SMALL SCALE

FOOD PROCESSOR

Association (SSFPA)

Market Scoping Project (MSP)

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TABLE OF CONTENTS

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Executive Summary

The SSFPA is a new organization aimed at supporting small-scale food processors to increase their economic and social viability. The opportunity to carry out a scan of market forces and issues arose through the Conservation Finance Initiative for Technical Assistance Program (COFiTAP) funding provided by EcoTrust Canada and VanCity Credit Union. To meet the objectives of the scan, a literature review was done to sketch out the global and regional forces influencing the marketplace for small-scale food processors. As well, interviews were held with 47 small-scale food processors from all corners of the province of BC and with 17 organizations involved in marketing processed products. An investigation of models and options for strengthening the small-scale food-processing sector was carried out to provide guideposts for the SSFPA to consider as they build their development strategy.

The following results were consistent from all sources:

- There are many global and regional factors that have influenced major shifts in the Agri-Food industry worldwide.
- Adding value through processing is being seen as an important strategy to mitigate downward pressure on commodity prices and upward pressure on land and labour costs. There is a marked increase in consumer demand for locally grown and processed products with interest in organic production acting as a major driver. Since most specialty foods are imported to BC, the opportunity for import replacement is attractive. New and exotic products are eagerly awaited by affluent consumers. To summarize, the market conditions for people involved in producing and processing Agri-Food products for specialty markets in BC are very attractive.
- To analyze the issues that small-scale processors face in moving into this vibrant market, it became obvious that processors may be classed into at least three categories based upon their Full-Time-Equivalent (FTE) employee complement. **Micro-processors** have 1-2 FTEs and represent farm-based ventures. **Small-scale food processors** with between 3 and 25 FTEs are mainly marketing at commercial volumes from a regulated commercial kitchen, which may be on the farm or owned by processors who are not producers themselves. This study did not consider the issues faced by **large-scale food processors** (over 25 FTE's) although in recent conversations it appears that they face many similar issues in BC.
- Micro-processors face many issues related to the smallness of scale. Marketing strategies are generally informal with the processor acting as their own marketing agent. There is a great deal of this type of activity in BC, with a growing participation rate by producers, but there are no statistical studies. In some ways, this activity functions as part of the informal economy. Small-scale processors who can produce reliably and with the quantity/quality required by independent retailers, face barriers directly related to their size as well. The underlying issue is the high cost of small-scale manufacturing. Once a processor is able to produce product that can be represented by a broker and sold in large retail chains, another level of challenge is reached.
- The potential for micro and small-scale processors to become economically viable can be reached either through a quantum increase in financing available to individual processors, or by finding ways for processors to work together to overcome the issues of scale that plague them. Our study revealed that there is a great deal of activity in many countries where, with government support, producers and processors are organizing themselves into vertically coordinated relationships using one of several different

approaches. These approaches allow individual producers/processors to remain at the micro or small-scale but by working together, through two or more of the steps in the value-chain, they can gain more control of the costs of scale and the costs and skill of entering the market.

This report recommends action for processors, for the Small Scale Food Processor Association (SSFPA), for organizations that are concerned with regional community economic development in the Agri-Food sector, for Community Development Finance organizations and for government.

The vision is put forward of inviting the members of the SSFPA, their supporters and government to work together to create coordinated regional systems linked together at the provincial level in a planned way in order to facilitate 'economies of scale' without losing the benefits of small, local and rooted ventures that are committed to community sustainability.

Introduction

Major changes are happening in the structure of the economy of British Columbia. Many communities are facing radical shifts as traditional resource-based activities are in decline. In a climate of change it is axiomatic that new ideas begin to flourish as people struggle to find new ways to sustain their personal and community life. The emergence of the Small Scale Food Processor Association (SSFPA) parallels the launch of several other Agri-Food and community based organizations that have dedicated themselves to rebuilding their local economies on a more sustainable foundation. This rise of interest is calling on communities and organizations to discover and invent new and innovative strategies that will enshrine small-scale local efforts but do this in such a fashion to ensure living wages and sustainable, flexible capacity to respond to the market. The question in the past has been 'how can we grow big enough to survive and flourish?' The question now is, 'how can we grow smart enough to be able to be able to stay small, economically viable and remain local? This report is underpinned by questions of scale—what is the 'right scale' that will allow local entrepreneurs to meet their economic and social goals? The small-scale food processor must decide if they want to produce commercial volumes of their product to achieve a living wage, or if they want to have a hobby that produces spare change.

> *"Food processing multiplies the value of agricultural products and their impact on the economy. Each dollar invested in farm supplies like seeds, machinery and fertilizer, can result in farm products valued at about twice the investment. After processing, those farm products again double their value when they are translated into food and beverage products. Expanding value-added food processing activities creates jobs and economic opportunity in every region of the country. At the same time, it strengthens Canada's competitive position in world markets."* 1999, Shalanski, Kerren. *Shared-Use Commercial Kitchen Study* . Campbell River Employment Foundations Society. HRDC, Community Futures Development Corp. of Strathcona p9.

The work of the SSFPA is taking place in a climate of increasing market demand for specialty and organic food. This vibrant market is currently being filled mainly by growers and processors from outside British Columbia. The major question that this study seeks to answer is 'How can this market be opened to BC producers and processors?' And 'what do small-scale producers and processors have to do to prepare themselves to meet this market in a strategic way?'

BC has geographical attributes that lend itself well to a comprehensive small-scale approach to Agri-Food-focused community economic development. This challenge is an opportunity as "less that 5% of BC land is arable…interspersed with pockets of exceptionally productive land benefiting from favourable growing conditions for many commodities…[these factors have protected the preponderance of family farms and--] 95% are still family-owned."[1] However, the pressure of land-use competition has raised land prices to the point that family farms are under threat for intensive development. Prices of produce and competitive factors from products grown in other countries have further eroded the economic viability of the small farm holding. There is a critical need for new strategies that can save the family farm and encourage urban agriculture and other Agri-Food strategies. This challenge is being approached by farmers who are experimenting with new crops and products. As well, a huge interest in adding value to farm produce is in evidence. A recent study showed that 67% of the producers contacted were

[1] 2002. Barbolet, Herb. Bringing Food Back Home. August. Shared Vision. P19.

considering a value-added activity to increase their economic viability.[2] However, since small-scale processors face formidable barriers, this may not be an easy answer. Can the value-add strategy become an effective one for ensuring the sustainability of our agricultural heritage? How can adding value through processing be accomplished in the most effective manner?

> *"with our large number of very small farms, we have huge diversity and an opportunity to develop the way Northern Italy or Southern France has…we don't have an infrastructure that supports this movement. We don't have a supportive government, but we do have opportunities to create a localized food system."* Barbolet, Herb. Bringing Food Back Home Shared Vision, August 2002 p 19.

In this atmosphere, intelligence from the market-place can point to opportunities for local producers and processors to 'right scale' their business plans and to enter into new and powerful collaborative arrangements that can collectivize efforts to overcome barriers related to smallness of scale. This report attempts to point to some of these opportunities and to bring forward concepts and models to stimulate discussion for all stakeholders concerned with the health of the Agri-Food sector in BC.

Background to the Market Scoping Project

The Small Scale Food Processor Association is a new organization in the process of organizing to meet a mission of:

- Establishing an industry identity
- Supporting regionally based small-scale food processor systems
- Providing relevant and timely information
- Advocacy for supportive policies
- Creating programs to support development and growth of small-scale food processors.

The organization is basing its action upon a values framework that seeks to enhance community economic development and local sustainability. This values frame has informed the thrust of this study.

- Food safety
- The right to a living wage
- Food security for all
- Regional capacity
- Collaboration and co-operation
- Sector support
- Best nutritional quality possible
- Local community sustainability
- Celebration to mark milestones

Part of the founding strategic plan for the SSFPA is to work towards creating a profile of this emerging industry. This could help define the sector and bring credibility to its proponents. Such knowledge will also point to opportunities for sector-wide development approaches. A critical component of such a profile is to understand the market forces that affect small-scale processors. This report provides a first effort to scope out issues and factors relevant to this market of importance to planners and processors alike.

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[2] Shepherd, Colleen. Johanna Stiver, Melanie Banas. Community Promise: A Local Labour Market Study Volume 5: Report on the Agri Food Sector CEDCO Victoria, Government of Canada, HRDC p 31.

Small-scale food processors operate within the Canadian Agri-Food sector. Whereas defining the economic potential for small-scale processors is not possible at this time, the size of the Agri-Food sector is important to the Canadian economy. The assumption underlying this study is that with knowledge and planning, bigger opportunities are possible for the small-scale sector.

The Importance of the Agriculture and Agri-Food Sector to the Canadian Economy

- The Canadian agriculture and Agri-Food system accounted for $100 billion in annual retail and food service sales and 8.3 per cent of the total Canadian Gross Domestic Product in 2000.
- In 2000, Canadian Agri-Food exports accounted for 3.8 percent of world Agri-Food exports, making Canada the world's 3rd largest Agri-Food exporter behind the United States and the European Union.
- Food processing is the largest manufacturing sector in seven provinces (it represents the second largest manufacturing sector in Ontario and the third largest in British Columbia and New Brunswick) and accounts for 10 per cent of the share of total manufacturing shipments in Canada.
- In 2001, the industry contributed $7.4 billion to Canada's trade balance, accounting for 10 per cent of the total Canadian trade surplus. There has been a steady climb in the value of Canada's agricultural exports, from $11 billion a decade ago to a record $26.5 billion in 2001. [3]

A search of BC Stats reveals that very little is known about the small-scale food-processing sector.

It is recommended that further research be carried out building on this scoping report to gain better knowledge about the economic impact of the small-scale food-processing sector, its distribution, its labour force and to document innovations in all aspects of production, manufacturing and marketing.

Purpose of this Scoping Exercise

This document serves to scope out the market from several points of view providing processors with the information they need to improve their capacity and to enhance their strategic approach to reach lively market opportunities.

The new products that processors will have the best success with are those that replace gourmet imported food, and with specialty foods that the large processors do not find economically viable to market in large quantities. The report also provides guidance to the founding board of the SSFPA in the approach they should take in creating an organization that will provide critical assistance to its members as they pursue their business and social goals. Providers of technical assistance and financing to community economic development initiatives will be able to learn how best to offer their services in order to facilitate expansion of this emerging sector.

[3] www.agr.gc.ca/cb/news/2002/n20620be.html backgrounder for news release for the Canadian Agricultural Policy Framework

We should note here that although the SSFPA began as an initiative of small-scale processors in BC, Alberta small-scale food processors have indicated an interest in our association. In conversation with the Alberta Food Processor Association, their feeling was that they could not serve the strategic needs of small-scale processors and wish to work with our association to address this. As a result, some portions of this study have been enlarged to encompass some information and points of view from small-scale food processors beyond BC's borders.

Inquiry Method

The time frame to complete this project was very short due to constraints related to funding, the work needed to be completed in a 3-month period over the summer of 2002, which is a high demand season for growers, processors and markets. These two factors influenced the approach that was taken. These constraints also mean that this project can be understood as pointing out trends rather than providing definitive answers. A reading of the findings, observations and recommendations will need to be done with the caution that this project did not attempt to meet standards for statistical reliability.

Inquiry Activities:

1. A literature review and web search was carried out. An annotated bibliography of all sources is included in *Appendix A Annotated bibliography*. Whereas this review is extensive, it is not exhaustive—time frame considerations and summer holiday season in government offices precluded further effort.
2. Phone interviews were carried out with small -scale food processors. (See processor interview schedule *Appendix B Processor Questions*) It became very clear very quickly that any attempt to carry out any random sampling would fail, as the response rate would be very low due to the time of year issue as mentioned above. In the recent study completed by CEDCO Victoria in the winter season,[4] almost 100% participation was achieved. Because most growers and processors are working 70-hour weeks during the summer, our participation rate was low (9%), although interest in the project was high. As a result of this, it was decided that we would scroll through the various databases at our disposal interviewing everyone willing until a target number of interviews was reached.
3. The databases used included that collected by the SSFPA as part of its development campaign as follows.
    a. A SSFPA database contains 86 contacts.
    b. The Ministry of Agriculture Food and Fisheries combined processor/broker/distributor database with 948 contacts was used.
    c. The contact list for the Growing Circle Food Co-operative on Saltspring Island was offered during the interview processes and was used.
    d. The membership list from the Peace Value-Added Food and Agriculture Association was included.
    e. The Small Potatoes Urban Delivery Program shared contact information of their existing processor clients.
    f. The UBC website http://www.agsci.ubc.ca/bc_food_network/ was used information for contacting additional processors and retail/brokers.

    It should be noted that there is a sense that there are many more small-scale processors operating in the province, in particular those, which we have classed as micro-processors. Because of their small size and the informality of their operation,

[4] Shepherd, Colleen. Johanna Stiver, Melanie Banas. Community Promise: A Local Labour Market Study Volume 5: Report on the Agri Food Sector CEDCO Victoria, Government of Canada, HRDC.

they do not as yet appear on any database. In total, 559 processors were contacted, 430 were provided e-mailed information, 43 were provided faxed information, and 473 were unable to take the time to respond to the interview within the few days we were able to book time for them. Thirty-nine were not interested in participating. A total of 47 interviews were carried out. Since the data collected would not meet statistical standards for reliability, the data will be interpreted broadly with key trends noted.

4. Phone interviews were carried out with retailers, distributors and brokers. (See market interview schedule Appendix D.) Some site visits were carried out.
5. Research results carried out for a recent study by CEDCO Victoria were summarized for inclusion to provide more insight into the retailer's point of view in the agricultural areas of the Capital Regional District.
6. Innovations occurring in Western Canada and in other locales in Canada, the USA, Australia and Europe were scanned to give insight on models and options.
7. Efforts were made to ensure that processors and market connections were polled from all parts of BC in order to get a sense of what is going on.

Distribution of Interview Respondents

The red pins are processors and the blue pins are brokers/distributors/retailers that participated in this scoping exercise.

Data and Analysis
Literature Review Summary

A review of literature dealing with agricultural issues, policies and analysis was conducted using articles, government documents and materials available on the Worldwide Web. The material chosen for this report underlines the comments received from small-scale food processors and people involved in the market-place. The full annotation of literature sources is included in Appendix A Annotated Bibliography. The material has been summarized to facilitate interpretation.

Current Global Context

This section reviews the current operating environment facing small-scale food processing in Canada, the US, and the world. Including effects of globalization, changing consumer demands, environment, global markets, international trade, food security, etc.

Globalization – of the Economy

- There is a continued movement toward a borderless world achieved through international trade agreements, greater communication capabilities, the explosion of information available via the Internet, and instant electronic movement of capital.

> *"there are numerous opportunities to modify a product for smaller niche markets. Multinationals focus on large market segments and competitive prices to achieve economies of scale. In doing so, standardized products for mass distribution take precedence over smaller niche market demands."* Canadian Federation of Agriculture website. http://www.cfa-fca.ca.

- This process has a large impact on small-scale food processors because of their inability to compete with large-scale processors. Large-scale processors seek out areas where there are cheap resources and labour along with lax environmental and social regulations. These factors can drive commodity prices down and sweep up available produce thus squeezing small-scale food processors from the markets.
- However, globalization also offers new markets to small-scale food processors with specialty food products in niche markets.
- Globalization of the economy tends to transfer profits to the centre from the hinterland whereas small-scale production aims at recycling profits in local economies.

Technology

- Higher efficiency through mechanization has propelled production in the food industry. This efficiency results in less human labour (loss of jobs) and greater yields, which equals savings in time and energy.
- However, access to new technology is usually limited to the larger scale processors that can afford it – the technology is all about economies of scale therefore it generally bypasses the specialty food markets.
- This inability to access new technology has serious implications for small-scale food processors wanting to reach economies of scale, however, smaller niche markets for specialty products are left virtually wide open.

- Access to the design process of new technology with the help of umbrella organizations could boost small-scale food processors into larger production and larger markets with minimal costs incurred to the individual small-scale food processor.

Food Security

There is a growing concern by community people regarding the security of the food system. This concern and the public education that results from the work of food security groups are influencing consumer demand.

> *"A community enjoys food security when all people, at all times, have access to nutritious, safe, personally acceptable and culturally appropriate foods, produced in ways that are environmentally sound and socially just*." 1999 Fairholm, Jacinda. Cities Feeding People CFP Report Series Report 250 Urban Agriculture and Food Security Initiatives in Canada: A Survey of Canadian Non-Governmental Organizations. LifeCycles project Society

- In the current system, consumers are separated from their food sources since large agribusinesses rely on cheap labour and lax regulations in other countries and then import foods to Canada
- When food is treated as profit-centred– nutrition, health, and the environment can be compromised.

> The community food security movement is founded upon five central principles (Fisher, 1997: 3).
> (1) The food needs of low-income people are a priority.
> (2) Community food security moves beyond the anti-hunger campaign with broader goals of skill development, urban greening and community building.
> (3) The focus on community means strengthening local food resources to meet local needs.
> (4) Community food security emphasizes the self-reliance of individuals and families to provide for their own food needs rather than depending on external sources such as food banks.
> (5) Promoting local agriculture and encouraging rural-urban links is an important aspect of this approach. Community projects are multi-faceted and incorporate many sectors. This approach reflects analysis and action on local food systems.

Impact of Biotechnology

Biotechnology refers to

- o patenting genetic material and life-forms to create genetically modified organisms (GMOs)
- o genetic manipulation to promote desirable traits in food
- o usually promotes corporate interests and profit making[5]

> *"Biotechnology promises to take us in new directions that utilizes what we have to sustain us for the future…In the end, however, consumers, with their vast spending power, will likely determine the extent to which biotechnology will be used to produce food."* 2001. Stewart, Karen, R. A New Agriculture: Making the Connection – A Report on Rural Adaptation to Structural Change. Western Agri-Food Institute. p. 6.

[5] *2001. Stewart, Karen, R. A New Agriculture: Making the Connection – A Report on Rural Adaptation to Structural Change. Western Agri-Food Institute. Paraphrased from p. 6.*

- Consumer groups are concerned that a preponderance of genetically modified food is rushed into production/markets before significant testing has been conducted on the safety of the food (especially regarding long term effects on both the environment and peoples' health).
- The implication for small-scale food processors is that this concern amongst consumers could in fact open opportunities to produce safe, organic, non-Genetically Modified Organisms (GMOs) for which there is an ever-increasing demand in light of perceived threats from biotechnology and GMO Agri-Food products (Certified Organic products by definition do not include GMO foods.)

Emerging Market Strategies/New Agri-Food Economy

- "Strategic alliances, supply chain alliances, the formation of business groups and long-term business relationships will be critical for survival and growth. Improved packaging, the ability to maintain freshness, information technologies, logistics and efficient transportation systems are transforming the economics of distribution. Companies seeking survival and growth will require an alliance strategy of some type. This may be local, regional or international. In Europe, this phenomenon is termed as supply chain based competition where food processors do not compete individually for market position. Rather, they compete as part of a supply chain system that is targeted to meet the specifications of a particular market segment and retail/distribution channel."[6]
- "Rural communities can take their cues from the direction these trends are setting and the economic forces surrounding them. They too need to work together and build on the vast amount of information available to them to better market their communities. The ability to band together and to self-organize is a key strategy that is being utilized worldwide through a variety of programs. Survival will hinge on their ability to revitalize and capture growth opportunities."[7]

> *"As demand for identity preservation and segregation increases and as processing and production wedges appear in rural communities, many of the firms designed to serve the markets of earlier decades may disappear. In other communities, new firms and organizations may emerge to provide the coordination required of ever-more-complex food-value chains, Promising opportunities therefore exist in farming-dependent rural communities."* 2001. Tweeten, Luther G. & Cornelia B. Flora. Vertical Coordination of Agriculture in Farming-Dependent Areas: Task Force Report No. 137 US Council for Agricultural Science and Technology.

Opportunities emerging with changes in the global context

- increased access to information via the Internet and media has spawned increased awareness regarding food security and safety issues, leading consumers to demand safe, healthy food produced in an environmentally sound manner.
- "health conscious consumers are willing to search out and pay extra for foods they believe to be nutritious and wholesome." [8]
- new niche markets can be developed or existing ones can be capitalized on by adhering to consumer demands (healthy, organic, specialty, etc).

[6] 2002. Alberta Agriculture, Food and Rural Development website. http://www.agric.gov.ab.ca
[7] 2001. Stewart, Karen, R. A New Agriculture: Making the Connection – A Report on Rural Adaptation to Structural Change. Western Agri-Food Institute. p. 3.
[8] 2002. Warner, Brent & Touchette, Charlie. Marketing on the Edge – A Marketing Guide for Progressive Farmers. Canadian Farm Business Management Council. p. 3.

- access to new profitable markets is available through the Internet and globalization – products associated with regions or cultures are made available to welcoming markets previously lacking in certain niche areas.
- specialty items are also in high demand in the growing global village – consumers are seeking new products with something extra (organic, regional identity, eccentric, affiliation with socially/environmentally-just production practices e.g. fair trade, etc).

Regional Context (BC)

This section provides an overview of the operating environment for small-scale food processing in BC, including the regulatory framework, globalization effects on the Agri-Food policy framework, labelling protocol, food security and changing consumer demands. The annotated bibliography in Appendix A should be referred to for details of the literature reviewed.

Regulatory/policy framework

There are a great many agencies/ministries to whom processors to answer to (Public Health Act, zoning and by-law regulations, Food and Drug Act, Consumer Packaging and Labelling Act, Agriculture and Agri-Food Canada, BC Ministry of Health, BC Ministry of Agriculture, Food and Fisheries, Canadian Food Inspection Agency, Fisheries and Oceans Canada Health Canada, Industry Canada) The literature review reveals the following:

- Waning gov't support (policy structures, farm subsidies)
- A need to simplify and standardize regulations
- A need to reduce regulatory red tape
- A need to establish proper gov't support networks
- Agricultural Land Reserve policies are under pressure from urban development
- A need to minimize input costs
- A need for assistance for certification/labelling of products
- A need for design plan in case of product recall
- Some BC processors relate to the marketplace in Alberta more easily, but they face cross-jurisdictional regulatory barriers.
- Small-scale food processors that need HACCP regulations to be adapted to small-scale setting as these regulations were designed for large-scale undertakings some of which are not relevant in the small-scale setting.
- The costs of producing a HACCP plan are prohibitive for most small-scale food processors thus limiting them to informal market outlets.

> *"All three levels of government have legislated acts and regulations dealing with food safety, packaging, labelling and licensing."* 1999, Shalanski, Kerren <u>*Shared-Use Commercial Kitchen Study*</u> Campbell River Employment Foundations Society. HRDC, Community Futures Development Corp. of Strathcona p13.

Food Safety

- The main literature can be difficult for small-scale food processors to follow and meet regulations because these are generally set up for large-scale operations.
- Small-scale food processors often have challenges accessing the resources, information, and facilities required to meet these regulations.
- This has serious implications for getting their products into the markets.

- Even if processors can access and understand the information/regulations necessary, the procedures and facilities required are often out of the price range for small-scale food processors.

