Feed B.C. Value Chain Advisory Group September 2018 Meeting Notes

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

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9 October 2018

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BRITISH COLUMBIA | Ministry of Agriculture

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1. Introduction

Purpose

The purpose of this report is to summarize the findings and recommendations arising from the September 28th, 2018 Advisory Group meeting for the FEED BC initiative.

Background

Feed BC was identified as a key priority in the Minister of Agriculture's 2017 mandate letter. Feed BC aims to effect long-term system changes that will increase the use of BC-grown and processed foods in hospitals, schools, and other government facilities. The primary goal of FEED BC is to "Increase the use of B.C.-grown and -processed foods in B.C. government facilities." There are three supporting objectives:

1. Shift the current procurement priorities and practices that **government facilities** are using, to better emphasize BC food.
2. Build capacity of BC **producers and processors** to increase supply of BC food to government facilities.
3. Build capacity of **distributors** to expand the availability of BC food.

An initial stakeholder workshop was held in March 2018 to introduce the FEED BC Program and present connections to similar work under the Grown BC and Buy BC programs. At that time stakeholders self-identified their interest in joining an ongoing Advisory Group.

2. FEED BC Advisory Group

Draft Terms of Reference

Thom Dennett, from the Ministry of Agriculture, highlighted the importance and need of the Ministry to advance key recommendations that will help the government meet and ultimately exceed its 30% goal. The Advisory Group is intended to be a body of industry stakeholders with expertise that can be shared with government to help focus their actions and improve the effectiveness of potential programming. A draft Terms of Reference was shared and reviewed with attendees and there were no major objections or recommended changes (see document "Terms of Reference - Feed BC Value Chain Advisory Group October 15 2018").

Advisory Group Members

The following is a list of stakeholder organizations:

Organization
Aramark
Sodexo
Small Scale Food Processors Association
Interior Health
Healthpro
BC Food Processors Association
Island Health
GFS
Compass Group
English Bay Cookies
YVR Prep
Vanderpols Eggs
Sysco
UBC
SFU
Meadowfresh
Albion Fisheries
BC Turkey Board
Provincial Health Services Authority

Attendees also recommended asking representatives from the following organizations to potentially participate as members of the Advisory Group:

- GS1
- Vancouver Food Executives
- BC Fresh
- Dairy Processing
- BC Meats

3. General Questions and Feedback on FEED BC

During the first part of the day attendees provided some feedback and further questions for the Ministry as it continues its work, as well as general discussion around key areas. These included:

1. What is the scale of opportunity?
   - What is the size of food market within government facilities?
   - What is the Economic impact?
2. Working from a common definition is critical
   - Different definitions in other provinces and federal definition makes comparability difficult
   - BC Healthcare has their own definition too
   - 'Local' definition is perceived differently for different types of food (e.g. local produce is seen to come from the lower mainland, local meat is seen to come from BC and local seafood means comes from Canada.
   - Work is needed around consumer awareness around a standardized definition.
3. Health care has their own production kitchens that cook from scratch. If raw ingredients are not local, but finished product is made in these processed kitchens, can it be considered local?
4. Processed products also have coding issue for national companies like Maple Leaf Foods. Product processed in Ontario but raw ingredients are from a BC company and labelled same as BC products. This is similar to the produce issue raised in the March workshop.
   - Current definition is therefore going to be hard to track accurately. There is work in progress with better labelling.
5. Alberta has had an Advisory Group for 4 years with that has proved to offer great value; what can we learn from their approach?

3.1 Key Recommendations Prioritized

Stemming from the March Workshop were a series of recommendations on how the Ministry could move towards the 30% goal (see separate March 2018 FEED BC Workshop Report). Based on that workshop and other work in progress the Ministry brought forward 10 key recommendations for review and prioritization by the Advisory Group:

1. "Market Ready" program
2. "Market Ready" staffing
3. Funding for producers to gain relevant certifications
4. Measure baseline of BC food in government facilities
5. Funding for facilities to promote FeedBC
6. Develop FeedBC case studies
7. FeedBC Evaluation Plan
8. Code produce items depending on region of origin
9. Aggregation of BC product
10. Flexible contracts

In addition to the initial 10 recommendations, the Ministry of Agriculture and the Advisory Group added five more:

11. New product development
12. Food processing equipment financing
13. How do we decide which local producers get the contracts?
14. Infrastructure to scale up for processors
15. Local businesses unique challenges

All 15 recommendations were ranked for importance/impact by the advisory group. The results are summarized below.

