectives

The four stakeholder meeting objectives are:

1. Work with industry partners along the value chain to identify gaps and opportunities in the 'government facilities' market.
2. Identify actions that the Ministry of Agriculture, other government partners, and industry can take to increase the supply of B.C. local food in B.C. government facilities.
3. Build a standing stakeholder advisory/working group to support FeedBC related work including the development of any potential services and programs.
4. Report on the outcomes of the meeting including short, interim and longer-term recommendations for action. This may include new or expanded programs and/ or services. Identify and establish Terms of Reference for a standing advisory/working group to support related Ministry/government actions.

¹ <http://bcbudget.gov.bc.ca/2018/sp/pdf/ministry/agri.pdf>

2. Industry Stakeholder Meeting

Hopes, Interests & Potential Learnings

While introducing themselves attendees were asked to present their hopes, fears and what they would like to learn from the workshop. Below are some of the key points:

- Identify leaders
- Find easy wins
- Share best practices
- Set a new direction
- Understand initiatives from government
- Share challenges
- Learn
- How is the value defined?
- Collaboration
- Effective ways to change
- Depth of local food/surplus food
- Make connections
- Professionalise small farmers
- How to remove barriers
- Business opportunities for facilities getting their needs met
- Broadcasting the business opportunities for producers and processors

Desired Future: what does better look like?

Attendees were asked to break up in to pairs and discuss what the desired future for the project should be. Key points included:

Definition of local food

- Common definition
- Grown and/or processed in BC
- Variations do exist
- Transparency and definition is critical

Education

- Consumer awareness to appreciate local food and food literacy
- Market awareness around small producers
- Recognition of existing regulations that producers adhere to, federal or provincial, by buyers
- Leverage research
- More information and information tools are needed for decision makers

Regulation

- Greater ease for producers to meet requirements

Measuring performance

- Need to define problem

Operational

- Aggregate small producers
- Involve procurement offices
- Triple bottom line vs best value vs lowest cost (inline with better taste or local food)
- Defining value of local; low cost vs true cost
- Seen as Leaders
- Engage Growers
- Opportunities for smaller producers and being given capability to build capacity

Value Chain Challenges, Barriers & Solutions

The group defined the key sectors across the value chain. Then they identified the following challenges, barriers and solutions, to increase BC food procurement in government facilities, in each of the key sectors:

Key Sector	Challenges & Barriers	Potential Solutions
Primary food producers	<ul style="list-style-type: none"> • High costs for Food Safety Certification; lack of funding or financial incentives • Desire for lowest cost prices creates constraints for local suppliers who compete against cheaper imports • Regulatory barriers to farm growth (e.g. ALC) • Public perceptions that small farms are 'more sustainable' creates possible bias against larger farmers who innovate 	<ul style="list-style-type: none"> • Create better websites to promote the features of BC food since it is difficult to visit farms directly • Educating producers and processors on institutional requirements around food and nutrition and safety so they can address market requirements • Tools for producers to organize among themselves to meet the larger volume requirements of institutional purchasers
Food Processors	<ul style="list-style-type: none"> • Lack of clarity on needs of institutional buyers; no clear path on how to access this market; • Marketing challenges due to lack of info on who is out there and what they are about • Many small producers can't individually meet volume requirements; lack of coordinated efforts to aggregate; capacity and funding constraints • Egg imports from Alberta enter the market below BC costs; competitive challenge 	<ul style="list-style-type: none"> • Create preferred supplier lists accessible to public buyers that highlight local options • Special labels for BC Local Foods (e.g. BC Kosher) to differentiate them from imports • Help small producers and processors understand specifications around diet and safety so they can adapt to fulfill orders • Support processors scale up to meet demands of large customers; niche co-packing programs to aggregate volumes • Pricing rebates and BC labelling programs
Packing houses & marketing boards		<ul style="list-style-type: none"> • Conduct a marketing analysis to understand the needs of Higher Education and Health care sectors • Promotional websites (e.g. BC Food Connections)
Distributors	<ul style="list-style-type: none"> • Produce items are not coded differently when they are the same product e.g. clam shell of cherry tomatoes, but from different regions/countries; resulting in challenge to really track BC grown or processed 	<ul style="list-style-type: none"> • Local ordering codes when items are in season and available to assist with tracking • Introduce coding where produce items are coded differently if from different regions
Food service distributors	<ul style="list-style-type: none"> • Understanding the operational needs of distributors • Challenging to trace and communicate 	<ul style="list-style-type: none"> • Clarity on a fair definition of Local BC Food • Cross dock program pilot (e.g. with Sysco); order goes to producer and is delivered by