BC Land Prices, Labour Costs, and Skill Level

- A recurring theme throughout the literature review was a concern for what is perceived as the general lack of knowledge and skills regarding business and marketing among small-scale food processors. This lack of skilled people has serious implications for small-scale food processors throughout BC. Even if the products are of a high quality and have a potential market, if they cannot be successfully introduced into the market, they will not be viable.
- Small-scale food processing is a labour intensive occupation, and experiences a high turnover rate of employees, and a low preparation rate for workers. There are needs for relevant education and certificate/diploma programs).
- Also, the relatively high cost of land and labour in BC give an initial disadvantage to processors choosing to do business here.
- However, the BC region could also be a benefit to marketing specialty products through regional identity.

> "The perception of British Columbia as a clean, natural, and beautiful region has strong marketing attractions. This perception combined with state-of-the-art processing facilities can be used to penetrate high value markets." 2000. Gunner, Andrea, Hachie, Wayne. Holm, Wendy., & Werbin, Victor. Botanical Extract and Essential Oil Industry Study and Development Recommendations. BC Ministry of Agriculture, Food, and Fisheries. p. 27.

Processor Point of View

Opinions were collected from the food processor/producer point-of-view from various literature sources. They reflect on the current context in which they operate, possible directions for the SSFPA, recommendations for regulatory reform, identifications of where the industry is succeeding or failing, advice for peers, etc.

- Meeting market demand can be difficult leading to frustration/failure.
- Cannot consistently supply product in volume.
- Markets and retail chains resist buying direct from processors.
- Too busy to learn and operate the business side.
- "We don't know how to put the food analysis on the jars, there's lots of things we don't know how to do."[9]
- "The last thing you want to have happen is that your product gets pulled off the shelves because your product is not meeting a standardized format."[10]

Retailer/Distributor Point of View

Opinions were collated from various literature sources from the retailer point-of-view regarding the small-scale food processor industry, including barriers when dealing with small-scale food processors (quantity/quality assurance), advice for Small-scale food processors (about the market, consumer demands, buying protocol, efficiency, etc).

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[9] 2001. Asterisk Productions Ltd. & Arthur Holbrook Productions Ltd. Small-Scale Food Processing video. Community Venture Development Services (CVDS) Janet Romain 2:00-3:00.
[10] Ibid Margaret Daskis 2:30-11:00.

> *"So what I think is most crucial, certainly in our region for producers who want to get engaged with companies that are going to take their foods to the retail level is some sort of infrastructure that will allow them to collectively process, label, transport, market." Lee Fuge.* 07:00-10:00 Lee Fuge. (Capers Markets) 2001. Asterisk Productions Ltd. & Arthur Holbrook Productions Ltd. Small-Scale Food Processing video. Community Venture Development Services (CVDS).

- Growing market for products should be linked to culture/geography of BC.
- Processors need to develop inventory of products.
- Retailers demand consistent supply/consistent quality.
- Retailers buy through large distributors.
- Retailers require proper nutritional/ingredients analysis and documentation.
- "Also significant is that an overwhelming majority of Canadian distributors say they have difficulty marketing Canadian substitutes for products that they currently import. They cite four reasons why:
    1. Difficulty in securing, or lack of awareness of, an acceptable domestic substitute product.
    2. Imports, whether from the United States, Europe or elsewhere, tend to sell more briskly than do the Canadian equivalents.
    3. Customer service, especially continuity of supply, from local sources is not competitive with that provided by importers/distributors handling imported products.
    4. On occasion prices are not competitive, though they concede this is very much a secondary consideration.

  To increase share of the domestic market Canadian specialty food manufacturers must, therefore, improve service levels. This implies a better understanding of the customers' needs and improved management of the entire manufacturer/distributor interface including order fill, timeliness of delivery and handling of promotions. Above all, it means more innovative and unique products presented to distributors in a way that addresses their objectives and strategies." [11]

Market Organization for Specialty Foods

- Small-scale food processors sell using: roadside stands, roadside markets, farmer's markets, farm gate, direct delivery, agri-tourism, mail order, gift stores, delicatessens, tourist attractions, specialty stores, craft fairs to specialty distributors, co-ops.
- Subscription farming and Community Shared Agriculture (CSA) is a growing alternative---"a farmer contracts with customers in advance of the season to supply them with a range of products over the entire season." "The customers have the option of participating in chores on the farm, which will in some cases reduce their financial contribution. This method is growing in popularity in both Canada and the USA."[12]
- There is a market to local restaurants for specialty meals due to people eating out more often, but processors must be able to meet quality/quantity standards
- Health food/specialty stores include small-scale food processors as high margin commodities

[11] 1991. Stevenson, Peat, M. & Kellogg. A Profile of the Canadian Specialty Food Industry. Agriculture and Agri-Food Canada.
[12] 2002. Warner, Brent & Touchette, Charlie. Marketing on the Edge—A Marketing Guide for Progressive Farmers. Canadian Farm Business Management Council. P. 19.

- Large retail/supermarket – must work through distributor/wholesaler because supermarkets etc, don't want to deal with each product/producer individually (large retail/supermarkets avoid buying direct from producer/processor)
- Strong market demand for specialty foods because of consumer trends (continuing focus toward good health), marketability of exotic products with something extra (regional identity – BC grown.) This is an example of 'cause marketing.'
- Internet – ability to reach new/larger markets
  - potential tool for marketing products (E-commerce), promotion
  - Requires skills and possible adherence to different regulations (packaging, labelling, etc), knowledge of trade policies (export etc.) for those interested in using e-commerce
  - E-commerce opens up the possibility of any location becoming the strong hub for a successful business.
- In BC, there are no formally organized regional or provincial marketing networks or co-ops in place.
- The market infrastructure in the small-scale food processor sector is organized informally, growers co-operate voluntarily and informally in vital areas of marketing and distribution.
- There may be a reluctance to join co-ops/networks and this may relate to fear of loss of control.
- Provincial funding for the Buy BC program was cancelled with implications for small processors who were able to ride on this advertising coattail.
- "Previously, specialized designer foods, or other specialty produced and prepared to meet the specific needs of individual consumers or groups of consumers, were processed and sold in ethnic neighbourhoods, gourmet retail outlets, or health-food stores, but now consumers all over the country expect to be able to purchase rare and specialized products."[13]
- To meet these demands, retailers often must import a large portion of specialty products.

Transportation

- environmental impact is of concern to small-scale food processors, especially burning fossil fuels/global warming/lorry loads.
- there are many rural communities throughout BC and Alberta that are far removed from large centres – this impedes many small-scale food processors from reaching beyond their regional market (because of high transportation costs, special product needs such as refrigeration and underdeveloped distribution channels). BC also has heavy winters (lots of snow in many regions, which further hinders transportation).
- small shipments from small-scale food processors are often not worth the cost involved in getting products into new markets.
- the move from micro processing/small-scale food processors to larger scale and new markets requires transportation, which involves new costs, such as:

> *"Traditional agricultural practices and traditional agricultural products may not be viable in an era of high-energy prices, skyrocketing transportation costs and global warming."*
> 2001. Community Futures Development Corporation of Thompson Country. Hard Times or Good Times? A Call for Action. Western Economic Diversification Canada. p. 3.

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[13] 2002. Shepherd, Colleen, Stiver, Johanna, Banas, Melanie. Community Promise: A Labour Market Study – Volume 5: Report on the Agri Food Sector. CEDCO Victoria. p. 10.

  - rising fuel costs
  - different packaging
  - meeting transport regulations
  - refrigeration
  - co-ordination
  - locating/accessing distribution channels
- Continuing rise of costs to transport also affects external food processors. Therefore, opportunities exist for small-scale food processors to re-capture existing local markets (import replacement), thereby significantly reducing their transport costs

It is recommended that: small-scale food processors work with others regionally to document specific market demand and strategize to focus on price-conscious import replacement on a regional basis. Could communities look at this a carbon tax credit for the Kyoto accord?

Information Technology

- The Internet has vastly improved potential access to information, access to new markets, and access to new marketing strategies and product ideas
- Small-scale food processors become up to date on food safety regulations, trade, and marketing with a "one stop shopping" tool such as on the Internet.
- "By bringing together large numbers of buyers and sellers over a very extensive and even global area, e-commerce promises a highly competitive and efficient market."[14]
- Offers possibilities for e-commerce so small-scale food processors can access new markets to expand their businesses from their present location
- Capacity for handling Information Technology (IT) applications and connectivity are issues for small-scale producers and processors especially in rural areas.
- There is a general lack of communication between small-scale food processors and other small-scale food processors, consumers, retailers, etc. This lack of communication has led to both over and under production of some products. If there were communication networks in place, small-scale food processors could work together to identify gaps in the market and be better able to respond to the demands of the market.

> The current situation is expressed as follows: *"Information from one end of the industry to the other is fragmented. There are no fully developed mechanisms to link each sector of the industry."* 2000. Levesque, Barbara. Botanicals Industry Development: Findings from Workshops on the Botanical Extracts and essential Oils Industry in British Columbia. Quote from Richmond participant from workshop. In Context Consulting. p. 18.

It is recommended that the SSFPA design and implement an information system to overcome communication and information sharing and business challenges.
It is recommended that the SSFPA work provincially to study the potential for facilitating e-commerce solutions regionally and provincially for its members.

Financing

- Small-scale food processors face the high cost of labelling/packaging, meeting bar code requirements, transport/shipping, and marketing their products.

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[14] 2001. Tweeten, Luther, G. and Flora, Cornelia, B. Vertical Coordination of Agriculture in Farming-Dependent Areas. Council for Agricultural Science and Technology. p. 5.

- They face direct costs such as negotiating, signing and administering contracts, bargaining over prices and other terms of sale.
- They also face indirect costs, which can accrue from failure to achieve efficient coordination of the direct costs.
- "One of the reasons that many small farms and agribusiness firms in farming dependent areas find themselves with inadequate resources to realize economies of size is that they rely on family capital rather than on public equity or venture capital, which is more available in more populous locations."[15]
- Costs could be minimized in communities/businesses by pooling resources to meet the challenges of today's marketplace.

"A farming-dependent rural community may not be able to assemble locally the necessary venture capital, management, and other headquarters services for production units." 2001. Tweeten, Luther, G. and Flora, Cornelia, B. Vertical Coordination of Agriculture in Farming-Dependent Areas. Council for Agricultural Science and Technology. p. 4.

"Access to capital is limited. At almost every level of this industry operations are self-financed. That's a real problem if we want to see growth." 2000. Levesque, Barbara. Botanicals Industry Development: Findings from Workshops on the Botanical Extracts and essential Oils Industry in British Columbia. Quote from Richmond participant from workshop. In Context Consulting. p. 6.

- Big agribusiness conglomerates grow through mergers and acquisitions – small-scale food processors can also grow through collective relationships.
- Significant impact – many small-scale food processors are kept from developing their product or entering new markets because of financial barriers.

It is recommended that the SSFPA work with community development finance assistance organizations to develop Agri-Food sector financing programs that will facilitate growth in the sector.
It is recommended that the SSFPA work with stakeholders in regions to plan for creation or expansion of regional infrastructure and to work with other funders and investors to finance needed resources such as commercial kitchens for federal level regulation compliance.
It is recommended that the SSFPA partner with regional community development finance delivery organizations for development of the small-scale Agri-Food industry in BC.

Market Demand

Consumer Trends (and Influencing Factors)

- Continuing awareness of food security/safety issues – nutritional content, taste, values, move toward organic.
- Shifting away from perceived threats of GMOs, biotechnology, mass production of foods
- Consumers looking for more intimate connection with their food.
- Strong demand for rare/specialty foods – potential for continued growth with general

"Specialty or gourmet food processors are generally considered by the food industry to produce better quality products that are not designed for the mass market." 1998. Bay Area Economics, Claggett Wolfe Associates, Wold, Cameron & Meyer, Don. Development Feasibility Study for a Mid-Atlantic Agri-Business Incubator and Local Food Processing Center Project No. 98-01. StekTek Consulting Web Publishing.

[15] 2001. Tweeten, Luther, G. and Flora, Cornelia, B. Vertical Coordination of Agriculture in Farming-Dependent Areas. Council for Agricultural Science and Technology p 14.

cultural shifts regarding the connection between food and health.

- Healthy food/healthy lifestyles are penetrating the mainstream (even McDonald's has a veggie burger now!)
- Conscious consumers looking for environmentally sound and socially just producing/processing practices (e.g. Fair trade coffee).

Competitive Advantage for Food Processors, which are Small-Scale

- Large-scale processors are not so prevalent in smaller niche markets, therefore, small-scale food processors can capitalize on the market opportunities.
- Competition in niche markets will usually come from other small-scale food processors, so if products are differentiated enough (either through the actual product or through marketing techniques) then small-scale food processors can be successful in obtaining a market share.
- Small-scale food processors can also benefit from regional identity marketing or other forms such as 'cause marketing' – 'connects a business' product to a particular cause or set of values, in the hope that consumers who hold those values will be more likely to purchase the product as a way of supporting that cause."[16]
- "As consumers become more aware of regional agriculture, they are now asking for local product in the larger stores. This is forcing local store managers to make an effort to supply and has given an opportunity for some local producers to get back into this market even on a single store basis."[17]

Issues of Reaching the Market for small-scale food processors

- High cost of labelling, packaging, transportation.
- Bar code requirements are complicated and expensive.
- Product quality standards and quantity sometimes difficult to reach.
- Inaccessibility and high cost of transport/shipping.
- Lack of technology base, market skills and dollars necessary to successfully market products.
- Too busy growing/processing – little time for marketing.
- Access limited to product testing and quality control facilities (and kitchen/processing facilities) or money to buy equipment.
- complying with regulations designed for large-scale.
- inventory control.
- access to financing.
- '…with industry scrutiny on the rise and increasing buyer savvy, we have already seen a greater demand for superior quality and improved documentation."[18]
- "Revitalizing rural areas must come from the local communities themselves by tapping into leadership and entrepreneurial skills to develop local areas. The ability to self-organize has been proven over time. It is a crucial ingredient in adapting to and preparing for change."[19]

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[16] 2002. ACEnet Food Ventures: Collaborative Cause Marketing Handbook for the Specialty Food Industry. http://www.acenetworks.org/frames/framesfoodventures.htm.
[17] 2002. Warner, Brent & Touchette, Charlie. Marketing on the Edge – A Marketing Guide for Progressive Farmers. Canadian Farm Business Management Council. p. 16.
[18] 2000. Gunner, Andrea, Hachie, Wayne. Holm, Wendy., & Werbin, Victor. Botanical Extract and Essential Oil Industry Study and Development Recommendations. WESTERN CANADA Ministry of Agriculture, Food, and Fisheries. p. 65.
[19] 2001. Stewart, Karen, R. A New Agriculture: Making the Connection – A Report on Rural Adaptation to Structural Change. Western Agri-Food Institute. p. 23.

- Small-scale food processors cannot compete with large processors on commodity items because of their economies of scale.
- Information available to processors/public about collaborative community Agri-Food partnerships (co-ops, CSA) is fragmented and these options are often perceived as 'marginal.'
- Lack of marketing information specific to small-scale food processors.
- Policies/regulations designed for large-scale processing are difficult for small-scale food processors to meet.
- Transportation, marketing, processing, etc. costs may be prohibitive for individual small-scale food processors.
- Lack of clear marketing channels, lack of understanding of market demand, market volume and pricing.
- Absence of validated quality control procedures and published analytical procedures and standards relevant to small-scale food processors.
- Locale of many BC communities.
- "Small independent operations frequently lack market power to countervail the power of firms from which they purchase inputs and to which they sell outputs."[20]

Market Opportunities

- High transportation costs may open local markets to efforts to replace import products.
- The high/growing demand for organic products. (e.g. Vancouver Island sales growing 20% annually but, over 80% of organics sold is imported.)[21]
- BC's image is consistent with emerging healthy life styles, therefore, marketing strategies including regional identity may prove to be an advantage.
- Globalization opens new markets for specialized products.
- Perceived threats of GMOs, biotechnology, and large-scale production offer opportunities to small-scale food processors practicing organic, or non-GMO production.
- The public's growing distrust with huge conglomerates also favours small-scale food processors (food has become a meaningless commodity with bottom-line profits taking precedence over food security and safety.)
- "Internet offers resources to rural areas (can be successful outside the large centres.)
- "There's lots of land available, underutilized, could be put to use if some value added or some processing facilities were available."[22]

> "As I see it there is a real potential for British Columbians to replace many of the imported products on our market shelves. To do this we need to focus on providing quality ingredients and attractive packaging and labelling. We also need to organize a provincial market network that is both appropriate for, and accessible to rural small-scale food industry."
> 2001. Shepherd, Colleen. Small-scale Food Processing Consultation Event – Outcome Report. CEDCO. p. 4.

[20] 2001. Tweeten, Luther, G. and Flora, Cornelia, B. Vertical Coordination of Agriculture in Farming-Dependent Areas. Council for Agricultural Science and Technology. p. 15.
[21] Shepherd, Colleen. Johanna Stiver, Melanie Banas. Community Promise: A Local Labour Market Study Volume 5: Report on the Agri Food Sector CEDCO Victoria, Government of Canada, HRDC.
[22] 2001. Asterisk Productions Ltd. & Arthur Holbrook Productions Ltd. Small-Scale Food Processing video. Community Venture Development Services (CVDS) Don Putt 3:30-4:00.

- "Processors need to develop a comprehensive inventory of what products are currently on the shelves that hold potential for BC replacement including freezer goods, condiments, cereal, and crackers."[23]
- "For the majority of respondents the quest for new markets is focused upon Canada, often their own province. To many, the prospect of beginning exports to the United States or significantly expanding an existing export business is daunting. While they are attracted by the size of the market, they are also intimidated by the level of competition and the difficulties, both perceived and real, of exporting."[24]
- Top Agri-Food Imports (in $ millions) – wine, food preps, fruit syrups, chewing gum, etc., beef (boneless, frozen), biscuits and crackers, etc., maize, beef (boneless, fresh), dog or cat food, mixtures for the food or drink industries, grapes (fresh)
    - 2001 totals – BC – $2,164, Alberta – $1,220 (in $ millions)
    - 2002 (to May) – BC – $1,138, Alberta – $532[25] (in $ millions)
        - population in thousands (2001): BC – 4,095.9, Alberta – 3,064.2[26]
        - per capita imports (2001): BC - $638.199, Alberta - $398.15

Other

"A significant number of submissions were made to the Select Standing Committee on Agriculture and Fisheries when it toured the province in 1999 to obtain input toward an Agri-Food policy for British Columbia."[27] This report documented the following issues as critical factors:

- Inventorying existing capabilities.
- Adapting to changing market conditions.
- Disseminating knowledge and information.
- Educating existing and future farmers.
- Minimizing input costs.
- Establishing proper government support networks.
- Retaining local networks and processing facilities.
- Expanding retaining capabilities.
- Recognition of regional needs.
- Simplifying and standardizing regulations.
- Educating consumers.
- Expanding market boundaries.
- Ensuring profitability.
- Ensuring adequate and fairly priced water supplies
- Ensuring responsiveness in the supply management system.
- Agricultural Land Reserve.
- Protecting farming interests in zoning and land use policies.
- Reducing regulatory red tape.
- Standardization of regulations.

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[23] 2001. Shepherd, Colleen. Small-scale Food Processing Consultation Event – Outcome Report. CEDCO. p. 14.
[24] 1991. Stevenson, Peat, M. & Kellogg. A Profile of the Canadian Specialty Food Industry. Agriculture and Agri-Food Canada.
[25] 2002. Agri-Food Trade Service website. Agriculture and Agri-Food Canada. http://atn-riae.agr.ca/stats/trade_summary/e3273.htm
[26] 2002. Statistics Canada website. http://www.statcan.ca/english/Pgdb/People/Population/demo02.htm
[27] 2000. Junger, Robin, M. Vancouver Island Agri-Food Action Plan and trust Strategy – Discussion Paper. BC Ministry of Agriculture, Food and Fisheries. p. 12.

- Ensuring fair levels of taxation.
- Use of local supply by retailers
- Certification and labelling of products
- Balancing competition within sectors
- Handling and internally regulating new products
- Farming techniques/methods"[28]

[28] 2000. Junger, Robin, M. Vancouver Island Agri-Food Action Plan and trust Strategy – Discussion Paper. BC Ministry of Agriculture, Food and Fisheries. p. 12.

Processor Interviews

Interviews were held with 47 processors (see Appendix B Processor Questions). Their positive response to questions are shown on bar charts and are also included as a verbatim record. Of those interviewed, 96% were owner-operated and 4% were co-operatives. Years in business ranged from 4 months to 30 years, and the Table below represents the participants and the relationship to how many Full Time Equivalent employees.

RANGE OF PARTICIPANTS' NUMBER OF FULL-TIME-EQUIVALENT (FTE) EMPLOYEES									
ONE FTEs	TWO FTEs	THREE FTEs	FOUR FTEs	FIVE FTEs	SIX FTEs	SEVEN FTEs	EIGHT FTEs	NINE FTEs	TEN FTEs
13	**13**	**9**	**9**			**1**		**1**	**1**

In total, one hundred and twenty-eight (128) Full-Time-Equivalent employees are represented by the 47 businesses that participated in these interviews.