No.	Recommendation	Further Feedback	Priority score
1	**Code produce items differently depending on region of origin** *Require all produce items to be coded differently depending on region of origin.*		8
2	**"Market Ready" program** *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.*	• Increasing producer awareness • Infrastructure & information support • Relationship building • Promote current programs better • More one on one outreach • Traceability programming • Break buyers down in to different categories, so producers know available opportunities to them • Ministry to work with distributors to identify "non-market ready" producers	5
3	**Measure baseline of BC food in government facilities** *Working with the facilities and their suppliers measure how much local food they buy over a given time.*	• Some tracking already happening by broadline distributors (manual and lots of heavy lifting) • Ideal is to standardize across the sector • Better labelling will help • Manufacturers key to providing info • Some pilots are in progress (e.g. GFS) which we can learn from • Need to define local • Needs resourcing • Service providers have information which needs releasing and using • Identify the best categories to track	5
4	**FeedBC Evaluation Plan** *Put systems in place so the program can be evaluated after a specified number of years.*	• Value chain is already making changes • Where is the date coming from? • K to 12 schools will be challenging as it is a decentralized value chain	5
5	**Flexible contracts** *Introduce flexible policies such as Lower compliance of Group Purchasing agreements, and Multiple supplier contracts*	• How will smaller suppliers fund the programs e.g. trade spend? • Trade spend is a big challenge across the value chain • Risks to the non-contracted products • Who controls the programs? • How can the programs be fair, if	5

No.	Recommendation	Further Feedback	Priority score
		sponsors of programs are losing share?	
6	**"Market Ready" staffing** *Resource current Ministry of Ag staff with the responsibility to develop and run the "Market Ready" program.*		2
7	**Funding for producers to gain relevant certifications** *Provide a pool of money that producers can apply for to obtain the relevant certification.*		2
8	**Aggregation of BC product** *Provide funding to develop aggregation food hubs around BC for BC producers to deliver to.*		2
9	**Funding for facilities to promote FeedBC** *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.*		0
10	**Develop FeedBC case studies** *Gather around 6 case studies where facilities have successfully implemented Buy BC programs and increased their procurement of BC product.*		0
11	**New product development** *Identity gaps where new local products can be developed*		0
12	**Food processing equipment financing** *Provide financing for processors and groups to purchase food processing equipment*		0
13	**How do we decide which local producers get the contracts?** *Work with institutional buyers on their procurement policies and procedures that help them to decide which local producers to source from*	• More market ready producers mean more choice • Smaller producers may not have enough funding • What are the gaps that can be filled by more local producers?	0
14	**Infrastructure to scale up for processors** *Encourage investment in local food infrastructure*	Agri-food centre program in place	0
15	**Local businesses unique challenges** *Develop a strategy to work with local businesses on how to minimize and over come challenges of doing business in BC*	• Competition from subsidized product • Labour shortages	0

3.2 Feedback on Key Recommendations

The top three ranking (considered high priority or high-impact) were discussed in more detail. Discussion results are presented below:

Recommendations	Overview	Challenges	Opportunities
“Market Ready” program, staffing and funding for relevant certifications	Market readiness is about certifications, education and equipment needs for food producers to be able to supply government facilities readily	• How do we zero in on the producers that are there from a manufacturer or distributor perspective? • Some categories are ready to be market ready but not all are • Some producers/manufacturers are ready, but aren't willing to play the game with the distributors because they will be picked up no matter what • Government initiatives aren't communicated out, so people don't know about them • Don't believe government should help companies be lifted to where others have paid to be • Don't believe that government has business insight more than private sector does • Distributors can move the needle but there's a cost associated with it, so who pays for that? • Scaling issues are a problem - big won't level down to fit IHA needs and small won't scale up because they don't have the money to • Would be very helpful to know who is ready - need a list for reference (again food asset map) • Market readiness isn't the problem it's the distributors and caterers and what	• Identify which categories are more amenable to being market ready • Improve communication and promotion of current programs • Government provide funding for market ready programs to where there are gaps in local supply for fairness • Provide a continually updated list of market ready suppliers categorized by food category (note: Ministry of Agriculture is working on a Food Asset Map) • Simplify courses and certificates (e.g. self audit and online like Service it Right) • Tiering businesses in order to educate them on what they have to meet in order to get to these different levels (general market, broadline distributors, institutions, etc.) • Standardise health and safety protocols • Programs should be long-term so investment made by producers are worthwhile • Each category needs a 'market ready' guide for what it means to be ready (NAICS code and their scale) • One-on-one outreach from the ministry needs to happen to make

Recommendations	Overview	Challenges	Opportunities
		contracts they hold and why they will choose someone else over others • The health and safety regulations are out of control and they're one way for one form of school and another for another form of school, so how do you choose what you want to go after? • Government has done a poor job of aligning all the regulations they've implemented, which makes it quite difficult for businesses to be in more than one pot (Gov has siloed institutions to such a degree that there are major barriers from that) • Relationship stops when someone isn't ready for a supplier and buyer; how do we ensure the conversation doesn't stop? • Gov priorities change and then certain people are left out so where do we fit? • Can get funding for something but then it's gone the next year because there's no continuity; no funding to continue an initiative, just to do it one year and then let it die • Laborious processes of applying for funding from the government isn't great	people aware of funding • Follow-up on whether or not the funding was effective for them, will they apply again, etc. • Streamline the application process for "market ready" funding • Suppliers also need funding for infrastructure and equipment to ramp up supply • Create a website with filters in, such as are you a producer, processor, coop, etc.? then, are you 1-50 people, 51-100 people, etc. which would land you on a webpage that lists the various funding programs available to you • Create how-to guides (similar to the marketing guides made) that say "to sell to a niche distributor, broadline distributor, institution, farmers market, etc." you must be able to meet x health and safety regulations, meet x product demand, etc. Communicate guide out to industry (commissaries, distributors, etc.) to give to businesses who approach them and need help sorting out what to do next.
Measure baseline of BC food in government facilities & FeedBC Evaluation Plan	Two related recommendations focused on establishing a baseline on the amount of BC food being purchasing currently in the target institutions and then also determining how overall progress or	• There is not a mandate from the Health Authorities to track food procurement currently • Some service providers can produce reports on local food production; but	• Service providers are often the primary sources of data around local food procurement; and they in turn get it from suppliers; accurate data is difficult to obtain

Recommendations	Overview	Challenges	Opportunities
	success should be measured.	the reports on based on an alternative definition of local food; a new definition of local food creates some new 'unknowns' when it comes to tracking; GFS uses 'local raw ingredients' as their definition • GFS has had some extensive efforts on tracking; lots of complications related to labelling and mixed batches of local and non-local produce during seasonal swings; this is mostly a manual process • Tracking needs to happen at the category level as an easier entry into this work; eggs or dairy or protein • Current definition is around 'grown' and 'processed' in BC; might consider tracking as a bundle at first and then separately down the road • Need to calibrate measurement efforts to the value of the data (and accuracy); could spend a lot of time tracking but not getting good value from effort (trying to measure perfectly is impossible; good enough must be good enough) • BC vendors should be able to be tracked in the distributors systems; there is an initiative underway within some distributors to have same item code across the country for certain products; this would move us away from our goal not towards it.	• Service providers provide reports in response to customer demand or interest (local , fair trade, organic); GFS and Sysco (as distributors) are best positioned for tracking • University sector is doing a good job of tracking, build on their experiences and successes • The Ministry of Agriculture used to provide funding to help service providers and distributors with this kind of tracking; that was a very helpful program; reinstate this program • Embedding into the GS1 / GTIN system would make tracking easier; ideally there would be information embedded into the product information code; some information is already embedded in the GTIN code (e.g. Canadian salmon or specific origin of shellfish); add a field to GS1 • This may be an area where industry collaboration is required; for example, the seafood industry is moving towards a North America wide reporting system using a standardized format that all players will adhere to • Make information on BC products available to broadline distributors via the "ordering guide" • Focus on those products are high volume, high value, high impact; what are the big spend categories and how