Key Sector	Challenges & Barriers	Potential Solutions
	<ul style="list-style-type: none"> origin of many food products Lack of consistent definition for “local” Operational efficiency when it comes to identifying and tracking BC grown and processed foods Availability and seasonal consistency; multiple listing and need for anchor customer for each item Too much emphasis on lowest costs Tracking methods and frequency 	<ul style="list-style-type: none"> Sysco to customer Clarity around where products comes from to complement local procurement objectives
Food service providers	<ul style="list-style-type: none"> High costs; program rebates Price fluctuations when having to meet fixed costs in long terms contracts 	<ul style="list-style-type: none"> Mix local and non-local to meet volume in larger contracts Incentives to buy from local producers
Group purchasing organizations		<ul style="list-style-type: none"> Lower compliance; allow public authorities to buy local (80 /20) Multiple supplier contracts
Government facilities	<ul style="list-style-type: none"> Shifting how we value food to support health care; good food moves people out of hospital quicker 	<ul style="list-style-type: none"> Promotion and education about how local food procurement contributes to a triple bottom line benefits to decision makers at institutions
Policy makers	<ul style="list-style-type: none"> Trade agreements seen as constraint Limited budgets of health care facilities; food cost per meal day is low compared to other jurisdictions; financial pressures 	<ul style="list-style-type: none"> Best value decision making
Consumers	<ul style="list-style-type: none"> Educating consumers on benefits of buying BC Food 	<ul style="list-style-type: none"> Promoting features of local products to the consumers in cafeterias through point of sale material.
Across the value chain	<ul style="list-style-type: none"> Lack of information on options Cost benefit analysis hasn't been done Current value of a 'plate' misses local and environmental impacts Inability to work with stakeholders due to longer terms contracts a reality Misalignment around transparency and a common understanding / definition 	<ul style="list-style-type: none"> Comparative analysis and identification of best practices from other regions Create an information portal to educate public on local benefits; e.g. BC Food Connections (BCFPA) BC government facilitates more dialogue within and across the value chain More liaison between producers and distributors; use portals like FoodMesh Ministry of Agriculture 'road shows' Market analysis on facility needs across the value chain

Initiatives for consideration

Attendees were asked to form 3 groups and, in each group, discuss what specific programs, pilot projects or initiatives should the Ministry consider promoting. Key points captured are:

Initiative	Opportunity
Support local producers to be market ready	<ul style="list-style-type: none"> • Training producers and processors on the relevant regulations so they are market ready. Examples are Chef Palate, Good Agricultural Practices (GAP) and Whole Harmless Agreement (?) • Bridge the gap between small producers and larger institutions. Create a buddy program between the two • Investing in aggregation hubs so orders can be aggregated in to larger orders • Educate government agents and facilities on small producers • Provide funding for pilot projects for small producers to analyse the risk • Invest in broadline distributors to work with BC suppliers • Create a FTE at the Ministry of Ag whose role is helping suppliers become market ready (like the organic extension office) and to become a liaison • Distributors need to be able to take liability and risk of onboarding • Develop value added products in line with the needs of government facilities • Bigger focus on producers to see what they need and build a list of requirements • Loan guarantees for equipment, etc.
Measuring performance	<ul style="list-style-type: none"> • Increase tracking of local food purchase • Increase traceability using blockchain • Co-ordinate labelling of local products on boxes • Distributors to augment tracking ability • Market intelligence – analysis of the current market and the real opportunity • Subcontracted research to baseline existing practices • Subcontracted research to determine ‘who’ is local <p>Challenges</p> <ul style="list-style-type: none"> • Challenges with tracking is complex • There is industry defragmentation
Promote FeedBC opportunities	<ul style="list-style-type: none"> • Sponsorship of new farmers’ markets • Regional conferences to communicate the opportunities across the value chain • Sponsorship and marketing support • Develop a value chain process map of the market to inform stakeholders • Food Week Observance

3. Conclusion and Recommendations

The workshop was well attended by a cross section of people from the value chain. Producer representatives were there, but more producers would have been ideal. Attendees were presented with details on FeedBC and the mandate to increase the procurement of BC food from 25% to 30%. Attendees provided numerous opinions on the challenges with meeting this mandate as well as ideas on how it can be done. Most attendees felt it could be done with the right support from government. Below are the key recommendations based on the feedback from the workshop:

Recommendation	Need	Solution	Implementation	Benefits
“Market Ready” program	Many local producers may have great product, but are not able to supply the government facilities, which have specific criteria such as case sizing, certifications, distribution requirements and availability.	Develop a program that trains producers to be market ready. The program could include online materials and courses, in person workshops and even one on one consulting.	<ul style="list-style-type: none"> • Link the program with the Canadian Agricultural Partnership initiative which already provides business training support • Involve broadline distributors, as they are the experts in “Market Readiness” 	<ul style="list-style-type: none"> • Increases the number of viable local producers • Develop a list of viable producers for buyers to search • Develop a certificate to easily identify those producers who are “market ready”
“Market Ready” staffing	“Market Ready” program development and execution.	Resource current Ministry of Ag staff with the responsibility to develop and run the “Market Ready” program.	Link in with the Ministry of Agriculture’s extension services.	<ul style="list-style-type: none"> • Develop a comprehensive service, • Continued support to deliver the program, • Producers will be able to seek additional opportunities.
Funding for producers to gain relevant certifications	Government facility suppliers require producers to have certain certification (e.g. GAP, HAACP), which can be cost prohibitive for some producers.	Provide a pool of money that producers can apply for to obtain the relevant certification.	Link the program with the Canadian Agricultural Partnership initiative which already provides grants for business planning.	<ul style="list-style-type: none"> • Increases the number of viable local producers, • Allow producers to also go after additional business e.g. chain retailers.
Measure baseline	There isn’t a clear	<ul style="list-style-type: none"> • Working with the 	<ul style="list-style-type: none"> • Partner with 	<ul style="list-style-type: none"> • Accurately understand how much

Recommendation	Need	Solution	Implementation	Benefits
of BC food in government facilities	understanding of how much local food is currently bought	<p>facilities and their suppliers measure how much local food they buy over a given time.</p> <ul style="list-style-type: none"> • Develop a methodology, which also includes identifying the challenges and ways to overcome them. • Potentially measure fresh and processed food separately due to their differences. 	<p>universities, such as SFU, to develop the program as part of the students' curriculum e.g. students develop the methodology, gather the information.</p> <ul style="list-style-type: none"> • Encourage other government facilities to begin tracking their baseline. 	<p>local food is currently bought, by who and what they buy and when. This creates a baseline to set realistic growth targets going forward.</p> <ul style="list-style-type: none"> • Measuring the baseline will help develop accurate methodology on how to measure it going forward • Measuring local food procurement will identify where the opportunities and barriers are.
Funding for facilities to promote FeedBC	Lack of awareness amongst consumers of current and future FeedBC initiatives.	Provide funding to facilities for them to run programs that promote local suppliers. The funding can be used to design and print Point of Sale material, leaflets, online content and/or events.	Link in with the BuyBC program which already provides funds to promote local producers.	<ul style="list-style-type: none"> • Increase awareness amongst consumers. • Increase revenues as more consumers want to eat at facilities that emphasise local food. • Increase procurement of BC product as consumers buy more meals that are promoted as locally sourced.
Develop FeedBC case studies	Majority of people are unaware of how much local food government facilities already buy.	During the baseline measuring phase gather around 6 case studies where facilities have successfully implemented Buy BC programs and increased their procurement of BC product.	<ul style="list-style-type: none"> • Encourage facilities to use case studies in their promotional materials. • Use case studies in the "Market Ready" program to show case to producers the benefits and possibilities. 	<ul style="list-style-type: none"> • Inspire consumers to buy more local food • Inspire producers to become market ready to become suppliers of government facilities.
FeedBC Evaluation	To see if the FeedBC	Put systems in place so the	Develop systems and	Identify the successes to amplify and

Recommendation	Need	Solution	Implementation	Benefits
Plan	program has been successful.	program can be evaluated after a specified number of years.	criteria during the baseline measuring program.	the challenges to learn from.
Code produce items differently depending on region of origin	Produce items in certain circumstances aren't coded differently even though it may come from a different region, therefore making it hard to consistently buy BC product.	Require all produce items to be coded differently depending on region of origin.	Work with the produce industry and GS1 Canada to implement regulations on region of origin coding.	<ul style="list-style-type: none"> • Enable suppliers, distributors and buyers to clearly define the region of origin of produce items. So those wanting to procure produce from BC can on a consistent basis. • Reduce manual labour trying to track region of origin to update price lists and databases.
Aggregation of BC product	Infrastructure and programs to support BC producers to aggregate their product to meet larger volume orders.	Provide funding to develop aggregation food hubs around BC for BC producers to deliver to.	Link in with the other goal of FeedBC which is to develop food hubs across BC	<ul style="list-style-type: none"> • Allows smaller producers to still meet larger orders • Widens the pool of BC producers to source from • Provides a more consistent supply • Lowers cost of distribution
Flexible contracts	Contracts that empower government facilities to decide on what products they require	Introduce flexible policies such as: <ul style="list-style-type: none"> • Lower compliance of Group Purchasing agreements, that allow public authorities to buy some of their own product • Multiple supplier contracts 	Build on current initiatives government facilities are already implementing	<ul style="list-style-type: none"> • Empowers government facilities to buy more of what they want e.g. local product • Allows producers who normally can't bid on contracts (e.g. they can't supply all products or all year)

These recommendations are not ranked in any order and are therefore for the working group to deliberate on and prioritize. The working group will also need to develop each of the recommendations and identify resources needed to implement, as first next steps.