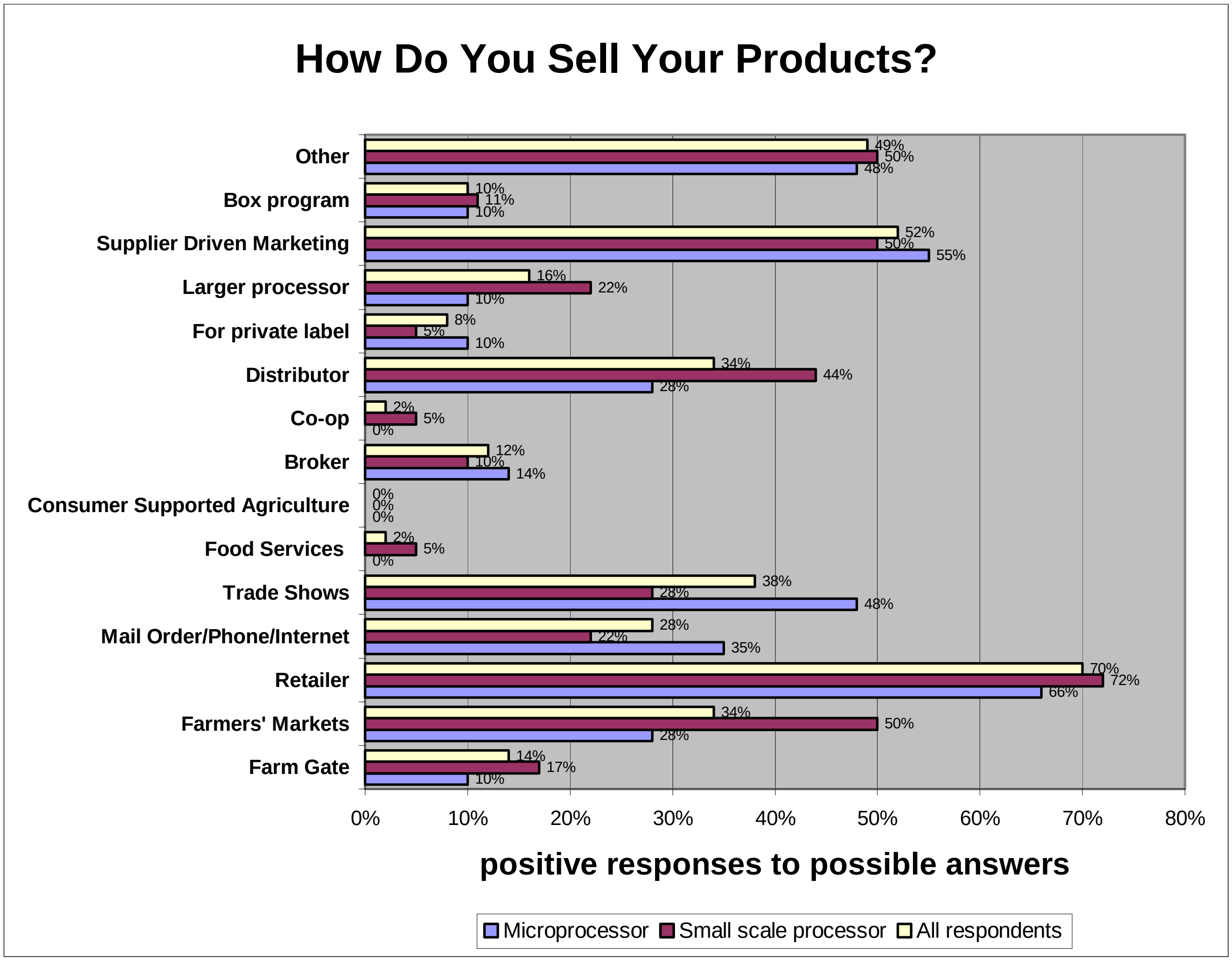
This section of the report starts with a graph with the positive responses of three variables: the micro-processors, the small-scale processors, and all respondents. The next section is the processor verbatim comments for each answer. The last section draws observations from the graph and comments, and then reports recommendations.

As this study progressed, it became clear that small-scale food processors fall into two distinct categories.

The first are farm-based processors who use informal marketing tools (farm gate, farmer's markets, etc.) We have identified these as micro-processors and define them as having between 0 and 2 Full-Time-Equivalent (FTE) employees. There is a great interest amongst farmers in increasing their incomes by adding value through processing.

The second group we defined as small-scale food processors. This group has from 3 FTEs to 25 FTE employees. This group has been able to find investment to finance a regulated commercial kitchen and other regulations to meet formal market-place demands regarding merchandising, labelling, production levels etc. Although each group shares common problems, the micro-processors face large investments and skill barriers should they wish to increase their incomes through processing.

Supports and encouragements that are specialized for each group need to be designed.



Processor comments verbatim for: How do you sell your product?

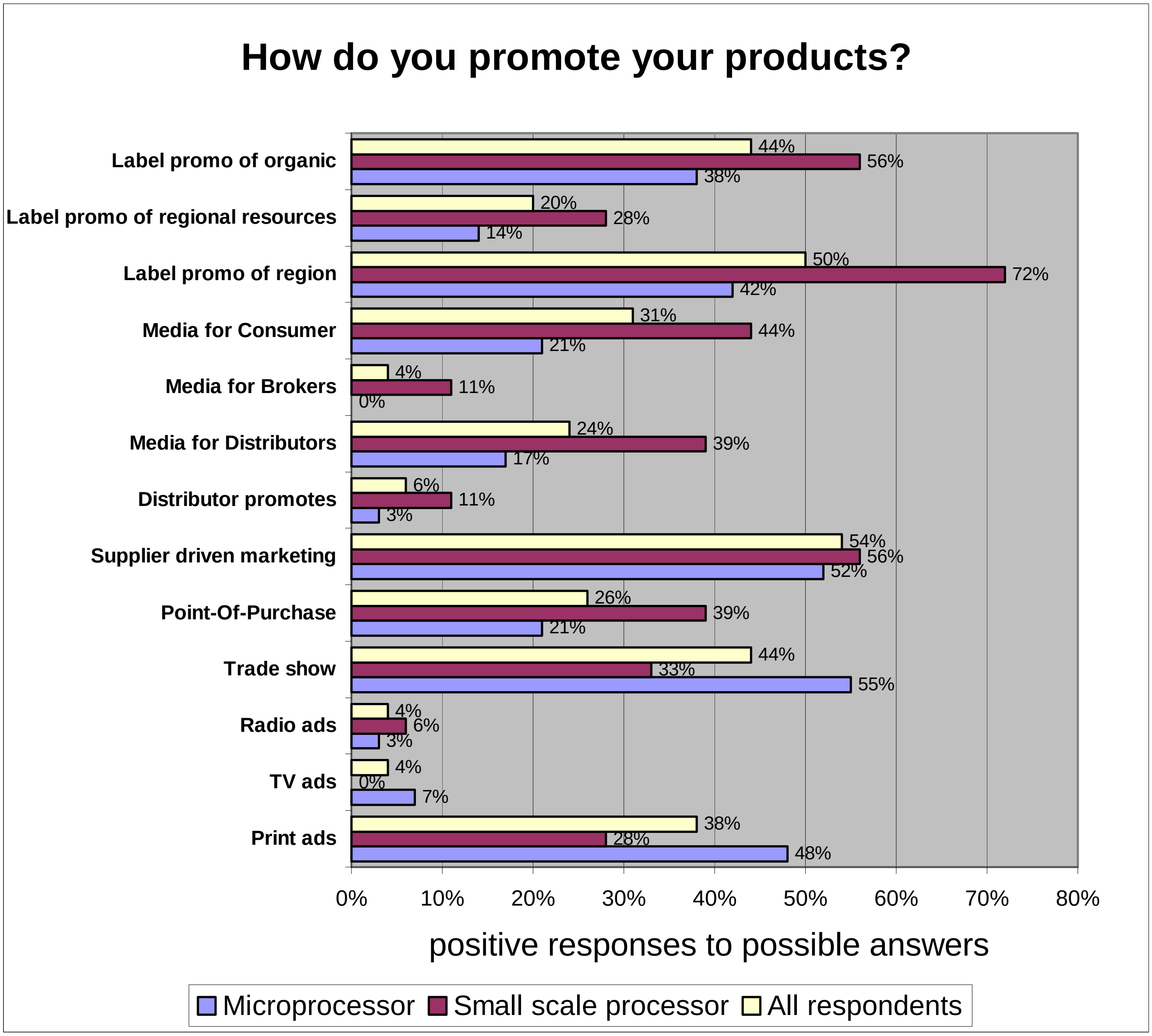
Processed food marketed at the farm gate?	
• have built facilities on site	• active in the agri-tourism movement
Processed food marketed at the Farmer's Markets?	
60% of their sales were at farmer's markets	
Processed food marketed direct to retail?	
• Capers • Restaurants • Growing Circle Co-op	• health food store • local stores • gift shops • Karma Kitchen
Processed food marketed by mail order/ phone/Internet?	
Although there are processors that are using mail-order/phone/Internet direct sales, they said they achieved " not much success."	
Processed food marketed through Trade Shows?	
• craft fairs • Christmas bazaars	• community events • craft wholesale trade show
Processed food marketed through brokers?	
• Northern Exposure was cited as a broker used	• looking for one
Processed food marketed through co-op agency?	
• Kootenay Co-op	• Evergreen
Processed food marketed through a distributor?	
• we have 6 distributors	• Horizon Foods

• this is how we source ingredients • also a source for inputs • Northern Exposure	• Next year-Team Canada, Exp. • have 2 distributors • wants to
Processed food marketed to other levels of processor?	
• Bakeries • Restaurants • Wildfire	• delis • Barb's Buns • Solstice • to nutraceutical processors
Processed food marketed with Supplier-Driven-Marketing (SDM) taste sample tables?	
• at Christmas fairs • we send out free samples • store demos at 30% • retail craft show • the store negotiated with me	• personal presentations • in the future we will • food shows • my distributor does that • at trade shows • once
Processed food marketed through a box delivery program?	
• local home delivery program	• Community Supported Agriculture (CSA) • Small Potato Urban Delivery Program (SPUD)
Processed food marketed with---other?	
• from my house • word of mouth • combined with my cosmetics lines to nutraceutical • large craft shows • to organic seed company	• art gallery • lodge • about to open store front • own retail outlet • farm feed direct to distributors in Asia • UBC Museum of Anthropology • cruise ships

Observations and Recommendations.

How do you sell your products?	
Observations	Recommendations
The activity at the **farm gate** is increasing with facilities being built. Agri-tourism is a growing strategy achieving success at the micro-processor level.	It is recommended that small-scale food processors work with regional tourism associations to include promotion of their products.
The **Farmer's Market** accounted for 33% of the respondents that had from 1 Full Time Equivalent (FTE) employee to 10 FTEs.	The SSFPA enter into discussions with the BC Farmer's Market Association for potential mutual benefit.
For selling **directly to retailers**, the chart shows high percentages, 66%-72%, for both micro-processors and small-scale processors, and the comments indicate the retail stores were mainly regional health food/organic, gift shops, and restaurants. Only 5% sold to a food service company, which then resold the product with Point-Of Sales (POS) merchandising promoting the processor's branded product.	The SSFPA to enter into relationships with the independent grocery/organic/natural stores in each region with mutual benefits.
The responses to the **mail order/ phone/ Internet** method of marketing, overall, have not been successful for individual processors. A central collective distribution service that uses Internet ordering/commerce, such as the Small Potato Urban Delivery Program, is showing success.	
The low responses to the **broker representation** can be attributed to a low profile at the small-scale end of the food sector. With brokers making commissions on high volume items they are looking for great products that can be scaled-up or outsourced if large retail organizations place orders.	

Observations	Recommendations
Distributors representing processor's products answer shows 28% of micro-processors and 44% of small-scale processors use distributors.	
Comments indicate some processors think the % the distributor makes is excessive, and other comments value the **marketing services** the distributor performs.	The SSFPA prepare a report on marketing costs for processors so they are aware of the costs/benefits for these functions.
Some processors now **source ingredients through their distributor**.	
Some processors are **selling to other levels of processing**. Flour and other ingredients to bakeries, as ingredients of special dishes at restaurants, and ginseng and other herbs to nutraceutical companies.	The SSFPA investigate the merits of working with existing brokers versus a specialized brokerage for small-scale food processor members.
There is a high participation in **supplier-driven-marketing**, where the manufacturer or processor is responsible for operating taste sample tables for the public, yet it is reported to be informal, not coordinated, and not designed to establish market demand for commercial volumes through brokers/distributors/retailers. An observation from the retail interviews indicate that a demonstrated market demand can be an important consideration for retail to promote/sell new products.	The SSFPA investigate offering a coordination service for members that plan to establish market demand (using SDM in the urban centres), which will enable their product to be marketed commercially in their region.
Although the **box programs** are not used by very many processors this is rapidly changing with the dynamic growth of the Small Potatoes Urban Delivery (SPUD) organization. SPUD has grown from just delivering organic vegetables to having an impressive catalogue of specialty food produced regionally and internationally.	The SSFPA connect with box programs that carry processed food, and to identify future input needs of processors.
Other ways suggested by respondents to market specialty/gourmet/special diet foods **are to museum and other tourist attractions, and cruise ships and scheduled cruise ship stops.**	



Processor comments verbatim for: How do you promote your product?

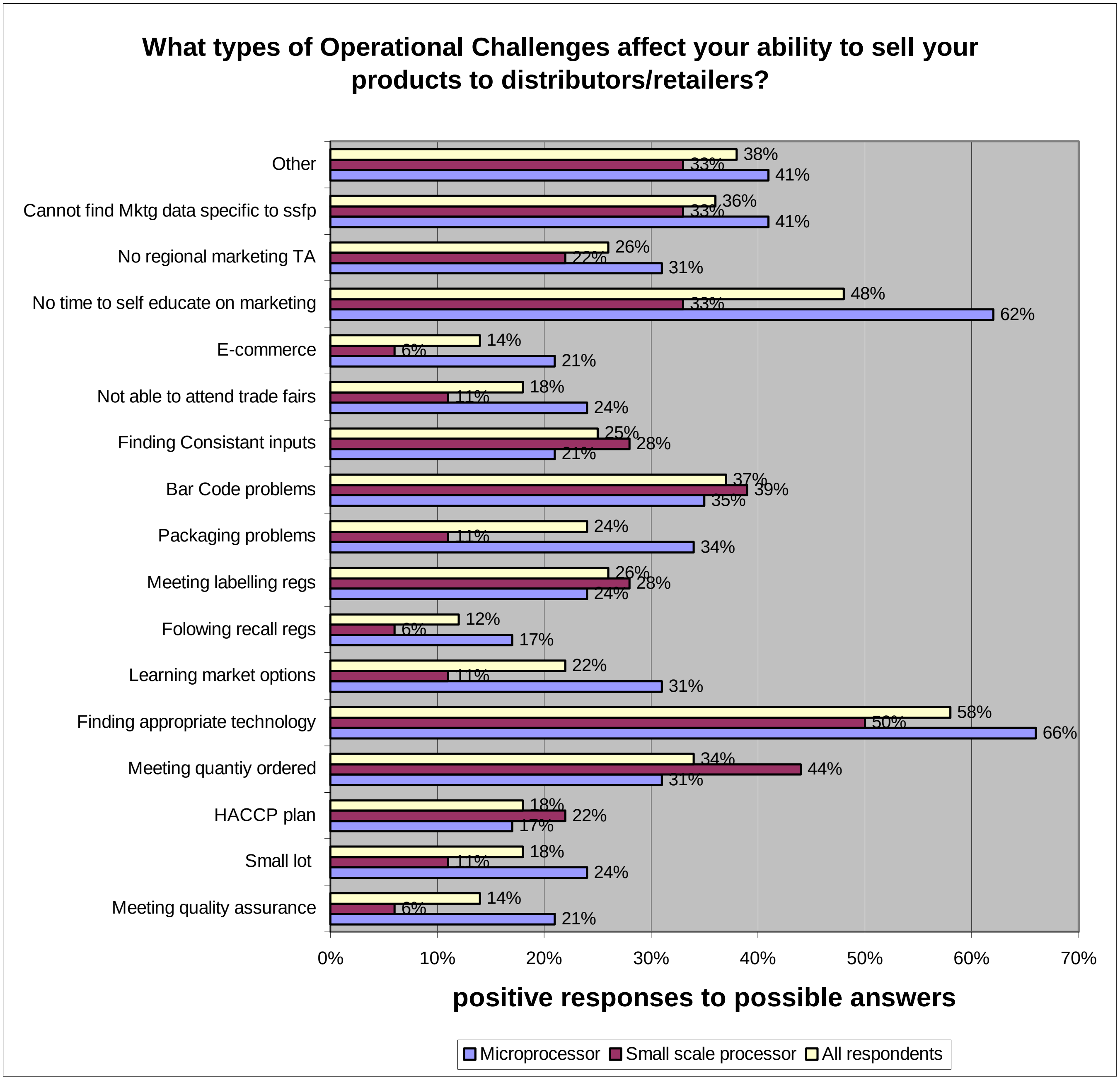
We promote our product by using print ads?	
• Mile Post • Common Ground • once—never again	• word of mouth • Lots of article about me • Totem newspaper • doesn't have to because there is big demand
We promote our product by using TV ads?	
Just stories reported, not paid advertising	
We promote our product by using radio ads?	
Just stories reported, not paid advertising	
We promote our product by using Trade shows?	
• face-to-face • craft fairs • farmer's markets	• next year • community markets
We promote our product by using Point-of-Purchase (POP) merchandising?	
• demo kit provided to retailers	• stand-up advertising in some stores

• shelf-talkers with locally made info • farmer profiles	• wooden boxes • seed stands
We promote our product by using Supplier-Driven-Marketing (SDM) taste tables?	
• a little bit • Capers • markets	• craft fairs • Granville Island Venders market
We promote our product by using a distributor to promote?	
• the distributor made posters for their use.	
We promote our product by using media to attract distributors?	
We promote our product by using media to attract brokers?	
• Only occasionally	
We promote our product by using media to attract consumers	
• we have a catalogue • posters to educate on nutrition and product	• Gitxan pamphlet
We promote our product by using labelling that promotes our region?	
• Made in Canada • Product of Canada	• Buy BC • BC made logo • BC Grown
We promote our product by using labelling that promotes our use of regional resources?	
• regional wild berry	• First Nations recipes
We promote our product by using labelling that promotes our use of organics?	
• all natural • promotes natural family operations	• some products • organic • 'Fair Trade'

Observations and Recommendations.

How do you promote your products?	
Observations	Recommendations
48% of the processors used **print media**, yet their comments did not suggest any great success; less than a third of the small-scale processors used print media, but those that did were mainly in 'cause' media like Shared Vision or Common Ground.	The SSFPA create prizes for articles and "success stories" prepared for media.
There was a strong response to the promotion of products through **Trade Fairs**. A broad understanding of what a trade fair is included craft fairs, community markets, farmer's markets and the more commercial food technologist, processor, gift and grocer trade fairs.	Future research will define different levels of trade fairs, and how to do cost/benefit analysis for small-scale food processor participation in each.
There is a strong understanding on the benefits of **Point-of Purchase (POP) & Point-of-Sales (POS)** merchandising materials. Development and small lot runs are expensive for many of the respondents, and an understanding of collective production/purchase of P-O-P is growing.	SSFPA buying club for goods and services such as wooden display stands/displays and merchandising art. These functions could fit into a Flexible Marketing Network.
There is a high participation in **Supplier-Driven-Marketing (SDM)**, where the manufacturer or processor is responsible for operating taste sample tables for the public, yet it is reported to be informal, not coordinated, and not designed to establish market demand for commercial volumes through brokers/distributors/retailers.	The SSFPA investigate offering a coordination service for members that plan to establish market demand (using SDM in the urban centres), which will enable their product to be marketed commercially in their region.
Having some form of **regional promotion on the labels** received the highest response, with also strong responses for **having labels that promote organic** foods.	The definition and promotion of 'Gastronomic regions' with regional marketing plans facilitated by the SSFPA. Facilitate a Phoenix rising from the 'Buy BC' program for the small-scale food

	processors. The SFPA can take the lead in coordinating regional marketing plans that can promoter regions, inputs and organic on the labelling.
Observations	Recommendations
The First Nations recipes and those that use wild berries and other foods have found benefits by including this information on their labels.	
Processors want to have ingredients on labels and ways to indicate **organic/non-GMO/in-transition** and other food security information to educate consumers.	



Processor comments verbatim for: What types of Operational Challenges affect your ability to sell your products to distributors/retailers?

Meeting quality assurance?	
• had to contract out for analysis • if I didn't do it, I wouldn't be in business • in the past	• doesn't go to market until quality is high • we need more technical assistance • in the past
Discussing small-lot production with retail?	
• can't compete with large-scale • focus on restaurants • creating awareness	• when saying 'small-scale' there are stereotypes business hold, especially regarding organic, and there is a negative perception about small business owners in BC

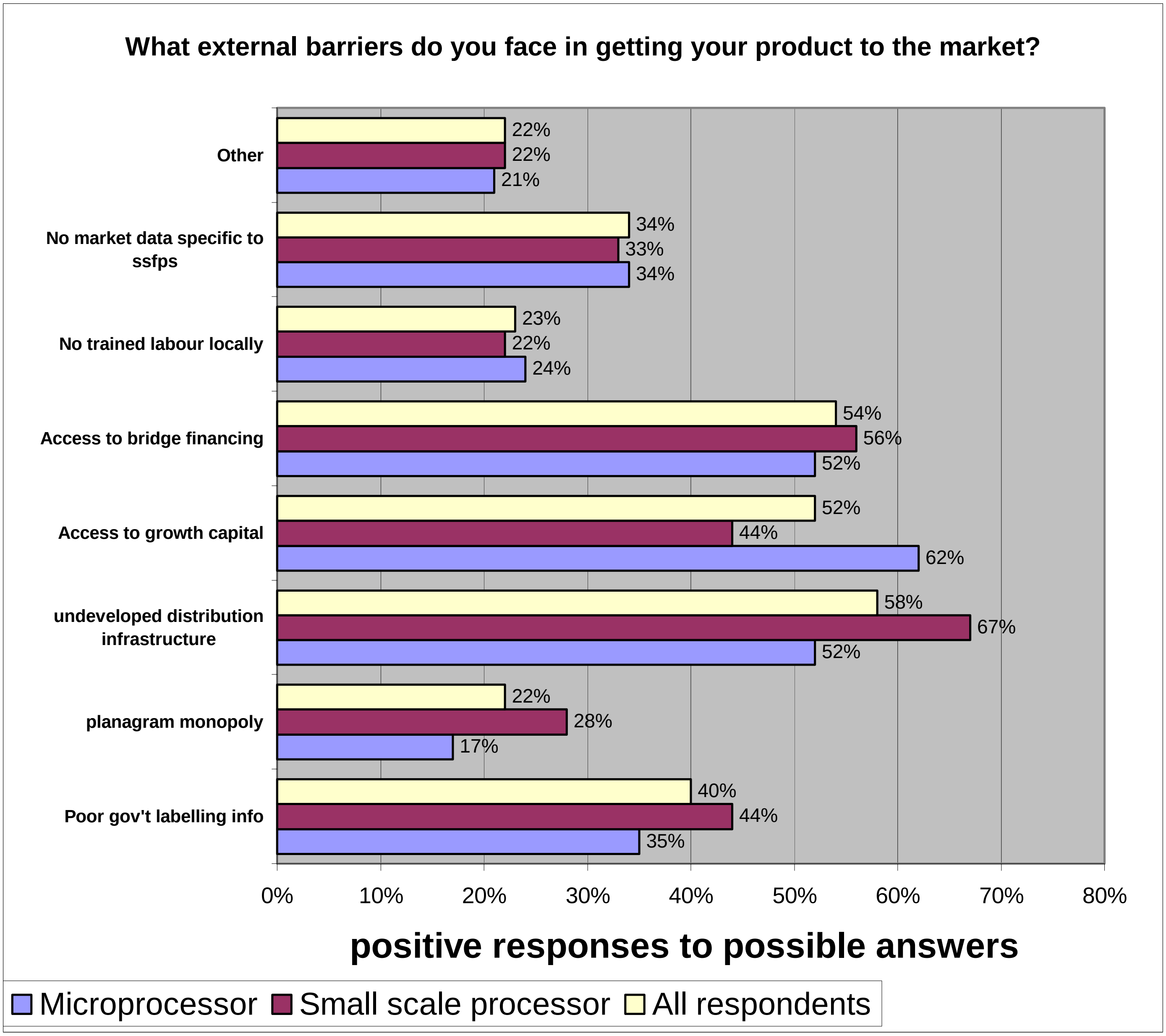
Preparing HACCP plan and gaining approval of plan?	
• We are for export • we are certified out of Kelowna	• we need access to education
Meeting quantity ordered?	
• this is our biggest challenge • there is a big demand I cannot fill • it is very labour intensive to meet quantities	• we need appropriate technology that is affordable to meet demand
Finding appropriate technology?	
• we need appropriate technology that is affordable to meet demand • we are forced to buy large quantities to get what we need • recently found a pasteurizer, but most things done by hand • innovation needed	• smaller refrigeration units both for storage and transportation needed • analysis is costly farm made, hand made • big problem • some needs are very specialized • I find things through BCIT and contacts in New York NY • We need access to commercial kitchen facilities
Learning the market options?	
•	•
Following recall regulations?	
• that is contracted • no recall, but stickers were sent to retailers	• out we have contracts with big clients and they may return products at will • there is a policy in place
Meeting labelling requirements?	
• we make our own labels • costly • small jars do not have a lot of room for info • lots of info on small products	• it is expensive • contracted out • CFIA would like it bi-lingual • expensive for graphics
Packaging problems?	
• hand done because equipment too expensive • costly • we have gone automatic	• contracted out • grants for packaging, but no assistance • couldn't find good jars, except in large quantities
Bar code problems?	
• Too much hassle, too costly • high cost; it took a while before we could afford them	• indifference by feds to help • we need to know more
Finding consistent inputs?	
• we can't purchase in large-scales that are sold of our particular input • we can with plums • big companies buy up all the local raw ingredients • we are looking for Canadian suppliers in particular	• we would like to buy more BC grown, but do not know where • hard to find organic raspberries • hard to get 100% organic •
Not able to attend trade fairs?	
• not a goal • time factor • we just stay local	• it would help, but no time • it cost too much to travel in BC
e-commerce?	
• we are developing a website and are not sure if we need it yet • maybe • I have it, but it is never used • needs more study	• it is in progress • don't need to • we had it, but shut it down • we had it but it has still not been a success
No time to self educate on marketing?	
• haven't looked into it	• I have a background in marketing and biology

• out of the question • lack of time • I allocate time for life-long learning	• time is planned for training • I am fortunate to bring marketing skills to my enterprise
Cannot find regional marketing technical assistance?	
• it would be helpful • we went to the Columbia Basin Trust	• very difficult • Northern Exposure used to, but not now
Cannot find marketing data specific to small-scale food processors in BC.	
• there is a big hole there • we get info from Alberta and the US	• have not looked • we wouldn't know where to begin • haven't looked into it
Other	
• competition • not concerned with growth • too much imported • not trying to sell outside of my region • would like to value-add, but infrastructure not there • hard to find distributors	• we are in a bad location of BC to expand • having a kitchen certified • labour costs pre-sales • shifting from the gift market to the food market • motivation

Observations and Recommendations.