Recommendations	Overview	Challenges	Opportunities
			well do they match up with BC products • Work based on what is used the most or based on ease of tracking; protein is tough; baked goods are easy, dairy is easy, produce is tough; take a 'pareto' approach to all of this • What can we learn about traceability from Oceanwise or similar tracking programs • Get dieticians involved in helping with decisions that might shift to a preference for BC products • Need service providers to let institutional customers know what the cost implications will be to move from a 25% local food procurement level to a 30% or more level; set a timeline target for goal • 30% should be a collective goal for a sector (e.g. Health, PSI, K-12); but tracking (as possible) at the individual institutional level would be helpful to understand success factors
Code product items differently depending on region of origin	• Products sold in retail and food service are given GTINs (Global Trade Item Number[1]), which are registered with product details with GS1[2] • GS1 is a not for profit international	• Seafood and produce have biggest hurdles to regional coding • Large manufacturers have manufacturing plants in different regions that also use product coming	• While product is coded by point of production, the raw ingredients are tracked and can be identified. However, this is cumbersome to trace on a regular basis. It is normally done

[1] https://www.gtin.info/
[2] https://www.gs1ca.org/pages/n/home/index.asp

Recommendations	Overview	Challenges	Opportunities
	organization with a regional office in Don Mills, Ontario • GS1 has industry advisors and does collaborate and update their process • Product criteria like gluten free and Vitamin K has been added to GS1 database recently • Manufacturers & producers create their own internal codes for ingredients etc. for traceability and product recalls • GTIN are given to cases as well as skis • Food service sector normally uses case GTINs • Some distributors also add an additional code depending on which distribution centre the item comes from (e.g. GFS) • Produce, commodity protein and small wares (cutlery) codes are not uploaded to GS1. Codes are set by GS1 guidelines, but not necessarily uploaded to GS1 • Tracking of produce is done at distributor level more than any other level. At retail level PLU (Product Look Up) codes are used • CFIA (Canadian Food Inspection Agency) control the guidelines around products labelled Made in Canada (there are no provincial labelling guidelines) • GS1 grades manufacturers depending on the level of information uploaded	from different regions • GS1 is cumbersome, time consuming and expensive (especially for smaller producers). It can cost $2k/product for GS1 coding • Any changes to GS1 will have major impacts on the industry (e.g. limit manufacturers to where they source their raw ingredients from) • Government facilities do not buy enough for the industry to make changes based on the government needs	for emergencies only (e.g. food recalls) • Some manufacturers are able to guarantee local product even if they have both local and non-local • Any changes to GS1 or GTIN will need wide industry support • Larger food service providers (e.g. Aramark) can create additional GTINs to identify local product, but still may not know where raw ingredients are • Manufacturers tend not to mix raw ingredients from different sources in end products (for better traceability). So, in theory, we could break out products with local ingredients than those with not • Highlight manufacturers who can guarantee products that are identified as local are locally made and have >51% local ingredients • Food distributors and GPO's on Value Chain Advisory Group work closely with GS1 • Ontario has seen success with local labeling because they have a larger population and larger number of manufacturers located there • Quebec has also seen success because they have a larger number of Quebec only manufacturers • Technology is getting cheaper, more

Recommendations	Overview	Challenges	Opportunities
	to their database. The database is audited regularly and GS1 notify manufacturers of changes/updates needed to codes and products		accurate and flexible (e.g. RFID – radio frequency identification, technology embedded in packaging) • If tracking and coding of local becomes easier then the products will be promoted to other customers • Streamlining of a process saves time for businesses • Provide funding to suppliers (especially smaller ones) so they comply with GS1 coding

Flexible contracts were also identified as a key recommendation to discuss, but because key people were not present, and time was running out, it was decided to discuss the recommendation at another time.