What types of operational challenges affect your ability to sell your products to brokers/distributors/retailers?	
Observations	Recommendations
On meeting quality assurance---The challenge of meeting quality assurance was generally discussed around the level of quality the farmers' markets required, or if they were a larger processor, they had already completed this stage during product development before they started retail sales.	
HACCP plans--- It has been pointed out that a HACCP plan is submitted for approval, and sites are open to inspection. There is a great gap in processors' understanding of the consequences of not being informed.	The SSFPA could consider to coordinate food safety and labelling compliance for members by brokering with supporter members.
Meeting quantity ordered---Meeting the quantity required entails many important production decisions.	The SSFPA could consider to investigate models that will support small-scale food processors increasing their production affordably.
Appropriate technology gaps---Finding appropriate food-processing technology that is not designed for large processing is currently in part a processor issue, and in part a structural barrier. Affordable technology for combination bar code and label printing is a challenge for individuals.	Buying Club for jars, label/barcode designing/printing service. The SSFPA could research innovative technology transfers for small-scale or collective cost sharing..
To self-educate in marketing is a challenge because there is no time during production.	The SSFPA must provide clear and relevant information during slack time for processors to access.
Recall---Following recall requirements have not been a challenge for many that have some form of food safety plan.	The SSFPA could consider to broker Technical Assistance for members.
Labelling--- The answers for the labelling requirements are bound to shift as the new nutritional label regulations start the countdown for compliance to new standards. Some of the comments indicate there are no challenges because they are still 'just selling at the farmer's market etc.	The SSFPA could consider to broker Technical Assistance for members.

Observations	Recommendations
Packaging--- Packaging problems seem to be concentrated with emerging processors, existing processors mainly have solved packaging problems, yet have to be aware of industry trends.	The SSFPA could consider to broker Technical Assistance for members.
Bar codes---Bar code problems are barriers to some because of the expense.	The SSFPA could consider to broker Technical Assistance for members.
Finding Consistent inputs--- Most every processor has a story to tell about sourcing.	The SSFPA could consider to coordinate inputs with production contracts between processors and producers.
Trade Fairs---Distance and time influenced the decisions to attend.	The SSFPA could consider to represent membership at Trade shows where suitable.
E-commerce---The e-commerce form of payment is not meeting expectations for the ones that have it.	
Regional Technical Assistance---Processors are looking for ways to find regional access to marketing technical assistance.	The SSFPA work with others regionally to document specifics and strategize to meet local demand.
Market Data in BC context---Marketing data for a variety of processor food-groups are not available in a western-Canada context.	The SSFPA conduct research to establish relevant data for small-scale food processors in BC.
Processors wanting to shift from gift market to food market.	The SSFPA become active in the gift and craft markets on behalf of its members.
Processors want a regional incubator commercial kitchen.	The SSFPA facilitate the creation of regional incubator commercial kitchens, with the marketing infrastructure to sustain it.



Processor comments verbatim for: What external barriers do you face in getting your product to the market?

Inconsistent government information?	
• too much paperwork • costly, planning is challenged by changes	• we need more information on the upcoming changes
Plan-a-gram monopoly?	
• a barrier, particularly getting into the US • big problem • have not gotten into this issue yet, but I can see it as a problem	• only well capitalized companies gain access to the stores • getting into the market was difficult for us

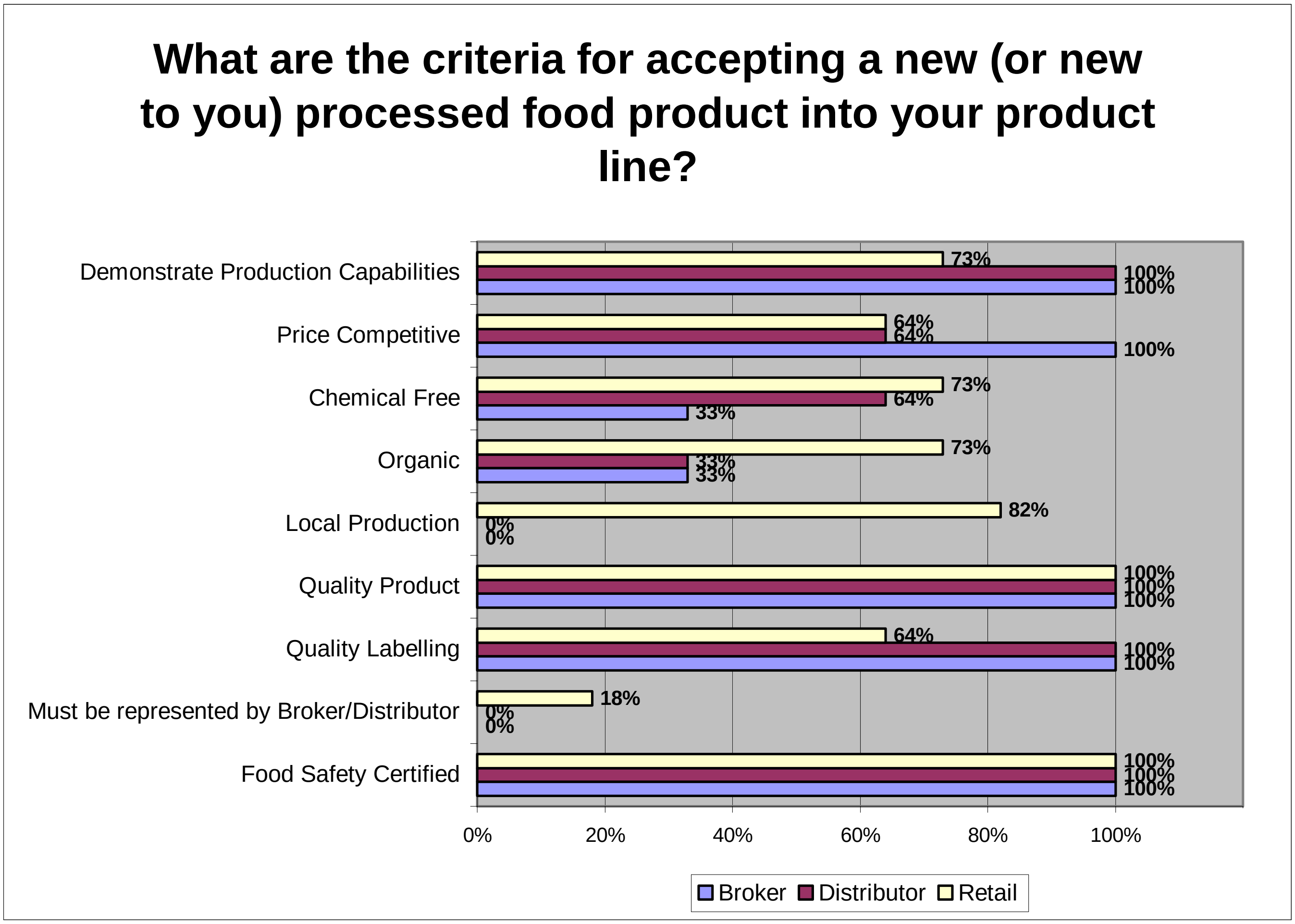
Undeveloped distribution infrastructure?	
• need refrigeration • big one • charge client costs • distributors want products, but also want 40% • cost too high with Canada Post & couriers	• main problem • staying local at the moment • difficult to get to the coast markets • especially for export • most stores want to use distributors
Access to growth capital?	
• very difficult • totally • we were denied a $5,000 loan, because we have no collateral, but we have orders	• this is the reason we are still small • self financed to date • can see it as a future problem, not now
Access to bridge financing?	
• we must pay 6 months expenses before we receive money from sales • very difficult	• self financed to date • this is the reason we are still small
No trained labour locally?	
•	•
No market data specific to small-scale food processors?	
• we can find nothing available • we haven't looked • very difficult to find	• there is no ginseng merchandising information for the public
Other	
• rail strikes, dock worker strikes • do not want to get bigger, we like the small home-made style • small businesses have an astounding amount of details to adhere to • we do not think about being a member of associations, but we think this one might be relevant • no new product protocol	• working on a grant is very restrictive • would like to sell to head office of Overwaitea and Safeway • training needed on production, apprenticing and mentoring • insufficient Internet/computer capability • jar supply monopoly • distance from everything in BC rural areas

Observations and Recommendations

What external barriers do you face in getting your product to the market?	
The question around '**inconsistent government** labelling **information**' was included because there have been issues some micro processors have raised where they find paper brochures in government offices that are outdated, and they have been told that the website is current. There is a resistance by many micro-processors to being forced to access services through websites. Successful processors have incorporated computer technology, for the most part, and have solved many operational challenges.	The SSFPA advocate for timely and relevant information from governments that is specific to the small-scale food processor sector.
Plan-a-grams--- The practice of selling shelf space to large manufacturers, by default creates a barrier for processors in fully participating in the market.	The SSFPA investigate purchasing shelf space (plan-a-gram) in high volume retail settings for members.
Transportation---The underdeveloped distribution/transportation infrastructure is a barrier to some, while others have offloaded the logistics of transportation to distributors/brokers for a cost.	The SSFPA research the transportation needs for members and facilitate regional planning.
Financing Capital Costs--- The barrier to financing depended on the processors plans or desires to scale-up or not.	The SSFPA broker new financing programs specific to the small-scale food processor sector.
Bridge Financing--- The barrier to bridge financing received the same comments as the growth capital question, and some were not aware of this form of finance.	The SSFPA broker new financing programs specific to the small-scale food processor sector.

Observations	Recommendations
Other---transportation/shipping strikes	
Other---working with funders can be restrictive	
Other---need apprentice and mentor programs for support	The SSFPA make training and life-long learning priorities for members.

Broker/Distributor/Retail Interview results



Verbatim Broker/Distributor/Retail Comments

Types Of Food Represented/Sold?	
• Canadian Made And Organic dairy and maple syrup • Organic and Natural (Chemical/GMO free) • Natural Foods • We do not deal in gourmet, but products that contain natural ingredients. • Full compliment of natural products. • Local produced, organic and chemical free. • Bakery items. • Certified organic/exceptional quality/very healthy and nutritious. • Box delivery program with produce and processed products.	• Mainstream products to large grocery chains. • Private label, house brands—we buy and resell products • Certified organic and natural (chemical/GMO free) • Our own bakery products. • Natural foods, organic and specialty foods (special diet i.e. sodium free and Kosher). • Natural and health food products and supplements/body care. • Box delivery program that is adding processed foods.
Regions Served	
• From BC to Manitoba and another representative works Ontario and Quebec. • BC Alberta and the USA	• Nationally and Globally • Our retail Box delivery serves the entire Greater Vancouver Regional District (GVRD) to Mission, and

• Nelson and the Kootenays, some sales by web and phone orders, and we export local chocolate products to New York, NY • Western Canadian Distribution. • Canada. • Saltspring Island. • Vancouver Island, Canada, globally. • Edmonton, Victoria, Canada and globally.	includes Whistler, and the Sunshine coast, plus we use couriers to serve outside of these areas. • Sidney, Victoria, Cadboro Bay, and our website sales are global. • Vancouver Lower Mainland, Canada and globally. • Greater Victoria.
Food Safety Is A Criteria For Us Representing/Selling A New Processed Food Product.	
• Site visits and organic certification papers are used. We also are looking at training our staff in food safety beyond what is required for retail grocery sales. • All food safety certification inspected.	• From certified kitchens only. • Must meet all food safety regulations, and our products exported must have HACCP protocol. • Must be certified by municipal food safe certification. • Must adhere to our in-store nutrition and health policy guidelines.[29]
Must Be Represented By Broker/Distributor Is A Criteria For Us	
• We recommend to vendors to find a small distributor and then get back to us.	• We should be able to source the product through a supplier (some exceptions).
Quality Labelling Is A Criteria For Us.	
• Must be appropriate and conforming to standards • We promote Made in Canada labelling. • We have a specific Vendor Pricing Data Requirements form for vendors, which include labelling requirements.[30]	• We will not accept a product if the label does not lend itself to export by being fully compliant. • We are able to support vendors in labelling. • We have packaging and labelling guidelines.
Quality Product Is A Criteria For Us.	
• We try to determine the vendor's production capacity. • We have a specific Product Quality Assurance Program Questionnaire for vendors.[31] • We want to know the quality of the product—the standards of production and the ingredients.	• Must see certifications of Food Safe and we judge quality in-house. • We distribute only the high quality products that the market is increasingly demanding. • We have high standards for ingredients.
Local Production Is A Criteria For Us.	
• We always try to source locally, but there is no local organic olive oil. • If local on the global market is Canada, we do. • Number one for us. • Our company policy is to buy local as possible when quality and consistency are there and the prices are reasonable.	• Only with exceptions will we look for products outside of our region. • We are active in promoting local products. • We pick local first.

[29] For more information for Vancouver Island vendors can contact Planet Organic Market, Lee Fuge, 250-727-9888

[30] For more detail vendors can contact Capers Market, Bob Morisseau, Regional Manger—Grocer Sales and Merchandising 604-739-6640

[31] Ibid.

Organic Is A Criteria For Us.	
• We ask for organic, but failing that we will take products only if the ingredients are chemical free.	• Only organic. • We consider 'in transition' status. • We support certified organic and those in transition to organic.
Chemical Free Is A Criteria For Us.	
• We ask for organic, but failing that we will take products only if the ingredients are chemical free.	• If not certified organic, when we want to know what ingredients they are using.
Price Competitive Is A Criteria For Us.	
• If the product does not sell, and the vendor will not adjust prices we discontinue products. • Must be price competitive with imported. • We have a specific Vendor Pricing Data Requirements form for vendors.[32]	• Price is only a factor when choosing imports for resale. • The vendor must have clear terms i.e. FOB, recall etc. • Must have competitive price policy. • Volume and price impact purchases.
Demonstrate Production Capabilities Is A Criteria For Us.	
• This is now on the honour system, but we are planning to start site visits locally. • Vendor production targets are verified with site visits. • We have a specific Product Support Protocol form for vendors.[33] • We want to know the production standards.	• We will not represent a product until we are assured of capacity to fill orders. • We discuss this in the beginning with the vendor. • Must have volume and have an ease of ordering and delivery and terms, we need large quantities for all our stores. • There must be availability (volume) of product.
Other Criteria For Us.	
• Filling niches where there is no product made in Canada • The services the vendor is willing to offer us with their product. • They must demonstrate a market demand, unless we think that it is a great product. • FAIR TRADE chocolate and coffee. • Must have an established market demand. • The financial health of the vendor and possible growth demands are investigated. • Being connected to worldwide organic movements is not a criterion, but it is something we look for so we can promote the vendor. • We have expectations that the Vendor accepts communications responsibilities. • We expect each vendor who participates with us to contribute a % of their sales towards co-op advertising.	• Some grocer chains charge 'spotting fees.' • We have invested in a commercial kitchen and are looking at new brand name products we can scale-up for our high-end food service department in the seafood sector. • We audit the worker's conditions to ensure living wages. • We only take on products that do not compete with the products we now carry. • Special diet foods i.e. sodium free, Kosher. • Recycled products in packaging. • We establish relationships with farmers and processors and do site visits. • Do the products fall into any of the 'Cause Related' categories? • Do you have a personal 'Grass Roots' type of story to tell about your product(s) in the way it's grown, produced, manufactured, developed, etc.?[34]

[32] op cited
[33] op cited
[34] op cited

Supplier Driven Marketing (SDM)	
• Our taste table promotions are In-house or shared with retailers. • This is 90% funded by the distributor or processor. On our 'Food Market' days we have many sample tables at the same time. • We have a co-operative SDM where the processor pays only 30% of the marketing costs. • We have a specific Product Support Protocol for vendors, which outline our SDM.[35]	• We do not do food shows, but we do have tables at local GVRD community celebration events. • This is our number one selling point. We also take advantage of SDM to educate the consumers about natural and organic foods. • Yes, but we want to do more. • Occasionally—25% of the time max. • We do it daily at one of our stores and it is In-house • We have taste tables highlighting products on a regular basis.
Point-Of-Purchase (POP) Merchandising	
• On imported goods. • We make store signage for many 'homemade' (small-scale and local) products. • At the cost of the distributor or vendor. • Occasionally—25 % of the time max. • POS signage, adds in flyers, highly visible BC Grown labels. • There are always POP displays in the store.	• We work with our vendors to advise on their opportunities with POP merchandising. • We use a product-ranking list to identify where to focus on POP. • Yes, but we want to do more. • We have a specific Product Support Protocol for vendors, which outline our POP.[36]

[35] op cited
[36] op cited

Models and Options for Sector Development

> "Sustainability will be a critical issue for farmers in the future. Protecting the land, the environment and the delicate ecological balance of a diverse ecosystem will come under increasing public pressure. How sustainability is woven into production practices, marketing practices and the new life sciences area will be an essential element in the business of agriculture…Rural communities can take their cues from the direction these trends are setting and the economic forces surrounding them. They too need to work together and build on the vast amount of information available to them to better market their communities. The ability to band together and to self-organize is a key strategy…"
> 2001. Stewart, Karen, R. A New Agriculture: Making the Connection – A Report on Rural Adaptation to Structural Change. Western Agri-Food Institute. p. 3.

Concern about sustainability of rural communities has led community people all over the western world to consider alternatives to large-scale agri-business. In preparing this report a sense of a growing 'small-scale' movement has emerged. Small-scale is often synonymous with marginal income and marginal economic impact. However, there are models that are operating which not only promotes smallness of scale and values of local sustainability but are also economically viable. A scan of these options has been included for consideration as part of this report. Given evidence of a large and continuing demand for the products that small-scale producers and processors are interested in providing, strategies that can strengthen the approach to the market will be of key importance for consideration by the SSFPA as they position their development plans.

The major models and options are variations on the theme of Value Chains or Vertical Co-ordination approaches. A 'value chain' is "a strategic collaboration of organizations for the purpose of meeting specific market objective over the long term and for the mutual benefit of all 'links' of the chain."[37] Value chains 'build collaborative management structures as well as information systems that enable each 'link' in the chain to work together…to better respond to customer demands and market changes."[38] "…value chain formation around the world is accelerating and becoming even more complex and multi-faceted. The BC Agri-Food industry must take note of these developments and ensure that structures, skills and processes are in place to compete in this environment."[39]
The issue that must be addressed in establishing a value-chain/vertical coordination initiative is the cost of negotiating and administering the particular arrangements that are organized. Decisions on particular strategies will pivot on cost/benefit analysis. The key is to understand the benefits that can be gained from an investment in creating a new form of business relationship and to attribute the costs appropriately. This can be a challenge for small business people who do not have a clear idea as to the real costs would be of entering the formal marketplace. Various approaches to establishing such chains are examined below: Details on each approach can be reviewed in Appendix A Annotated Bibliography.

[37] 1998. Growing Alberta – Agriculture and Food Council "Value Chains As a Strategy" British Columbia Investment Agriculture Foundation Agriculture and Agri-Food Canada p1.
[38] Ibid p i.
[39] Ibid p 37.

Incubator Kitchens, Model and Option:

'Business incubation catalyzes the process of starting and growing companies. A proven model, it provides entrepreneurs with the expertise, networks and tools they need to make their ventures successful. Incubation programs diversify economies, commercialize technologies, create jobs and build wealth."[40] The business incubator model has considerable government and foundation support in the USA. Food based incubators are growing in importance. A great deal of model work has been done by Cameron Wold.[41] This approach has been investigated for replication by various groups in BC. A program of development finance, technical assistance for business development, merchandising and marketing and a regulated commercial kitchen as a node to facilitate regional food based development has been envisioned in several regions in the province. The business feasibility of this model needs to be tested where substantial start-up grants are not easily available as they seem to be in the USA.. Some development agencies in BC have considered the idea of setting up and owning a commercial kitchen to be operated as an incubator. The Community Futures Development Corporation of the Shuswap (www.futureshuswap.bc.ca) has set up a Business Development Centre, which incorporates a commercial kitchen

Regional Marketing Agency for small-scale/local producers/processors, Model and Option:

Several Community Futures organizations in British Columbia have created enterprise facilitation support for food related ventures. The most comprehensive is "Northern Exposure Gifts" (http://www.pris.bc.ca/cfdc/negc.htm) which is a joint venture with the Community Futures Development Corporation of the Peace Laird region and local partners and funders. The project is set up as a marketing company that 'offers a single supply source of quality, locally-made products that appeal to local consumers and visitors alike'. The challenge is to be able to provide all the product and business development services needed within a business model. Those involved in this initiative have learned many important lessons.

Provision of support to regional networks of Agri-Food businesses, Model and Option:

Agra Roots (http://www.agraroots.org) and the Island Farmers' Alliance (http://www.freshfromtheisland.com) are working regionally to promote relationships and linkages that individual producers and processors can take advantage of as they meet at networking and skills training events or benefit from communications and regional identity systems established by these organizations.

Provision of specialized development services on a regional basis, Model and Option:

The Community Futures Development Corporation (CFDC) of the Strathcona region attempted to develop a package of support services but did not establish this as a business. When funding from various sources was lost, the program was discontinued although many important resources were created and many lessons were learned. Other CFDC's are providing specialized services to the Agri-Food sector such as Community Futures Development Corporation of South Fraser. These services are by and large provided from the core operations

[40] www.nbia.org The National Business Incubation Association
[41] 1997. Cameron Wold. Ed. Establishing a Shared-Use Commercial Kitchen USWest Foundation Western Entrepreneurial Network

of the CFDC organizations except for special project monies that are attracted from time to time. A conference for Aboriginal Agri-Food businesses is being held in Prince George in the fall of 2002. All of these initiatives are responding to the obvious opportunities in this sector but without a more comprehensive and market driven strategy, we expect that these efforts will depend upon the enthusiasm of particular development agents as the micro-businesses that they are able to assist to start will face all of the barriers that existing micro and small-scale processors are already facing in the province.

Flexible Manufacturing/Marketing Networks (FMN), Model and Option:

> " Flexible manufacturing networks are the alliances among small and medium-sized enterprises which have demonstrated the ability to retain the advantages of speed and flexibility of the smaller companies and still attain the advantages of size and resources that the larger firms are afforded." The flexible manufacturing network allows different alliances to be developed for different customers or market segments in order to optimize the mix of firm resources and achieve a competitive advantage…
>
> Flexible manufacturing networks generally link several firms so that one firm's weakness is remedied by another's strengths. FMNs come in many shapes and sizes. One example occurs when firms, which perform a series of steps at different stages of production, can integrate their production systems for specific customers to better serve these customers and increase their competitive edge in the marketplace.
>
> Another type of FMN happens when firms who produce competing product lines link up in order to allow the lowest cost and highest quality producer of each product within the line to concentrate on only one product. Thus, customers' orders are directed to the member of the alliance who specializes in that product, allowing each alliance member to increase their competitive advantage in the marketplace while reducing their competition within the alliance. The final result is that the entire system increases its capacity to provide products of excellent value for their customers." [42](1997 Broderius)

An excellent Canadian example of a FMN is 'Niagara Presents'. 'Niagara Presents is a community based network that provides co-operative product development, marketing and distribution support to independent Niagara-based growers and processors of specialty foods.'(www.niagarapresents.org) This project has been developing with a lot of support from Community Economic Development (CED) technical assistance over the past several years. It is driven by a business agenda and relates to small processors as a broker, marketer and provider of services.

Another powerful model of the FMN incorporates the development functions of a community economic development technical service provider and the benefits of a commercial kitchen incubator. "The Appalachian Center for Economic Networks (ACEnet) (www.acenetworks.org) is a community economic development organization located in rural south-eastern Ohio. The mission of ACEnet is to build the capacity of local communities to network, innovate, and work together to create a strong, sustainable regional economy that has opportunities for all. ACEnet uses a sectoral strategy, currently focusing on the food and technology sectors of the economy… In each sector, ACEnet staff provides basic services that businesses need to start, expand, and create quality jobs. At the same time, staff encourages entrepreneurs to network with each other, sharing information and generating joint ventures (such as buying supplies together) that enable them to enjoy economies of scale typical of much larger businesses…The

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[42] 1998, Broderius Broderius, The Evolution of Flexible Manufacturing Networks City Planning Program, Georgia Institute of Technology PubP 8600, Seminar on Industrial Modernization

most powerful and dynamic impact of these services occurs when ACEnet connects businesses to high-quality markets that demand continuously improved products of ever higher quality. The theory behind this approach is that the set of new relationships that small businesses develop-with other businesses, with community organizations, and with new markets-transforms the area economy." (see www.acenetworks.org)

New-Gen Co-ops, Model and Option:

There is a movement in some agricultural sectors for producers of agricultural products to create and own formal cooperatives that become the second order co-op that establishes a comprehensive value-adding capacity. Island Farms Cooperative is a large dairy example. New Gen co-ops are springing up across Western Canada and the United States as farmers are realizing that the future of the farmer is tied in with the prospect of adding value to primary products. By formally collectivizing their investment, it is possible for the benefits of the value-add processing to accrue to the farmers even though as individuals they would not be able to engage such activities productively themselves. (see http://coop-studies.usask.ca/responding/) and http://www.ccaont.on.ca/programs/NGC.htm

Administered/negotiated vertical co-ordination, Model and Option:

This approach is challenging the markets that traditionally set prices at each stage of the food chain. "Under vertical co-ordination, a firm co-ordinates production and marketing over two or more stages of the food chain by means of marketing contracts, production contracts, or integrated ownership/operation… These approaches are able to draw management, labour, debt and equity capital from larger markets outside the local community…For local communities, advantages of such operations are that they face less risk; draw on a larger pool of entrepreneurial acumen, technological and managerial skills and share employment in growing segments of agriculture." [43]

E-commerce, Model and Option:

The e-commerce option has been discussed in other places in this report. It is clear that there are opportunities that have not been realized for e-commerce to become a powerful tool for reaching the market. As a sector development strategy, use of e-commerce approaches could be a pivot in the creation of a vertically coordinated production and marketing strategy in a particular region and at higher levels. It should be noted that an e-commerce site in and of itself is not a complete solution.

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[43] 2001. Tweeten, Luther G. & Cornelia B. Flora. Vertical Coordination of Agriculture in Farming-Dependent Areas" Task Force Report No. 137. USA Council for Agricultural Science and Technology. P 20.

Conclusions

Agricultural futurists are encouraging a revitalization of the small agricultural enterprise for reasons of economic, social and environmental viability. This future cannot be attained however without an investment in collaborative effort at some level to organize sourcing of product, equipment and supplies and to organize responsiveness to the marketplace through collective merchandising, marketing and product intelligence and development. The implications of this position demand a commitment to strategic thinking from all stakeholders concerned about this sector in order to create a made-in-BC collaborative approach.

There is a great deal of evidence that there are healthy market opportunities for BC producers and processors, regionally, provincially and internationally. There is evidence that there is a pent-up desire for producers to move into adding value to their Agri-Food products. There are significant barriers facing individual small-scale producers/processors. There is a movement in the western world for small producers/processors to form business alliances through a variety of means that allow individual producer/processors to compete and to increase their economic rewards while maintaining their commitment to local sustainability. In the USA, Australia, Japan and other countries, governments are supporting the move to vertical integration of Agri-Food production and processing. Small producers and processors in BC are beginning to create links either in commodity groups or in functional groups. A critical moment exists for vision building and capacity-building across these groups in order to create a food system approach in Western Canada that could meet the social and economic goals espoused by the founders of the Small Scale Food Processor Association.

It is recommended that the SSFPA and their supporters brief the government of BC on the importance of support for building the capacity of the entire Agri-Food sector using comprehensive methods. This will increase the competitive advantage of BC producers and processors who are now competing with small-scale producers and processors who have been already helped to organize themselves for more effective market penetration through government assistance in their jurisdictions.

Summary of Recommendations

For small-scale food processors:

The processors are recommended to adapt growth strategies according to their needs and wants. Some of the recommended growth strategies are:

- The micro-processor can work closely with their Farmer's Markets to have initial market demand information, and to support regional food security.
- The micro-processor can work closely with agri-tourism movements.
- All processors, micro to large-processors, can support this food value-added chain infrastructure by joining the SSFPA as a processor member (25 Full Time Equivalent Employees or less), or a supporter member (26 or more FTE).
- Review the graphs pages 25 through to 36, to find common success traits that you can consider for your own situation.
- Try to source technical assistance locally, for both the business side and the food safety side.
- There are financial investors looking for solid agra-food business plans to invest in; processors must prepare their own business plan, with facilitation, to be most successful.
- If you are a micro-processor, look for a regional mentor, this is the best technical assistance.
- If you are a small to large processor consider being a mentor, this will build the sector's infrastructure and social capital.
- Constantly revisit your business plan.
- Coordinate inputs and outputs with your regional agra-food value chain.
- Scale-up production with labour-saving appropriate technology, and not labour replacing technology.

For regional links:

The processors are encouraged to coordinate locally with:

- The Island Farmers Alliance (IFA) on Vancouver Island/Gulf Islands and AgraRoots http://www.agraroots.org/ in the Boundary agricultural region, were created in the last few years to promote relationships in certain regions of the province between producers, processors and others. The IFA developed a marketing identity and marketing/advertising campaign for Islands-Grown Foods. In addition to organizational and management challenges, regional "brands" will have to find a home among an increasing number of other labels or brands (e.g., organic, fair-trade, BC) and organizations.
- Link regionally with their BC Farmers' Markets, or other spaces available to vendors, such as the Granville Island Market Vendors program. The market information is valuable if documented, and as the individual grows, so does the region's agriculture and agra-food capacity.
- Small-scale food processors work with others regionally to document specifics and strategize to meet local demand.

For the Small Scale Food Processor Association:

Re: Services for members:

- Supports and encouragements, which are specialized for each processor group, (micro-processor, small-scale processor and large-scale processor), need to be designed.

- Small-scale food processors are very busy people working long hours most days. An association must provide clear and relevant benefits in order to attract members.
- To accomplish this, the SSFPA should consider conducting the following feasibility work in order to assess the potential of the association to provide specific services:
    a. Training and Technical Assistance (TA) re: compliance with new labelling regulation, Food safety and HACCP compliance.
    b. Provide business-planning services to members.
    c. Create prizes for articles and 'success stories' prepared for media.
    d. Brokering product development and testing services.
    e. Prepare a report for members on marketing costs so processors are aware of the costs/benefits for these functions.
    f. Help define Trade Show participation for the SSFPA.
    g. Facilitate definition of 'gastronomic regions' and revive the pride of the 'Buy BC' program.
    h. Providing label design/production services.
    i. Provision of group buying/purchasing services for business supplies and agricultural products
    j. Brokering development finance services to members in partnership with regional community development finance agencies
    k. Brokering relationships with the independent grocery/organic/natural food stores in each region, with mutual benefits.
    l. Coordinate a provincial level of supplier driven marketing services for members to document market demand for products.
    m. Broker with box delivery programs to advocate regional products inclusion.
    n. Brokering regional 'plan-a-gram' service to members for retail sales as a business undertaking
    o. Brokering bar-code services
    p. Work with regional sponsors, producers and processors in at least one locale to set up a demonstration commercial kitchen and commercialization program.
    q. Design and implement a sophisticated information system to overcome communication and information sharing and business challenges.
    r. Work provincially to study the potential for facilitating e-commerce solutions regionally and provincially.

Re: Relationships with other Agri-Food associations:

- The SSFPA as a new association is in a good position to approach all other new and relevant associations to suggest collaborative efforts. This is of particular importance in regard to further study of the issue of marketing. The established BC Farmer's Market Association and the Alberta Food Processor Association are cases in point.

Re: Taking leadership to develop a provincial/regional vision and strategy:

- Whereas several new organizations have emerged to assist small-scale producers/processors in the Agri-Food sector, there is no overarching strategy that links these initiatives and that addresses core issues. The SSFPA is in a good position as a new player to consult with other associations engaging them in a dialogue focusing on collaboration and innovation in creating small-scale market-driven food systems. (see http://www.coop-studies.usask.ca/responding/transformation.html)
- It is recommended that the SSFPA and their supporters brief the government of BC on the importance of support for building the capacity of the entire Agri-Food sector using

comprehensive methods. This will increase the competitive advantage of BC producers and processors who are now competing with small-scale producers and processors who have been helped to organize themselves for more effective market penetration through government assistance in their jurisdictions.

Re: Strategic Positioning:

- The driving force behind creation of the SSFPA has been people in relatively new and emerging micro and small processing businesses. However, given the nature of agriculture in BC, one association for all food processors may make some sense given that there is not a food processing association at all in BC. At the same time, in investigating the role played by other provincial associations for food processors, people from the Alberta Association indicate that they may not be meeting the needs of micro/small and emerging processors well. The suggestion of alliance between Alberta and BC processors should be investigated. In particular, the Alberta Association has a strong track record and an alliance with them would leverage their experience into BC.

For Community Economic Development Organizations Wishing To Support Small-Scale Food Processors In Their Region:

- Engage with the SSFPA and other stakeholders in each region to create regional strategies for development of this industry in each region that include financing programs, regional incubator kitchens, and investment in the regional infrastructures that can coordinate a regional strategy.
- Study development models in order to create regional innovations based upon regional assets and strengths.

For Community Development Finance Organizations:

- To work with community development technical assistance organizations to develop Agri-Food sector financing programs that will facilitate growth in the sector.
- To work with stakeholders in regions to plan for creation or expansion of regional infrastructure and to work with other funders and investors to finance needed resources such as commercial kitchens for federal level regulation compliance.
- To become a partner with the SSFPA and others to create a strategic plan for development of the small-scale Agri-Food industry in BC.

For Brokers/Distributors/Retail:

Although this project only interviewed 17 B/D/Rs there was only one existing retailer with developed, and one retailer developing, guideline sheets for applying for representation and acceptance of new products. This market intelligence can be crucial for the SSFPA in designing services to its members

For Educators:

- Providers of relevant continuing education are encouraged to coordinate their promotion efforts in partnership with the SSFPA.
- Establishing an education committee of the SSFPA to develop strategic plans to meet continuing education needs.

For Government:

> "Flexible manufacturing networks are a very interesting entity. The entrepreneurial spirit they possess is not always in agreement with the necessity of sharing and cooperation within a FMN. As a matter of fact, this is a portion of the reason the public sector had to enter the picture in the form of technology diffusion programs in order to establish, encourage, and enable flexible manufacturing networks to flourish." 1998. Broderius, Lakey. The Evolution of Flexible Manufacturing Networks. City Planning Program, Georgia Institute of Technology. Prepared For Dr. Shapira, PubP 8600, Seminar on Industrial Modernization http://www.cherry.gatech.edu/sim/students/papers98/broderiusW98.htm

Based on the research, it is evident that the benefits of creating flexible manufacturing networks in the Agri-Food sector would be substantial. Participating governments in many countries are supporting local economic development organizations and local small and medium sized businesses in gaining the capacity to work together in this new way. Without government support, creating these networks will be a major challenge to BC producers and processors.

We recommend that the BC Ministry of Agriculture Food and Fisheries, and the various Agricultural Trusts relating to Agri-Food processing engage in a collaborative strategic planning exercise to establish roles for all stakeholders in envisioning and facilitating the growth of this sector to meet the market demand.

It is also recommended that government look at how regions could recommend import replacement for agricultural and Agri-Food products, and at the same time claim carbon tax credits for avoiding currently externalized food transportation costs.

We recommend that all levels of government engage with the Small Scale Food Processor Association (SSFPA) in a collaborative strategy that will address a majority of issues and opportunities identified in the current Agricultural Policy Framework discussions.

SMALL SCALE

FOOD PROCESSOR

Association (SSFPA)

Market Scoping Project

Appendix A
Annotated Bibliography

August 2002

Year **August, 28 2002**
Name of Article The Evolution of Flexible Manufacturing Networks
Author Lakey Broderius, City Planning Program, Georgia Institute of Technology
Prepared For Dr. Shapira, PubP 8600, Winter 1998, Seminar on Industrial Modernization
Publisher/Web address http://www.cherry.gatech.edu/sim/students/papers98/broderiusW98.htm

"Flexible manufacturing networks (FMN) generally link several firms so that one firm's weakness is remedied by another's strengths. FMNs come in many shapes and sizes. One example occurs when firms which perform a series of steps at different stages of production can integrate their production systems for specific customers to better serve these customers and increase their competitive edge in the marketplace."

"Another type of FMN happens when firms who produce competing product lines link up in order to allow the lowest cost and highest quality producer of each product within the line to concentrate on only one product. Thus, customers' orders are directed to the member of the alliance who specializes in that product, allowing each alliance member to increase their competitive advantage in the marketplace while reducing their competition within the alliance. The final result is that the entire system increases its capacity to provide products of excellent value for their customers."

Includes an introduction, a brief history of industrial modernization, a definition of flexible specialization, flexible manufacturing networks, economic development planner's role, a case study on the National Institute of Flexible Manufacturing, FMN as an economic development tool, cooperative learning, community development, and conclusion

Year **August, 28 2002**
Name of Article Kitchen Incubators & Community Shared Kitchens A Possibility for Australia's Regional Economic Development (Power Point Presentation)
Author Julian Webb
Prepared For CREEDA
Publisher/Web address http://www.smartlink.net.au/library/wold/kitchenIncubators.pps

Quick power point presentation on Kitchen Incubators (KI)

Includes key features of Kis, target markets, clients, policy drivers, other comments

Year **August, 28 2002**
Name of Article Flexible Manufacturing Networks
Author Wes Merryman & Dan Meyer, CIRAS
Publisher/Web address http://www.ciras.iastate.edu/CIRASNews/fall97/network.html

"Flexible manufacturing networks are inter-company collaborations created to achieve a desired economic outcome that the individual firms could not achieve separately. Such networks allow firms to develop joint solutions to shared problems and opportunities. Networking firms combine resources to

gain economies of scale,

acquire technologies and resources,

gain knowledge, and

enter markets beyond their individual capability."

- also includes a background and evolution of FMNs
-

Year **August 21, 2002**
Name of Article The Not-So-Sweet Success of Organic Farming
Author Linda Baker
Publisher/Web address http://salon.com/tech/feature/2002/07/29/organic/index2.html

Once the lowly stepchild of conventional farming, organic is poised for a family takeover. In 2001, global sales of organic foods reached $26 billion; by 2008, that figure is expected to reach $80 billion. Leading the push toward organic is the European Union, where Belgium, the Netherlands and Wales have set government goals to make 10 percent of all arable land organic by the year 2010. (In Germany, that figure is 20 percent).

The U.S., which has set no such goals, has almost doubled its acres of organic farmland since 1997. And on Oct. 21, 2002, the United States Department of Agriculture (USDA) will implement the nation's first federal labelling standards for organically grown and processed foods. The new USDA seal will apply to U.S. growers who, for the most part, produce food without the use of genetic engineering, growth hormones or pesticides.

"Certification used to favour the small farmer," says Gould, who holds a life sciences degree from the Massachusetts Institute of Technology and claims a lifelong interest in the ways communities form around food supplies. Now, he contends, the mass market is rewriting the grass-roots story, turning organically grown food into a global brand (the National Organic Program, notes Gould, is part of the USDA's Agricultural Marketing Service) rather than a social, economic and ecological alternative to conventional farming.

"Organic is becoming one tool that people interested in sustainable production can use," he says. "But you don't have to be sustainable to use organic as a label." The real future of sustainability, he says, hinges on local production and support of local economies. "'Know your farmer,'" says Gould. "That was one of the keys of the organic mission that has been lost."

Further derailing the organic mission, says Gould, are the increasing costs of certification, which disproportionately harm small growers, and the inherent conflict of interest that occurs in a system where certifiers are paid by the companies they certify. "It opens the door for certifiers to grant exceptions to standards, make things conditions for improvement, when really they should have stopped things in their tracks," he said.

So here's the final paradox. Mass production and government standards mean more organic production and consumption, which means fewer chemical pesticides, herbicides and fertilizers are going into the air, soil, water, and, of course, our bodies. But just as U.S. regulations for certified organic foods are about to be put into place, the label "organic" may become obsolete -- or, at the very least, lose its cachet. This is why Gould, who grinds his own flour, sprouts his own sprouts and buys chicken from a non-certified Portland-area farmer, says the future of sustainability depends on linking producers and consumers via regional production and networks of farmers' markets, food coops, and CSAs.

"The story in this country is that wealth concentrates," he says. "That's unstable. We need smaller operations, local processors, more evenly spread out capitalism."

Year **August 19 – September 1, 2002**
Name of Article Organic Odyssey
Author Brennan Clarke
Prepared For Business Examiner Aug. 19 – Sept. 1, 2002
Publisher/Web address Publisher: Bill Macadam website: www.businessexaminer.net

"Organic produce sales at Thrifty Foods have reportedly reached 10 per cent in some stores, closer to 20 per cent in trendier neighbourhoods such as James Bay and Fairfield…The company projects that organic produce will make up 50 per cent of sales by 2010."

Year August, 9 2002
Name of Article The Market for Herbs and Essential Oils
Author Jeff Ward
Prepared For Alberta Agriculture, Food and Rural Development
Publisher/Web address http://www.agric.gov.ab.ca

Gives info regarding marketable herbs (globally), info on potential herbs for Western Canada to capitalize on, background info
Gives list of Alberta and BC herb producers/processors
Gives brief summary of 45 herbs: uses , global markets, competitors, origins and some indications of growing requirements
Also includes estimated price tables

Year **August, 8 2002**
Name of Article Specialty Foods Market Profile (Chicago, Illinois, November, 1999)
Author Cathy Cameron & Dan Wuerch
Prepared For Canadian Consulate General, Agriculture & Agri-Food Canada

Year **August, 8 2002**
Name of Article Overview of the Processed Food and Beverage Industry in BC (1996)
Prepared For BC MAFF
Publisher/Web address http://www.fwco.com/foodproc.html

"In 1996, BC incurred an apparent international trade deficit of $671 million. The value of processed food and beverage products originating in BC that were exported outside of Canada totalled $510 million while the value of processed food and beverage imported into Canada that cleared customs in BC totalled $1.181 billion."
"BC is likely Canada's largest net importer of food and beverage products from other provinces." The report estimates the inter-provincial trade balance for BC in 1996 to be at a deficit of $2,445 million.
"Reducing the international and inter-provincial trade deficits through import replacement could have a significant impact on employment in British Columbia."

Year **August 2002**
Name of Article The End of Globalization?
Author Michael Shuman
Prepared for **UTNE Reader July – August 2002, No. 112**
Publisher/Web address LENS Publishing Co. Inc., 1624 Harmon Place, Minneapolis, MN 55403

article illustrates some vulnerability in multi-nationals
argues that "local is logical":
global industries are inefficient at distribution

shipping costs seem destined to get higher
local and regional companies make better use of market research
the growing service-related industries are local by nature
the information revolution gives smaller businesses a new edge

Year **August 2002**
Name of Article Bringing Food Back Home
Author Herb Barbolet
Prepared For Shared Vision, August 2002
Publisher/Web address http://www.shared-vision.com

"In terms of the organization of the food system, over the last several decades, fewer and fewer and larger and larger companies have gained control. The world's largest food companies are now primarily owned by tobacco, alcohol, or soft drink conglomerates. Philip Morris alone owns Kraft and 60 other brands that have revenues of more than $100 million each, six of which have revenues of over $1 billion each. There is a growing convergence between these giants and the petrochemical and pharmaceutical transnational corporate giants." Pg 18
"The larger the farms and the farther the products have to be shipped, the more homogenous the products must be. Because they must have long shelf lives, they are pumped up with additives and preservatives and don't have nearly as much nutritional quality as local, fresh food. And these companies are destroying biodiversity. Currently, only two potato varieties are used to produce billions of pounds of the world's french-fries. In the States, the new farm bill allocates $190 billion dollars over ten years to subsidize about 150,000 farmers, to the detriment of the hundreds of thousands of family farms and small-scale operations. Once again, they're subsidizing the corporate millionaires." Pg 19
"As a vertical province, less than five percent of our land is arable (some say three percent), with farms in the southern province about a tenth of the size of comparable farms just across the border in Washington. Over 95 percent of our farms are still family owned. We produce more than 250 land-based commodities and over 80 sea-based commodities. Our agriculture is simply not suited to large corporations taking over. In BC, with our large number of very small farms, we have huge diversity and an opportunity to develop the way Northern Italy or Southern France has. Southern Vancouver Island has a climate similar to parts of France." Pg 19
"Throughout BC, our farmers, as a rule, have moved towards integrated pest management; they've moved away from heavy reliance on chemicals. They're among the leaders in North America in producing safe, healthy, and nutritious food and we need to nurture that, but so far, support is lacking. We don't have an infrastructure that supports this movement. We don't have a supportive government, but we do have opportunities to create a localized food system. On Vancouver Island, which is arguably the best place in the province to grow food, we have absolutely exquisite farms, marvellous producers and a huge variety of high quality products. Currently, Vancouver Island only produces 10-20 percent of its food; both the Island and the Lower Mainland could easily produce 85 percent." Pg 24

Year **August 2002**
Name of Article Organic Know How
Author Elaina Konoby Sinclair
Prepared For Shared Vision, August 2002
Publisher/Web address http://www.shared-vision.com

“Genetic engineering involves scientists transferring genes from one species to another, unrelated species. 98 percent of all transgenic crops are grown in three countries: USA, Canada, and Argentina. Five multinationals dominate the whole biotech business in agriculture. More than 70 percent of these crops are herbicide-resistant plants. Thus, as we consume food with GMO ingredients, we are consuming concentrated doses of the herbicides as well.” Pg 21

Year **August 2002**
Name of Article Food Independence from Farm Folk City Folk
Author Herb Barbolet
Prepared For Common Ground August 2002, Issue 133
Publisher/Web address Common Ground Publishing Corp. http://www.commongroundmagazine.com

“The ten largest corporations in the world have revenues of more than $800 billion – greater than the revenues of the hundred smallest countries combined. Food and Agriculture has become the World’s largest industry. Control continues to be more concentrated in every sector – from seeds and animals, to processed and manufactured products, to the final marketing at supermarkets, big-box stores and fast food restaurants.” Pg 5
“BC produces more land-based and sea-based food commodities than all the rest of Canada combined (over 250 and 80, respectively)….Presently, there is no central information source for and about these marvellous producers.” Pg 5

Year **July/August 2002**
Name of Article Winner and Losers
Author Ron Stanaitis
Prepared For Grocer Today
Publisher/Web address Canada Wide Magazine and Communications Ltd. http://www.canadawide.com

a look into what makes a new product successful by illustrating some past successes and failures
also describes marketing consultant Robert McMath’s theories of “Mortal Mistakes” for new products, including: no one wanted the product in the first place, the product failed to deliver(in its claims), me-too madness(copycat challenges), corporate Alzheimer’s(failure to learn from the past), there’s no reward for failure, and MBAs and PhDs making products for other MBAs and PhDs.

Year **July 26, 2002**
Name of Article People – from Industrial Revolution to Farmers’ Markets
Author Anya Fernald
Prepared For Project for Public Spaces
Publisher/Web address http://www.slowfood.it

A brief look into England’s resurgence of Farmers’ markets – an explosion in numbers
Focuses on the work of Nina Planck

Year **July, 25 2002**
Name of Article Northern Exposure Gift Company website

Publisher/Web address http://www.pris.bc.ca/cfdc/negc.htm

CED Marketing example
a division of Community Futures Development Corporation of Peace Liard
"helps regional entrepreneurs become self-sufficient and promotes the growth of the manufacturing sector in the Peace Liard region."
Founded in 1986
Provides "cost-effective and timely training, financial assistance, counselling, and employment opportunities and initiatives to new and established entrepreneurs in various locations throughout the region."
Mandate – "to promote a sustainable, diversified, value-added economy in the region."
"represents many small producers and is better able to meet market requirements by offering retailers a single supply source of wholesale products, eliminating the hassle associated with dealing directly with individual producers."

Year **July, 25 2002**
Name of Article Agraroots website
Publisher/Web address http://www.agraroots.org

"a TIES (Turtle Island Earth Stewards) community service project, is an information sharing and marketing network for the agricultural sector of the Boundary District."
Funded by the Canadian Agricultural Rural Community Initiative (CARCI)
Lists farms and products based on categories
Info on the benefits of buying local
Networking
A calendar listing current events
Resources (including links, articles, etc)

Year **July, 25 2002**
Name of Article BC Association of Farmers' Markets
Publisher/Web address http://www.bcfarmersmarket.org

intent is to serve and promote farmers' markets all over the province
goals: to facilitate networking of farmers' markets, to increase the number of successful markets in BC, to provide info, to foster consistent regulatory policies, to improve public awareness re: farmers' markets, to develop a sustainable organization
website has info for farmers markets, for vendors, for shoppers, news, links, comments, and contacts

Year **July, 25 2002**
Name of Article Centre for Community Enterprise
Publisher/Web address http://www.cedworks.com

access to "Making Waves"
info on economic solutions for BC
CCE Bookshop – planning, local empowerment, organizations and networks, business and employment, co-operatives, faith-based initiatives, sustainable development, policy and research

Also includes info on community resilience, Oregon benchmarks, customized documents, tech assistance, CED links, youth and CED, and contacts

Year **Date Unknown**
Name of Article Hard Times or Good Times? A Call to Action for Agricultural Producers
Author CFDC Thompson Country
Sponsored by Western Economic Diversification Canada, HRDC
Publisher/Web address http://www.cfdctc.bc.ca

"In July, 2000 Community Futures Development Corporation of Thompson Country received a series of commissioned agricultural studies that reviewed opportunities for growth in small and medium-scale agriculture in the Thompson and Nicola valleys, the Upper Fraser Canyon and the South Caribou. The authors generated a picture of the region's current agricultural activities, land base and climate and suggested a range of opportunities for future growth." Pg 2

Year **July 18, 2002**
Name of Article Federal Spending and the Budget – Farm Subsidies Fall in Canada
Prepared For National Center for Policy Analysis: Idea House
Publisher/Web address http://www.ncpa.org/pd/budget/pdf122099f.html

- an article outlining the current environment that farmers are operating in, regarding subsidies around the globe

Year **July 12 2002**
Name of Article Food Product Export Opportunities in Western Canada USDA Foreign Agricultural Service GAIN (Global Agricultural Information Network) Report **Voluntary report – public distribution GAIN report #CA9141 Dec 23 1999**
Author Prepared by: Brian Woodcock/USA Food Export
Publisher/Web address http://fas.usda.gov/gainfiles/199912/25556694.pdf

"Report Highlights:
Food trends in western Canada are driven by several consumer factors, some in common with other North American markets and some unique to the western Canada market. Opportunities exist within the western Canada retail food sector for U.S. exporters with innovative consumer food products that respond to these important emerging food trends. This report identifies 10 specific food product opportunities."

Opportunity 10 – "Natural Food Category – including Organic and Supplements"

Year June 2002
Name of Article Organic Transplant
Author Greg Potter
Prepared for **Grocer Today**
Publisher/Web address **Canada Wide Magazines and Communications Ltd.,** http://www.canadawide.com

“Formed as a workers’ cooperative, the slightly pinkish hue of Wild West has run decidedly into the black over the past decade. Billing themselves as a one-stop organic shop, the company has occupied, for the past two-and-a-half years, a 24,000 square-foot North Richmond warehouse that boasts state-of-the-art refrigerated coolers and freezers, in addition to scads of dry-goods space and even a banana ripening system. With the organics niche growing at an estimated 15 per cent per year (sales in the United States, for example, soared from US$1 billion in 1990 to US$5.5 billion in 1998), Wild West maintains four delivery trucks that regularly service a customer base stretching from the Greater Vancouver region to Chilliwack and Hope. “We’ve moved away from the co-op model and operate as a professional business would,” says Foote. Pg 23
“The biggest challenge we face is that a lot of our products are coming in from either the U.S., or U.S. channels, from places like California, Mexico, and South America,” says Foote. “We buy in Canadian dollars and, lately, the Canadian dollar has not been a friend to any importer.” Pg 25

Year 2002
Name of Article Marketing on the Edge – A Marketing Guide for Progressive Farmers
Author Brent Warner and Charlie Touchette
Prepared For Canadian Farm Business Management Council (CFBMC)
Sponsored by CFBMC, Agriculture & Agri-Food Canada, North American Farmers’ Direct Marketing Association
Publisher/Web address Canadian Farm Business Management Council 75 Albert St., Suite 903, Ottawa, Ontario, K1P 5E7

- a well organized information source giving details on consumer trends, direct marketing, developing a market plan, regulations, site location, facilities, merchandising, advertising and promotion, value added processing

Current Global Context
Changing consumer demand – “Improved nutrition” …”health conscious consumers are willing to search out and pay extra for foods they believe to be nutritious and wholesome.” Pg3

Ccd – “the population is aging and increasingly urbanized.” -….pg3
Ccd – “people eating out more often”…the latest figures show that consumers are spending more than half their food budget on food service.” pg 4-5
Ccd – “Farms as educational resources and family destinations.” pg 5…….”farms are now a major destination for educational farm tours, particularly with younger school children.” Pg6
“Increasing internet use”
On farm processing is expanding” …”families for the most part are now too busy, or not interested in processing farm products at home. This has created an opportunity of entrepreneurs.” Pg 6
Regulations – “zoning regulations are a municipal responsibility so check with your local authorities.” Pg 56
“Building permits are required in most areas to ensure compliance with building codes. It is the responsibility of owners to know about regulations before they begin construction.” pg 56
“In British Columbia, Canada, for example, the Land Reserve Commission has guidelines that spell out what commercial activities are permitted on designated agricultural lands.” Pg 56
regulations – health – “originate with both local and state or provincial authorities.”
“most provinces or states require that any processed foods (e.g. jams, jellies) manufactured for sale off the farm premises be prepared in an approved kitchen.” Pg 57

regulations – grading and labelling – “Every processed product that is sold should be labelled and in fact must be labelled if sold other than on your farm in most jurisdictions.” Pg 57
regulations – business licenses and registrations, insurance, sign laws, regulations relating to employees

- gives advice for site location for on farm retail, spec’s of processing facilities, advice for merchandising, advice for advertising and promotion, and value added processing pg 126

Marketing Used Now by Processors
Roadside stands
Roadside markets
Farmers markets “Many cities and regional governments now recognize that a farmers’ market is good for business and good for the social fabric of their community and are therefore prepared to sponsor such ventures.” Pg 14
Direct delivery – “The difficulty with the larger chains is that in some cases, they want enough of a product to supply all of their stores and this may be more than a small producer has available.” Pg 16
“As consumers become more aware of regional agriculture, they are now asking for local product in the larger stores. This is forcing local store managers to make an effort to supply and has given an opportunity for some local producers to get back into this market even on a single store basis.” Pg 16
agri-tourism “When customers visit these farms, they may be offered wagon rides (horse drawn in some cases) or the opportunity to see farm displays, visit corn mazes, experience foods of various kinds, watch pig races, or in colder areas, cross-country ski on farm trails or skate on a pond. The children may be welcomed into a petting area where animals can be enjoyed face-to-face.” Pg 17
Subscription farming and Community Supported Agriculture(CSA)
“a farmer contracts with customers in advance of the season to supply them with a range of products over the entire season” pg19
CSAs- “The customers have the option of participating in chores on the farm, which will in some cases reduce their financial contribution. This method of marketing is growing in popularity in areas close to large cities in both the Canada and the U.S.” pg 19

gives details about the components of direct marketing pg21-
gives directions for developing a market plan pg 43-

Year **June 2002**
Name of Article **ACEnet Food Ventures: The Community Kitchen Incubator Orientation Guide**
Publisher/Web address http://acenetworks.org/frames/framesfoodventures.htm

CKI – a unique facility designed to help area specialty food businesses grow and succeed
One of only a dozen or so in the US
A one-stop source of services and info for the specialty food industry
“the result of many years of hard work and planning from hundreds of people from South-eastern Ohio, and beyond. In addition to the individual efforts of countless volunteers, the CKI project was helped through its early design by a number of local org’s, including Rural Action, ACEnet, and Community Foods Initiative.”

“In 1993, ACEnet took its knowledge and experience with traditional small business incubation and began to develop an increasingly focused approach to economic development. This “sectoral” strategy, as it’s called, involves working within a specific area of the economy that seems to hold particular promise for creating good and lasting jobs.”
“CKI serves as a physical site of food production, as well as a source of education and information about the specialty food industry”
“much of the information-sharing and networking… is simply the result of one food entrepreneur rubbing elbows with another.”

Year **June 2002**
Name of Article ACEnet Food Ventures: Collaborative Cause Marketing Handbook for the Specialty Food Industry (Abstract and Executive Summary)
Publisher/Web address http://www.acenetworks.org/frames/framesfoodventures.htm

Community Economic Development Flexible Marketing Network Examples
Handbook describes current market opportunities in specialty food industry, including organic, natural, gourmet/specialty, and vegan market niches
Defines and discusses external and internal cause marketing related to consumer values
Gives direction in how to appeal to consumers’ values and how to develop external and internal cause marketing campaigns
Focuses on 5 key elements of internal cause marketing campaign:” developing a lighthouse identity, creating deeper meaning and relationships, identifying key leaders to co-market with you, building brand communities, and jointly advocating with your customers
Also includes support organizations and policy makers

Structural Market Barriers
SSFP cannot compete well with large corporations on commodity items (basic foods sold in large amounts)

Marketing Opportunities With infrastructure Support
“cause marketing” – “connects a business’ product to a particular cause or set of values, in the hope that consumers who hold those values will be more likely to purchase the product as a way of supporting that cause.”
Handbook describes in detail two types of cause marketing: external and internal
External – “company supports a cause or social issue not directly related to its product, but one that its consumers are likely to support so strongly that they become more likely to buy the business’ products” (eg. Natural food business’ that provide a % of profits to support saving rainforests)
Internal – “integrated strategy where: company operations match the values represented by the product brand, the experience of buying builds on the values and creates a more compelling product culture” and “the customers become involved in some way with each other and the company in acting from those values” (eg. Stonyfield Yogurt)

Year **June 2002**
Name of Article ACEnet History
Publisher/Web address http://www.acenetworks.org/frames/aboutframe.htm

ACEnet history – Mondragon inspired – worker co-ops
1989 –

“staff began to search for strategies that would generate more new businesses”
region of Italy: Emilia-Romagna “Firms simultaneously collaborate and compete with other firms in these communities… These organizations constantly monitor niche markets to identify new products”
1991
established small business incubator
offered below market rate rent and big services (by 2000 45 business have been incubated)
1996
Food Ventures Kitchen Incubator (by 2000, TA to >150 food businesses)
Processing facilities used by 70 entrepreneurs
2000
Community Technology Center
ACEnet staff to train teachers in 7 local schools in offering ACEnet’s entrepreneurship class
ACEnet Ventures provides “patient capital”
Warehouse purchased for leaseback

Year **June 2002**
Name of Article ACEnet About Food Ventures
Publisher/Web address http://www.acenetworks.org/frames/aboutframe.htm

ACEnet “works to develop healthy and sustainable communities, and promotes economic justice, self-determination, and respect for diversity… by assisting new businesses to start up and expand in the specialty food, and computer technology sectors, helping businesses grow, and linking networks of businesses, industry professionals and others”

ACEnet provides specialty food businesses with:
market and trend info
access to loan and venture funds
small business and financial planning assistance
food processing training and info
links to industry experts
links to other ssfp
community kitchen incubator (12,000 square foot shared-used manufacturing facility)
computer tech center
product development
marketing and distribution services

Year **June 2002**
Name of Article About ACEnet: Mission and Strategy
Publisher/Web address http://www.acenetworks.org/frames/aboutframe.htm

ACEnet mission: “to build the capacity of local communities to network, innovate, and work together to create a strong, sustainable regional economy that has opportunities for all”
Development strategy provides:
“basic services that businesses need to start, expand, and create quality jobs”
opportunities to network so ssfp can generate joint ventures that enable them to enjoy economies of scale typical of much larger ssfp’s

constant research identifying key new services or resources to increase success of ssfps businesses
constant research identifying local and regional organizations with capacity to create new services or resources that remain in the public domain

Year **May 2002**
Name of Article Community Promise: A Local Labour Market Study **Volume 5: Report on the Agri Food Sector**
Author Colleen Shepherd, Johanna Stiver, Melanie Banas
Sponsored by CEDCO Victoria, Government of Canada, HRDC
Publisher/Web address http://www.cedco.bc.ca/reports

Current Global Context
"Although organic agriculture currently represents only about 1% of the local food market it is the fastest growing segment of the food industry in Canada. Estimates vary widely, but it is believed that there are approximately 3108 organic farms and $1 billion in organic retails sales. This may seem insignificant next to the 234,000 farms and $100 billion in slaes in the conventional market. However, according to Agriculture and Agri-food Canada, Canadian organic retail sales are expected to rise to 3.1 billion in 2005, which equates to an average growth rate of 20% annually. The industry's share of the market is expected to increase to 10% of the Canadian retail market by 2010."
Current Regional Context
Rise of local agriculture – retail sales on V. Island of organic food topped $30 million in 2001 and growing 20% annually (from executive summary)
Changing consumer demand – relationship between food and health and between their own eating habits and sustainability of local food systems
Local farms (in CRD) not presently meeting demands for organic foods. Over 80% of organic food sold here is imported (from executive summary)

Processor Point of View
Labour intensive occupation
Need for "a system of linked programs and long term (3-5 year) post training support services for students of organic agriculture in the CRD."
BC needs a certificate or diploma program in organic agriculture
Costly (time and $) to train employees – high turnover rate, work quality, etc takes away from farmer doing their job

Marketing Used Now by Processors
Direct marketing – culturally significant, face-to-face, connecting people to their food. Favoured by some organic farmers
Organic farmers primarily technicians (active farming), there is less emphasis on business. However, business is essential if growers desire to effectively access market (very few use internet as tool)

Structural Market Barriers
Organizational issues – market infrastructure in sector is organized informally, growers co-operate voluntarily and informally in vital area of marketing and distribution
"chief difficulty" faced by retailers when purchasing locally is that growers can't predictably offer sufficient quantity

“There is a need for consolidated marketing and distribution.” pg 7 – however there is reluctance to become involved b/c fear of loss of control
Marketing Opportunities With infrastructure Support
local farms not meeting demands (80 % of organics imported)
rapidly expanding demand for organic food

Year **2001**
Name of Article New Generation Co-operatives
Author Roger Herman & Murray Fulton
Prepared For Making Waves, Vol. 12, No. 1
Publisher/Web address Centre for Community Enterprise Publications http://www.cedworks.com

explains some history and attributes of New Generation Co-operatives (NGC) through examples and comparisons to traditional co-ops
“New generation co-operatives provide a model for groups of agricultural producers to pool their resources so that they can capture a portion of the value chain extending from the farm gate to the dinner plate.” Pg 37
“The reasons behind the formation of the NGCs are as diverse as the markets in which they operate. In some cases the need for market information and co-ordination appears to be the driving force; in others the impetus seems to be a need to restructure markets in order to provide producers with an increasing share of the consumers’ food dollar.” Pg 37
“The value-added focus of NGCs represents a departure from the broad objectives of commodity & input marketing of many older established co-operatives. Rather than acting as clearinghouses for products, NGCs are closed-membership co-operatives restricted to accepting a predetermined amount of a specific product.” Pg 38

Year **2001**
Name of Article How to Start a Small-Scale Food Processing Business — Participant Workbook
Author Kerren Shalanski
Prepared for OLA
Sponsored by BC Ministry of Agriculture, Food and Fisheries
Publisher Queens Printer (course resource for how to start a food processing business)

great resource for existing or potential SSFPs who are enrolled in the course
the course offers complete training for the SSFP industry, going in to depth on:
business planning (entrepreneurial skills, business plan components, entrepreneurial self-assessment, course worksheet and business plan outline, and product description)
food processing and regulations (safe food practices, food preservation techniques, packaging for preservation and safety, food safety regulations, facilities and equipment, risk mangement and safety plans
the market (market research, the industry, customer profiles, the competition, market research analysis)
product development (recipe conversion, scaling-up procedure, record keeping and recall, production costs, sample testing)
Labelling and Packaging (labelling considerations, packaging for marketing and visual appeal, labelling and packaging costs)

Distribution and promotion (distribution, promotion, costs)
Pricing (strategies, adjustments)
Preparing the business plan (gathering components of the business plan, record keeping, action plan)
Evaluation, further training and supports, food faire and networking

The course provides engaging opportunities for potential SSFPs to become educated about what is required to become successful in the marketplace
well organized 60 hour, instructor led course – specific to SSFP industry, with examples/input from existing SSFPs
corresponding website (http://www.ssfp.ca) functions as a component
offers links and other resources

Year **August 2001**
Name of Article Adding Value to Farm Products: An Overview
Author Janet Bachmann
Prepared For Appropriate Technology Transfer for Rural Areas
Publisher/Web address http://www.attra.ncat.org

"Many small farm experts and policy makers across the nation believe that value-added agricultural food production – where farmers assume more processing steps and sell through direct marketing techniques – is a critical strategy to sustain many small farmers and their communities….The value of farm products can be increased in seemingly endless ways: by cleaning, cooling, cooking, combining, churning, culturing, grinding, hulling, extracting, drying, smoking, handcrafting, spinning, weaving, labelling, packaging, distributing, and by adding information, education, or entertainment."
Gives advice on diversification, describes some methods of value-adding, and offers some case examples

Year **Oct. 2001**
Name of Article Tackling Hidden Hazards
Author J.K. Malmgren
Prepared For Grocer Today
Publisher/Web address **Canada Wide Magazines and Communications Ltd.,** http://www.canadawide.com

"In Canada as in almost every other part of the world, awareness and concern about food safety issues have risen dramatically in the last five years. The food industry as a whole, from the farmer to the production facility to the person who finally puts the food in a customer's hands, has been subjected to ever-growing scrutiny as the public hears of incidents of E. coli and salmonella contamination and worse in places that seem surprisingly close to home. For the retail food industry, a breach in food safety is a threat that can strike the very heart of its business, a threat made much more real by the way grocers have seen their business change." Pg 10

Year **Oct. 2001**
Name of Article The Boom in Whole Health
Author Lauren Kramer

Prepared For Grocer Today
Publisher/Web address **Canada Wide Magazines and Communications Ltd.,** http://www.canadawide.com

“A few years ago, the only people buying organic and meatless products were hippie-types, environmentalists or staunch vegetarians whose eating habits were considered somewhat peculiar. That’s changed, and today, given a dietary climate where consumers are well aware of diseases like mad cow and foot and mouth, and anxious about genetic modification of food, a category that once catered to a small minority has gone emphatically mainstream.” Pg 31

Year **May 2001**
Name of Article Small Scale Food Processing Consultation Event – Outcome Report
Author Colleen Shepherd (CVDS)
Sponsored by Sponsored by CEDCO BC Ministry of Community Development, Cooperatives and Volunteers BC Ministry of Agriculture, Food and Fisheries Agriculture and Agri-Food Canada

Current Regional Context
policy framework – ssfp not clearly defined sector, so there are grey areas and must answer to several ministries
policy framework – waning gov’t support in the form of policy structures and farm subsidies
policy framework –“values are shifting toward a more local focus, communities need to be given a voice and an active role in governing, community planning, and directing the process and outcomes of policy-making activity”pg12
globalization of commodity markets, potential for import replacement (need inventory)
food security – decreasing seed diversity and the resulting control of seed businesses by transnational corporations, adequate processing facilities (problems in locating, paying for, maintaining up to standard facilities and equipment)
labelling – bar codes contain crucial info, however, the process is expensive for small scale
ssfps ability to recognize and respond to buying trends needs improvement

Processor Point of View
Meeting market demand can be difficult-frustration/failure
Cannot consistently supply product in volume – impacts sales
Markets and retail chains resist buying direct from processors
Too busy to learn and operate the business side

Retailer Point of View
Growing market for products linked to culture/geography of BC
Processors need to develop inventory of products
Demand consistent supply
Resist buying direct from processors
Dependent on large distributors
Processor Issues
High cost of packaging/packaging
Bar code requirements can be complicated and expensive
Product quality standards and quantity sometimes difficult to reach
Inaccessibility and high cost of transport/shipping

Lack of technology base, market skills and dollars necessary to successfully market their product
Busy growing/processing, have little time to market

Structural Market Barriers
In BC, there is no formally organized regional or provincial marketing networks or co-ops in place
Buy BC campaign targets mass production
Lack of capital to build/maintain processing facilities and purchase equipment
High cost and limited access to product testing and quality control
Gap in info available to processors/public about collaborative community agri-food partnerships (co-ops, CSA)

Marketing Opportunities With infrastructure Support
Potential for import replacement (need for inventory)
Hand crafted, high quality, organic, non-GMO markets opening B/c of general cultural shift demands
Growing market for products linked to regions of BC
Organic produce

Year **April 7 2001**
Name of Article SSFP Video
Author Asterisk Productions Ltd. & Arthur Holbrook Productions Ltd.
Sponsored by Funded by MAFF
Publisher/Web address Community Venture Development Services (CVDS).

Interview/Documentary style indicating opportunities for SSFP in BC. Advice from retailers, wholesalers, successful ssfps, and ministry staff. Highlighting problem areas, opportunity gaps and solutions
Current Regional Context
labelling/regulatory/food security – 10;00;37;22 Margaret Daskis: With labelling, it's going to depend on what jurisdiction you are under. There are certain aspects to the label, the name, the ingredients, the product listing, weight, bilingualism, the ingredients statement, there are certain parameters hat have to be on every label regardless.

Processor Point of View
02;00;03;00 Janet Romain: We don't know how to put the food analysis on the jars, there are lots of things we don't know how to do.
11;00;2;30 Margaret Daskis: The last thing you want to have happen is that your product gets pulled off the shelves because your product is not meeting a standardized format.

Retailer Point of View
03;00;17;55 Godfrey Ferguson: One of the shortfalls we do have is that it is very difficult to get the product we want. We have a great deal of demand, we can't keep up with it.
05;00;3;40 Lee Fuge …consumers expect that we will have quality material on time and in the store, the whole thing of infrastructure is important.

10;00;07;00 Lee Fuge: So what I think is most crucial, certainly in our region for producers who want to get engaged with companies that are going to take their foods to the retail level is some sort of infrastructure that will allow them to collectively process, label, transport, market.
10;00;14;15 Lee Fuge: In the workshop that I was involved in yesterday, my advice to people was that quality products deserve quality presentation. I urge people to go into stores like Rinehart's in Vancouver and even our stores and take a look at the product selection in the area that you are interested in. Read the labels, take a look at what your competition is going to be and remember that your product is going to be on that shelf and what you see on that shelf is going to be there.

Structural Market Barriers
06;00;28;00 Reporter: The biggest issue was regulatory issues: they were the worst barrier – preventing small growers from making a living or people coming into farming.

Processor Issues
06;00;3;52 Abra Brynne: …Instead of each producer going around a really large area dropping off a little bit of product here and a little bit there we can create linkages so one truck can go around and drop everybody's product in these communities.
09;00;18;40 Lyn Cayo: We just had a little Kootenay caucus and one of the things that came up was let's just buy from the packager together. Let's just pick a name, put in a common order and pay with one cheque and get the pallet rate or the 10-pallet rate or the 50-pallet rate instead of people putting in their individual orders. Let's just start there. It's one way that people can meet the economies of scale while still maintaining their autonomy and still having some input into how the economies of scale are being reached.
07;00;02;50 Reporter: adhesion of labels, barcodes, public education, product placement fees were problems we identified… product testing and quality control facilities are issues

Marketing Opportunities With infrastructure Support
04;00;03;30 Don Putt, Community Futures: There's lots of land available, underutilized, could be put to use if some value added or some processing facilities were available

Year **March 2001**
Name of Article **"Vertical Coordination of Agriculture in Farming-Dependent Areas" Task Force Report No. 137**
Author Luther G. Tweeten & Cornelia B. Flora
Prepared for Council for Agricultural Science and Technology

Background
"analyzes how vertical coordination can change the face of rural communities in farming dependent areas. It examines (1) the various forces driving the forms of vertical coordination, (2) their evolutions and their effects on agriculture and rural communities, and (3) policy options to help rural communities cope with change. The focus of the report is farming-dependent rural communities because they often are disproportionately troubled by depopulation, underemployment, and stagnant income." Pg 1
"Vertical coordination refers to the means used to synchronize vertical stages of the food-value chain." Pg 1

Current Global Context

public policy responses – “each community or other entity must decide which development strategy to use. State and federal governments can assist in this decision-making process by establishing environmental ground rules and regulations and by providing information.” Pg 2
Public policy responses – “Research, resident instruction, and extension education can be valuable when designed to improve technology, information systems, risk management, and marketing tools that will help family farmers and owners of small rural firms.” Pg 2
Ppr – “costs of odor-, waste-, and pest-control need to be charged to the producing units and not to their neighbours or to other “downstream” parties.” Pg 6
Ppr – “allowing operators to choose whichever form of vertical coordination they find advantageous but relying on the public sector to establish and to enforce environmental standards raises real national income while holding down food and fiber costs to consumers.” Pg 6
Ppr – “labelling backed by proper standards and enforcement.” Pg 7
Ppr - “ a county option is sometimes useful where environmental regulations need to differ appropriately among local areas.” Pg 7
Food safety – “ Consumers quickly change purchasing behaviour in response to perceived threats to food safety…Carefully handling and processing food so as to lower pathogenic contamination requires strict quality-control facilitated by hazard analysis and critical control point processes, identity preservation, and sensitive-product irradiation, especially when food travels long distances or is held for long periods in storage or on the shelf.” Pg 12
Regulatory/policy framework – “If the political process deems that certain aspects of vertical coordination in agriculture are inappropriate, an alternative to regulating firms is product labelling backed by standardization and enforcement (see Council of Agricultural Science and Technology 1994). “ pg 32
“To enhance the vitality of farming-dependent rural communities, the federal/state extension service and other state and local organizations can (1) promote entrepreneurship and innovation, eg., business incubators; (2) encourage farmer-producer groups, eg., cooperatives, to operate in food supply chains; (3) facilitate application of knowledge to production, processing, and distributing, as a means of decreasing costs and increasing responsiveness; and (4) increase resident understanding of economic and social strengths and weaknesses, eg., business expansion, retention, and acquisition options.” Pg 32

Processor Point of View
“Providing education and technical assistance to private sector certifiers can enhance niche market options.” Pg 2
“Promote market transparency, competition, and efficiency by releasing terms of contracts to the public. Such information not only can improve decisions of growers and contractors, but also allows for collective action where individuals share disadvantageous terms and provides a data base to research issues of market structure, conduct, and performance.” Pg 2
“communities *can* influence outcomes and generate alternative employment. But many rural communities will find it advantageous to use their resources to help inhabitants increase their options to maintain and improve their quality of life.” Pg 7
“Education and technical assistance to make small food processors ISO 2000 compliant will increase the diversity of value chains in rural areas.” Pg 7
“Invest in leadership development through cooperative extension and non-profit organizations so that rural communities can make better decisions in how they invest their collective resources.” Pg 7
“The public sector needs to offer mediation and technical assistance to help individuals or groups of farmers gain recourse if the contract terms are broken.” Pg 7

“Markets work best where buyers and sellers are informed. Terms of production contracts can be made available to the public so that growers and contractors will possess similar information. Information is a public good, hence proper gathering of this information requires a government role.” Pg 7
“the public must decide how important preserving small family farms is in comparison with lowering food costs for consumers or enhancing international competitiveness.” Pg 3

Structural Market Barriers
“A farming-dependent rural community may not be able to assemble locally the necessary venture capital, management, and other headquarters services for production units.” Pg 4
“Firms will tend to go to counties, states, and countries with the weakest environmental standards. Thus, some national standards may be appropriate.” Pg 7
“Considerable direct and indirect costs are incurred to coordinate production and marketing among stages of the food-value chain. Direct transaction costs are incurred in negotiating, signing, and administering contracts and in bargaining over prices and other terms of sale. Indirect transaction costs accrue from failure to achieve efficient coordination. At issue is what kinds of vertical coordination minimize transaction costs. Currently, markets tend to make that decision: the business arrangement with the lowest cost survives and multiplies.” Pg 12
“But in recent decades, traditional, small family farms or small businesses coordinated by markets have been at a competitive disadvantage and have had difficulty sustaining rural farm communities while providing the local entrepreneurial, technical, and communication skills, as well as the workforce, financing, and transportation resources, needed to support an industry competing in a global marketplace.” Pg 14
“Few traditional farms are large enough to realize economies of size, i.e., to produce at the lowest cost/unit or gain bulk marketing and purchasing advantages (U.S. Department of Agriculture 1999a., Table 1; for economies of size, see Tweeten 1989, Ch. 4).” Pg 14
“Small independent operations frequently lack market power to countervail the power of firms from which they purchase inputs and to which they sell outputs. Small farms and agribusiness firms may be poorly positioned to initiate the strategic alliances that are increasingly vital to business success.” Pg 15
“Sporleder (1999) argues that rivalries within agriculture and the global food system will shift away from tangible assets such as land and machinery and toward intangible assets such as knowledge, brand loyalty, worker skills, and managerial capabilities.” Pg 15
“Alternative food chains also are based on intangible assets, including relationships among farmers, specialty processors, and specific consumer groups.” Pg 15

Processor Issues
“The emerging food and agricultural sector will rely increasingly on negotiated/administered forms of vertical coordination. Principal forms will include marketing contracts, production contracts, and integrated ownership.” Pg 1
“The emerging food and agricultural sector will rely increasingly on negotiated/administered forms of vertical coordination to get the right ingredient at the right time to the right place at the right price to meet the demands of ever more affluent and more demanding consumers. Principal forms of vertical coordination include marketing contracts, production contracts, and integrated ownership. These can be structured as cooperatives, investor-owned firms, or hybrids of individuals, cooperatives, and investor-owned firms.” Pg 4
“farmers and rural communities in *spot market* situations often receive too little information that could trigger adaptive strategies.” Pg 10

“A challenge, especially for many farming-dependent rural communities, is how to be competitive in the food-value chain by responding to demand while using the latest technologies and management systems to ensure quality.” Pg 12

Marketing Used Now by Processors
“Previously, specialized designer foods, or other specialty produced and prepared to meet the specific needs of individual consumers or groups of consumers, were processed and sold in ethnic neighbourhoods, gourmet retail outlets, or health-food stores; but now consumers all over the country expect to be able to purchase rare and specialized products.” Pg 10
Marketing Opportunities With infrastructure Support
“Information technology supplemented by e-commerce in conjunction with contracting offers the promise of realizing economies of size to produce and to market at low cost-per-unit while dispersing economic activity among firms in the clusters described previously. Timely information exchange, enhanced by electronic communication, facilitates responsiveness of integrated value chains.” Pg 1
“e-commerce (market buying and selling transactions through the Internet), an emerging means for coordinating vertical links in the food-value chain, also will influence farming-dependent rural communities. E-commerce could make any rural community the site for the headquarters of an efficient global firm. By bringing together large numbers of buyers and sellers over a very extensive and even global area, e-commerce promises a highly competitive and efficient market.” Pg 5
“Certain small, private farms and family-oriented agribusinesses have found linkages to consumers through niche/specialty organic food and farmers’ markets. And the need to isolate the designer products of GMOs from bulk commodities and non-GMOs could offer opportunities for small firms to produce, to store, and to market products.” Pg 15
“As demand for identity preservation and segregation increases and as processing and production wedges appear in rural communities, many of the firms designed to serve the markets of earlier decades may disappear. In other communities, new firms and organizations may emerge to provide the coordination required of ever-more-complex food-value chains, Promising opportunities therefore exist in farming-dependent rural communities.” Pg 13

Year **March 2001**
Name of Article “A New Agriculture: Making the Connection – a report on rural adaptation to structural change”
Author Karen R. Stewart
Prepared for Western Agri-Food institute
Publisher/Web address http://www.westernagrifood.org

“This paper examines and compares the structural changes that are occurring within the agricultural industry both in Canada and in other industrialized countries, and the impact that these changes are having on farmers and rural communities. It then explores possible strategies that western Canada may use to address the situation based on changing trends and market opportunities.” Pg E1

Current Global Context
“Globalization has had a dramatic affect on the agriculture industry presenting it with both challenges and opportunities. Canada currently exports a large portion of the agricultural goods that it produces with an annual export value of $22 billion. Globalization has not only increased

market share, it has also heightened competitiveness and driven commodity prices down." Pg E1
"Technological advancements through mechanization and biotechnology have dramatically impacted on the increase in yields and efficiency on the farm….the benefits of these technological advancements, however, are shifting to the larger farming operations that are better able to pay for access to the technology." Pg E1
"In order to survive and compete, farmers need to either increase their farm size, supplement their income by seeking off farm work or change how they operate." Pg E2
"Competition for land in other industrial and service sectors is on the increase in a number of rural areas. Capitalizing on new market sectors will serve to increase the survival and vitality of many of these rural communities." Pg E2
"Adapting to the structural changes occurring is essential to the survival of farmers and rural communities alike. The learning curve is steep. To survive in today's economy, one must understand the trends and adapt their business practices to capitalize on market opportunities." Pg E2
changing consumer demand – "there is a growing acceptance and demand for organic farming and pesticide free production. This shift in production practices speaks to concerns over how food is produced and its overall nutritional content. Changing marketing practices is another essential management area that farmers must focus on. It entails reassessing current marketing strategies and investing more innovative and proactive avenues of selling their product. It may involve "telling a story," developing value chains and network alliances, forming a cooperative or developing a market niche. The ability to seek out a new way of doing business that addresses market trends will help capture market share for a number of farmers." Pg E2
"Sustainability will be a critical issue for farmers in the future. Protecting the land, the environment and the delicate ecological balance of a diverse ecosystem will come under increasing public pressure. How sustainability is woven into production practices, marketing, practices and the new life sciences area will be an essential element in the business of agriculture." Pg E3
"Rural communities can take their cues from the direction these trends are setting and the economic forces surrounding them. They too need to work together and build on the vast amount of information available to them to better market their communities. The ability to band together and to self-organize is a key strategy that is being utilized worldwide through a variety of programs. Survival will hinge on their ability to revitalize and capture growth opportunities." Pg E3
"Globalization has provided important markets for our farmers and their production, but like a double-edged sword, it has greatly reduced commodity prices and the money farmers receive for the increase in production." Pg 2
policy – "Government policy has supported globalization in an effort to achieve greater economic stability for the industry….There is ongoing debate as to what that level playing field looks like and whether the agriculture industry has been stripped of economic production for the sake of trade." Pg 2
"Countries that provide agriculture subsidies can depress world commodity prices and encourage over production internally. These reductions are often seen to benefit larger farming operations and give little protection to the small farmer. There is also the question of how these policies affect poverty levels of small farmers and the subsequent impact it has on the rural communities in which they live." Pg 2
"Market concentration is all about economies of scale and having the ability to offer best price for the product." Pg 3

“Biotechnology promises to take us in new directions that utilizes what we have to sustain us for the future…In the end, however, consumers, with their vast spending power, will likely determine the extent to which biotechnology will be used to produce food.” Pg 6
“the emergence of faster easier transportation, competition by major food retailers and increased selection in huge shopping malls has had a dramatic effect on the small town. Local businesses are dying out or at least being pushed to the sidelines in favour of larger corporations, both public and private.” Pg 9
“there is an increased awareness of growth hormones and antibiotics in livestock, of genetically modified foods, and the use of pesticides on crops. Food quality and food safety issues have contributed to growing opportunities for market segmentation and new channels to market products.” Pg 24

Processor Issues
“many economists and production specialists believe that the days of increasing production and lowering costs are over: to survive producers must become marketers and develop the tools necessary to increase the value of the product they are selling.” Pg 11
“farmers need to shift away from a production focus to a customer based focus…producing a differentiated product with a higher value will be the measure of their overall success.” Pg 11
“no longer do the assets drive the business, now it’s the customers.” Pg 11
“Today, capital is often better spent on operating the business versus investing in hard assets. Controlling the assets is now more important than owning them.” Pg 12
“Information in today’s economy is where the power lies.” Pg 12
“To survive and successfully compete in today’s economy, one must adapt to the challenges by focusing on the consumer, changing business practices to target changing trends and better utilize resources, information and business contacts.” Pg 12
“just as agribusiness conglomerates have grown and flourished through mergers and acquisitions, these communities need to work together in such a way that resources are pooled to meet the new challenges in today’s marketplace.” Pg 19
“The ability to analyze and understand these changes will provide the manoeuvrability and flexibility a community requires to come up with realistic responses to these changing situations.” Pg 19
“The ability to self-organize has been proven over time as a crucial ingredient to change.” Pg 20
“Revitalizing rural areas must come from the local communities themselves by tapping into leadership and entrepreneurial skills to develop local areas. The ability to self-organize has been proven over time. It is a crucial ingredient in adapting to and preparing for change.” Pg 23

Marketing Opportunities With infrastructure Support
‘there are numerous opportunities to modify a product for smaller niche markets. Multinationals focus on large market segments and competitive prices to achieve economies of scale. In doing so, standardized products for mass distribution take precedence over smaller niche market demands.” Pg 11
“Organic farming is seen as one of the fastest growing segments of the food industry in Canada.” Pg 13
“This new niche market fills the void for many small traditional family farms and creates opportunities for market segmentation. The steady increase in their numbers validates changing consumer attitudes in Canada and in other industrialized nations, to what they believe to be safer, healthier and tastier foods. It speaks to concerns over how food is produced and the overall nutritional content.” Pg 13
“To better assess consumer needs and to modify a product to better fit those needs, independent businesses can develop value chains and network alliances along the supply chain

with other businesses. This collaborative approach allows members of the chain or alliance to address specific market issues and opportunities by working together toward a common goal. A greater understanding and appreciation for the linkages in the network are gained and consumer needs are addressed in a proactive approach. In essence, it allows members to become more integrated with the economy." Pg 14

"everyone along the supply chain, including the consumer, benefits from the sharing of information." Pg 14

'This same concept of cooperatives could well be utilized in the marketing efforts of organic, PFP growers, and other niche market products, by sharing the costs associated with developing new markets, advertising, promoting and selling products that can often be time intensive or cost prohibitive on an individual basis." Pg 15

"Another emerging market opportunity focuses on buying and selling products locally and producing products for specific market niches and smaller local buyers." Pg 15

"Niche production, and developing value chains or linkages with companies have allowed farmers to adapt to changes and, in fact, seek out opportunities in the face of what may seem to be overwhelming odds." Pg 16

"there are shifts in the public's perception of farmers from one of protecting nature to one of harming nature. The cause and affect of our actions needs to be closely monitored. As in other cases, opportunities may exist for rural areas to capitalize on these shifts in consumer concerns and position themselves for success." Pg 18

"But these larger companies can not be all things to all people. Opportunities avail themselves as differentiated products emerge and increased buying choices proliferate." Pg 22

"Agriculture, like any industry, has become highly sophisticated and efficient. The industry will never disappear. It is a required commodity. Survivors in the field will have to look at the trends being set in the industry, embrace the changes, look at the challenges as opportunities and determine how best to adapt. Supply and demand theories still hold true today as they did yesterday. Knowing where the demand lies, understanding the delicate balance of the scale and looking for shifts in the market that will tip the scales in their favour will determine who survives and who doesn't." pg 24

Community Economic Development Flexible Marketing Network Examples

"In the European Union…the LEADER program, takes a more holistic look at development relative to tourism, recreation, industry, technology, farm diversification, village improvement, the environment and culture. Needs of the community are addressed relative to economic stimulators and cultural well being." Pg 19

"The same approach to community revitalization is seen in Australia with the Landcare movement. Farmers are brought into a larger scope of rural development as part of the vision for the community." Pg 19

"In the United States, the Department of Economic Development in the Midwest states has instituted a "Rural Action!" program with the intent of exploring opportunities in agriculture related areas. The Office of the Commissioner of Agriculture has developed a Value-Added Grant Program that funds research projects and opportunities that focus on value-added efforts." Pg 19

Other

"A more holistic approach will keep these communities viable and vital. A more vital community will in turn benefit the farmer and all rural residents." Pg 20

"Only one thing is clear however, community revitalization must be designed, implemented and driven by regional/local consensus." Pg 20

“Governments need to be responsive to the sustainability of our renewable resources by instituting policies that protect the health and well-being of our citizens and the environment. We must continue to work toward environmental sustainability and increasingly ensure corporations assist in the protection of resources.” Pg 21
“We must link stewardship efforts to the end product and the paying consumer to recoup investment in these programs and create the margins required to attain the desired end result.” Pg 21
“Government can assist through a variety of programs that focus on mentoring, entrepreneurship, building value-added cooperatives, developing value chains and networks, and diversifying ones business in an effort to develop industry and retain jobs locally.” Pg 21

Year **Winter 2000/01**
Name of Article Farm Folk City Folk Newsletter No. 28
Author Farm Folk/City Folk Society
Publisher/Web address http://www.ffcf.bc.ca

In this issue – Review of Big Money, Bad Science
Into the Garden with West Coast Seeds
UBC Farm Update
How Much is Cheap Food Worth?
Costs of Genetically Modified Organisms
Roots and Shoots Report
Eco-Tourism in Poland
Projects Round Up
Reinventing the World
Gone for Good?

“The issues surrounding biotechnology are broad. They range from patenting of genetic material and life forms to food, drug and environmental safety to economic threats, trade agreements and government regulation.” – from article “Big Money, Bad Science – Report on the Teach-in

Year **September 2000**
Name of Article Vancouver Island Agri-Food Action Plan and Trust Strategy – Discussion Paper
Author Robin M. Junger
Prepared For Prepared for the MAFF

“The purpose of the present project is, therefore, to build upon this previous and ongoing work, and to identify mechanisms to best ensure implementation of the foregoing goals and ideas. This will include consideration of cooperative efforts with the broader community of interests that have a stake in the agri-food sector. “ pg 19

Current Regional Context
“A significant number of submissions were made to the Select Standing Committee on Agriculture and Fisheries when it toured the province in 1999 to obtain input toward an agri-food plan for British Columbia. While not all of the discussion was Island-specific, Island view and concerns were well represented. Submission topics relevant to the Island included the following:
Inventorying existing capabilities

Adapting to changing market conditions
Disseminating knowledge and information
Educating existing and future farmers
Minimizing input costs
Establishing proper government support networks
Retaining local networks and processing facilities
Expanding retaining capabilities
Recognition of regional needs
Simplifying and standardizing regulations
Educating consumers
Expanding market boundaries
Ensuring profitability
Ensuring adequate and fairly priced water supplies Ensuring responsiveness in the supply management system
Agricultural Land Reserve
Protecting farming interests in zoning and land use policies
Reducing regulatory red tape
Standardization of regulations
Ensuring fair levels of taxation
Use of local supply by retailers
Certification and labelling of products
Balancing competition within sectors
Handling and internally regulating new products
Farming techniques/methods" pg 12
"Significant time and effort has been spent in recent years assessing the challenges and opportunities facing the Island agri-food sector. Industry members have devoted considerable effort to a number of workshops and studies that have clarified the issues and identified proposed recommendations and actions. There is little to be gained by repeating such an exercise at the present time." Pg 19
"What is less clear is the extent to which the many suggestions and recommendations have been acted upon or co-ordinated, or what the challenges to implementation are that must still be overcome to see further tangible progress." Pg 19

Year **Working Paper sept. 18 2000**
Name of Article Botanicals Industry Development (Findings from workshops on The Botanical Extracts and Essential Oils Industry in British Columbia)
Author Barbara Levesque
Sponsored by In Context Consulting and Research for the Food Industry Branch BCMAFF

Findings and recommendations from The Botanical….report were communicated and reviewed (to achieve related objectives) at three one-day workshops delivered with the support of the Associated Ginseng Growers of BC(TAGGBC), the BC Herb Growers Association (BCHGA), the BC Seabuckthorn Growers Association (BCSGA) and the BC Functional Food and Nutraceutical Network (BCFN). – workshops held in Kelowna, Duncan, Richmond – included producers, processors, researchers and staff from MAFF. Workshop participants were guided by the question "What does the industry need in order to prosper?" "Participants were encouraged to think of the role of all industry participants in contributing to industry prosperity – growers, processors, brokers and marketing organizations, industry associations and co-ops, research and development businesses, educational institutions, financial agencies, and government – and to discuss the networking and partnership activities that would have to take place to ensure individual and industry-wide prosperity." pg 6

Current Regional Context
"Many marketers of botanical products operate without their own manufacturing facilities. The majority of these companies allow the bottlers to produce products on a turnkey basis for them. Generally, the documentation of the product is extremely poor and the quality can be questionable. Companies looking for higher quality, better-documented product will generally specify botanical sources and arrange for independent laboratory testing. A vertically integrated operation can provide the level of quality and documentation necessary to attract the more discerning customers, while adding another level of value to their product offerings." Pg 5
"Small-scale operations are the norm rather than the exception in the botanical extracts and essential oils industry in British Columbia. Supporting these small enterprises in order that they can remain viable involves creating opportunities to learn better business skills and increase product development knowledge." Pg 10

Processor Point of View
key topics emerging from workshops included: standards development, communication, networking, relationship building, small-scale prosperity, education and learning, research, and investment.
"If we (producers) own a piece of the action up the chain of profit, we will benefit and our farms will prosper" – Duncan participant
"Access to capital is limited. At almost every level of this industry operations are self-financed. That's a real problem if we want to see growth." – Richmond participant
"It's a shame we don't know more about each other! We have the research capacity in this province to develop innovative tools for growers – like on-site analysis kits. Growers don't need to look for outside experts." – Kelowna participant
"Constraint: in comparison to the global industry, we are small. This limits our ability to position ourselves and it makes us susceptible to takeovers." Pg 16
"Constraint: among all sectors of the industry – from producer to retail shelf – there is secrecy and competitiveness. This fragments the industry even more." Pg 16
"Constraint: The cost of research can be prohibitive for any individual business in this industry." Pg 17
"Constraint: For producers there is a lack of detailed information about all aspects of production from seed to post-harvest." Pg 17
"access to foreign literature/research hampers the effectiveness of this part of the industry." Pg17
"processors are challenged to find new markets for their products and to develop new products for the market." Pg 17
"The research community has the capability of developing innovative tools for growers like on-site analysis tools/tests. These are less expensive than off-site lab tests and ultimately more valuable to the grower." Pg 20
"More grower links are needed – grower to grower and grower to processor. This could be through printed correspondence or newsletters, meetings, workshops i.e.: "farmers institutes", formal relationships among growers organizations and processor organizations." Pg 21
"Vertical integration of the industry through relationships, co-ops, or networking is necessary to make this industry more profitable for growers." Pg 21
"Support niche production and niche marketing in order to strengthen existing growers and processors." Pg 22

Structural Market Barriers
“Federal regulations (Food and Drug Act) hampers the growth of the industry.” Pg 18
“Information from one end of the industry to the other is fragmented. There are no fully developed mechanisms to link each sector of the industry.” Pg 18
“No agency is responsible for quality standards implementation” pg 18
“The industry is not unified – there is no common buy-in, no common identity.” Pg 18

Processor Issues
“There are weak links of communication among growers. This can lead over to production and missed opportunities i.e.: processors looking for more product than one grower has. It also means there are enough opportunities for sharing successes, failures, and market information.” Pg19
“Profitability – producers are at the low end of the profit chain.” Pg20
“Individual growers do no have the financial ability to pay for the research that needs to be done to help make them more profitable.” Pg20

Marketing Opportunities With infrastructure Support
“Encourage the growth of the industry through small enterprise – be small, be nimble and capable of responding to quick market shifts.” Pg 18
“Support each other through networking – that way we can stay small.” Pg18
“Support BC brand differentiation – this will benefit all sectors of the industry.” Pg18
“Develop an understanding of consumer trends, health needs – take a consumer driven approach within the industry.” Pg18
“The microclimates throughout BC support a vast variety of crops – we can grow almost anything.” Pg 19
“Plants indigenous to BC are a virtually untapped resource. The potential for growth in this part of the industry is good.” Pg19
“Develop an industry wide strategy to ensure we have an effective voice in the further development of gov’t regulations.” Pg19
“introduction through education to the different types of business relationships that have been successful in this industry or other sectors of agriculture (co-ops, marketing agencies, regional growers alliances, etc.) pg 10
“focus on understanding vertical integration – what are the benefits and what are the dangers if we don’t integrate the industry? How is it done and what cab we learn from other industries.” Pg 10
“connect local growers, processors, and marketers with regional economic development agencies to access expertise and find local partners.” Pg10

Year **Sept. 16 2000**
Name of Article Bonner Business Center Sandpoint Idaho
Publisher/Web address http://www.sandpoint.org/bbc/

CED Food Marketing example – successful incubator, kitchen

Year **May 2000**
Name of Article Basis Labelling Requirements for pre-packaged foods”
Author Canadian Food Inspection Agency

Publisher/Web address http://www.cfia-acia.agr.ca

summary of the current (as of May 2000) federal labelling requirements for pre-packaged foods under the Food and Drugs Act (FDA) and Regulations (FDR) and the Consumer Packaging and Labelling Act (CPLA) and Regulations (CPLR).
Gives info/details about labelling such as: common name, net quantity, list of ingredients, name and address, durable life, other mandatory info, standard container sizes, vignette, labelling requirements for institutional foods, labelling requirements for foods packed at retail, nutrition info, sources of additional info

Year **March 2000**
Name of Article Botanical Extract and Essential Oil Industry Study and Development Recommendations
Author AG Consulting Andrea Gunner, P.Ag. In association with Wayne Hachie, Wendy Holm, P.Ag., & Victor Werbin
Sponsored by BC MAFF

An in depth report covering global, Canadian, and BC Botanical and essential oil industry and markets. Provides history of industry & markets, indicates growing markets, provides history/info on uses of extracts and oils. MAFF contracted study to assess status and development prospects of extracts and oils in BC, which led to development recommendations

Current Global Context
“The botanical market has shown steady growth in North America in recent years. With the entrance of grocery, drug, and mass merchandise stores into the botanical market, demand for botanical extracts as opposed to “whole herb” products has accelerated.” pg 1
“In European countries, and especially in Germany, a sophisticated consumer acceptance of botanical drugs together with general acceptance by doctors of the use of medicinal botanicals has resulted in an open regulatory climate. Eighty percent of German doctors regularly prescribe medicinal herbs and their study is part of training for physicians.” pg 1
“There is a definite trend to standardize extracts from medicinal botanicals in terms of a single ingredient.” pg 1
“As previously stated, the global herb industry is now estimated at more than fourteen billion dollars (US) (Genetic Engineering News, 1997) while the US herb industry is estimated to approach four billion dollars (Brevoort, 1999).pg 3
“Much of this market growth is generated by the growing grocery, drug and mass merchandise sector. The demand for botanical extracts by this sector will continue to accelerate.” pg 3
Canadian Market trends – “an increasing percentage of the Canadian population is convinced of the effectiveness of herbal supplements.” pg 4

Current Regional Context
“The Gallup Survey revealed some notable differences in attitudes in various regions of Canada. Residents of British Columbia are the most inclined to take an herbal supplement for a cold (62% of respondents said they would be very likely or somewhat likely, compared to the national average of about 51%).”pg 5
“The botanical extract and essential oil industry in B.C. is growing and has received considerable attention over the last three years. This growth is being fuelled by consumer demand and validated research into the efficacy of botanical plants as health treatments.” pg 17

"The stages of development of a product are generally considered to be research, introduction, growth, maturity, and decline. This can be equally applied to an industry." Pg 17
"The botanical extract industry in British Columbia can be characterized as at an early growth stage." Pg 19 – future market opportunity??
"A number of initiatives have been taken in British Columbia by different parties recently. The formation of the B.C. Herb Growers Association and The British Columbia Functional Foods and Nutraceutical Network have brought focus and direction to the industry." Pg 27
"Standardised handling and packing procedures at the primary producer level do not exist in British Columbia." Pg 73
"Buyer interest is increasing for adequate supporting documentations for botanical products (including extracts and essential oils). "pg 73
Processor Point of View
"Primary producers experience a serious lack of production and processing information." Pg 67

Retailer Point of View
"Achieving a consistent quality product. This has been a problem because varied growing conditions affect the level of active ingredients in herb plants." Pg 29
"Achieving a consistent supply. This has been a problem for the industry. As a result, users of essential oils have adopted strategies of either using synthetic oils or only dealing with suppliers who have proven themselves in terms of providing consistent supply and quality." Pg 29
"When confronted with results, the vendors often do not have any of their own analysis to back up the specifications. In spite of growing scrutiny of the natural products industry, vendors and manufacturers have been slow to upgrade quality and documentation." Pg 64
"I also gravitate to vendors who can supply me with independent laboratory analysis of the marker compounds." Pg 64

Structural Market Barriers
"a primary constraint… is the lack of integration between different production and processing levels." Pg 27
"Further constraints are related to this fundamental lack of communication and integration. These include the lack of clear marketing channels, lack of understanding of the market demand, market volumes and prices, absence of validated quality control procedures and published analytical procedures and standards." Pg 27

Processor Issues
"New entrants must be prepared to deal with a shortage of published information, high variations in yields and large price variations. As well, operating a distillation unit will require either a license or permit issued by Revenue Canada, Excise Duty; the individual responsible for boiler and pressure vessel operation must be qualified under the Safety Codes Act, Engineer Regulations; and various essential oil products may be subject to trade duties when imported or exported." Pg 28 – policy/regulatory framework
"…with industry scrutiny on the rise and increasing buyer savvy, we have already seen a greater demand for superior quality and improved documentation." Pg 65
" A number of quality control issues at production stages exist, especially with organic production. Growers must research and educate themselves in the practice of proper composting, sanitation, soil, pest and weed management." Pg 67

Marketing Opportunities With infrastructure Support
"One of the greatest strengths of the British Columbia botanical extract industry is the virtually untapped natural resources of plant material." Pg 27

“The perception of British Columbia as a clean, natural, and beautiful region has strong marketing attractions. This perception combined with state-of-the-art processing facilities can be used to penetrate high value markets.” Pg 27
“As in the botanical extract industry, there are a number of native botanicals which have not been available as essential oils. The Aromatherapy and perfumery markets are both especially interested in “new” essential oil products. British Columbia has relatively high technical expertise and equipment to compete in the specialty, high-value sector of the industry.” Pg 29
“The relatively high price of land and labour in British Columbia suggests that smaller volume, less recognizable botanical extracts and essential oil opportunities may be pursued. One such plant currently under small planting is Sea Buckthorn.” Pg 63

Year **January 2000**
Name of Article Direct Marketing for Rural Producers
Prepared For Agriculture Business Strategies – Agdex 845-6
Sponsored by **Alberta Agriculture, Food and Rural Development**
Publisher/Web address http://www.agric.gov.ab.ca

information for direct marketing
gives description, advantages and disadvantages of: roadside stands/markets, u-pick, CSA, farmers’ markets, gift baskets/mail order, entertainment agriculture and direct sales to restaurants
also includes a checklist: Have you got what it takes to be a direct marketer?

Year **January 2000**
Name of Article **BC Food Processor’s Reference Manual 2nd Edition**
Author BC Ministry of Agriculture, Food and Fisheries, Food Industry Branch

Marketing Used Now by Processors
6 stage process for guidance on decision making in business
mission statement
overall company objectives
competitive strategies
marketing objectives
marketing strategies
marketing programs (sect.8-8)

Current Regional Context
quality products – how companies incorporate different quality programs
decide if assistance is needed from product development facility
design program for dealing with product that is off specification
design plan in event of product recall

Year **1999**
Name of Article Cities Feeding People – CFP Report Series – Report 25 - Urban Agriculture and Food Security Initiatives in Canada: A Survey of Canadian Non-Governmental Organizations
Author Jacinda Fairholm – LifeCycles

"The report, Urban Agriculture and Food Security Initiatives in Canada: A Survey of Canadian Non-Governmental Organizations, intends to give an overview of existing community-based organizing efforts to create more just and sustainable food systems. Through highlighting the work of many organizations and their networks we hope to make known their activities and also point to areas where there is still need for further research, work and creativity." From exec. Summary

"A community enjoys food security when all people, at all times, have access to nutritious, safe, personally acceptable and culturally appropriate foods, produced in ways that are environmentally sound and socially just." From exec. summary

Year **June 1999**
Name of Article A Study of the Organic and Natural Food Market Opportunities in the Pacific Northwest
Author Serecon Management Consulting Inc. Edmonton, Alberta and Globalwise Inc., Vancouver, Washington
Prepared For Marketing and Services Division Alberta Agriculture, Food and Rural Development Edmonton, Alberta

"Today the organic foods segment is considered by many consumers to be on the vanguard of social policy with respect to environmental protection. To these consumers, purchasing organic foods is also a "vote" for the environment." Pg 7

Year **April 1999**
Name of Article **"Shared-Use Commercial Kitchen Study"**
Author Campbell River Employment Foundations Society, Kerren Shalanski
Sponsored by Funded by HRDC, Community Futures Development Corp. of Strathcona

"The objectives of this study were to determine the uses and viability of a Shared-Use Commercial Kitchen and its components, and to assess the potential labour market for the value-added food processing sector." Pg 1
"As part of this research, a survey was conducted to determine the needs of food processors in the Comox Valley and area.." pg 1
Recommendations based on the findings from this research and from input of the Advisory Committee included: Structure (an intermediary organization needs to be identified to initiate and coordinate action on the recommendations), Support programs, Value-added Food Processor Association, Training and Workforce Development, Licensed Commercial Kitchen Network. pgs 3-4

Current Global Context
"Food processing multiplies the value of agricultural products and their impact on the economy. Each dollar invested in farm supplies like seeds, machinery and fertilizer, can result in farm products valued at about twice the investment. After processing, those farm products again double their value when they are translated into food and beverage products. Expanding value-added, food-processing activities creates jobs and economic opportunity in every region of the country. At the same time, it strengthens Canada's competitive position in world markets." Pg 9
"Business incubators are facilities in which new or growing businesses can locate and operate at lower costs than a conventional space. Incubator facilities provide shared, centralized facilities specific to the industry, or industries, they are serving. They may also provide clerical

and administrative help, receiving and shipping facilities, conference rooms, computers, libraries, and business assistance." Pg 15

"Business incubators have become one of the fastest growing economic development tools in the United States. They are used as a means of creating jobs in local economies, especially those devastated by the exodus of large industries." Pg 15

"The food products market in the United States is fiercely competitive. Canadian products must compete with established American goods as well as with imports from other countries. Consequently, Canadian companies must become familiar with the strong differences between various regional markets of the U.S., with different U.S. technical regulations, and with the need to adapt product packaging and labelling. Canadian exporters must research their target market and understand American food methods of promotion and distribution." Pg 25

Current Regional Context

"With its excellent transportation and communication infrastructure, established supporting industries, abundant energy, water and other natural resources, a diversified agricultural base, and its strategic location on the Pacific Rim, the B.C. food industry is well positioned to increase its domestic and export markets potential." Pg 11

"In B.C., companies producing high value-added products are becoming more important. B.C. has the potential to become a major producer of high quality, high value-added food products serving local markets, the West Coast of North America and Asia, with some specialty products finding world-wide markets." Pg 12

regulation – "All three levels of government have legislated acts and regulations dealing with food safety, packaging, labelling and licensing." Pg 13

regulation – primary functions – provide customers with safe food; prevent fraud, and assist customers in making choices among various qualities of food products pg 13

regulation – "The Food and Drug Act has broad jurisdiction and the authority to ensure that food is produced under sanitary conditions." Pg 13

regulation – "The trend toward Hazard Analysis Critical Control Path (HACCP), an outcome-based quality management program, may allow for flexibility in plant construction standards and possible savings in capital cost. However, it requires extensive documentation." Pg 14

regulation – "The intentions of the Consumer Packaging and Labelling Act and regulations are to prevent fraud and to provide product information to consumers. Most food labels require:

the common name for the product;

net quantity;

name and address of the business;

list of ingredients;

expiry date;

storage instruction;

English/French;

Other requirements specific to the product category." Pg 14

"All food processors are subject to the Public Health Act administered by the local or regional health authority." Pg 14

"Food processors are encouraged to self-audit by obtaining food-safe certification and applying the HACCP principles of food production." Pg 14

"All businesses must conform to zoning and by-law regulations designated by municipal governments….Food processors must determine the zoning by-laws and obtain permits before they build or sign a lease." Pg 14

more on challenges and constraints (regulations etc on pgs 37-38)

Processor Point of View

“The small scale, entry level food processors need to be nurtured, and given the knowledge to develop and test their product in order to start their business. At the same time, those already in business need support in expanding their capacity and developing new products.” Pg 40
“Food processors need to access distribution channels to increase their volume. However, if their volume increases, they may need help to scale up their production capability and to develop more sophisticated processes and packaging.” Pg 43

Processor Issues
“When staring out, many food processors cannot afford to build their own facility, or may even be restricted by zoning bylaws.”
“Pre-venture businesses need to develop their product and test the market first before they go into full scale production. They usually want to rent space until they are confident their idea is feasible.”
Farmers may have produce they want to add value to, on a short-term seasonal basis. Building an approved kitchen may not be feasible.”
“Current food processors may be expanding their product line and need additional space at various times of the year. For example, one restaurant requires additional space from October to December. Caterers require more capacity during their busy catering months.”
“with proper equipment, the processors could meet contract requirements and ensure the buyers of supply. The purchasing of equipment/machinery is a common problem facing the smaller food processor.” All of above from pg 29
“Food processors are required access to distribution channels such as supermarkets and public sector institutions. Currently, public-sector institutions don’t have a “buy local” policy.” Pg 38
“Generally, those who are not using an approved kitchen find they cannot afford to build an approved kitchen, and for many of them, the zoning and bylaws prohibit a commercial kitchen on their property.” Pg 38

Marketing Used Now by Processors
“Value-added products are distribute through mail order, retail establishments, high-end gift stores, grocery/supermarket chain stores, delicatessens, the hotel/restaurant/institution trade, on-site retail facilities, and other outlets such as tourist attractions, fruit stands, winery gift shops, specialty food counters in department stores, gift basket companies, flower shops, candy shops, independent grocery stores, other specialty gift stores, in addition to processing for private labels.” Pg 24
“Typically, small food processors produce and package their products and sell them locally, either wholesale to retail outlets or directly retail to consumers at farmers’ markets and craft shows. They tend to do very little marketing of the products. The major promotional activity undertaken by most small producers is direct sales contact with prospective retail outlets, and personally selling their products to consumers.” Pg 26
“Micro-food producers are production oriented. Most have little knowledge of marketing. Aside from personal selling, word of mouth and reputation are the key promotional tools. Home-made taste, fresh all-natural ingredients, unique recipes, and local appeal work to their marketing advantage.” Pg 26

Marketing Opportunities With infrastructure Support
“Food producers see the increase in trends toward ethnic, health, and convenience food products as significant future market opportunities. They also believe that there are opportunities in other niche markets including private labels, warehouse clubs, mail order, and gourmet foods.” Pg 24

“The majority of customers in North America purchase value-added, processed and packaged food products. There is an increased demand for a diversity of value-added and processed foods and more and more opportunities in the ethnic markets.” Pg 24
“tremendous export opportunities exist for the Canadian agri-food sector. Value-added products, such as processed meats, baked goods and canned and frozen fruits and vegetables constitute the largest, fastest-growing and most profitable part of the world’s agri-food trade. To help the Canadian industry achieve its new goal of 4% of world trade by 2005, a substantial increase in exports of value-added, consumer-ready products is needed to complement the exports of bulk commodities.” Pg 24
“There is an overall strategic goal to increase Canada’s agri-food exports to the U.S. by an average of $1 billion per year to the year 2005, with emphasis on high-value products. To achieve this, the government will consider implementing activities designed to help small and medium sized enterprises export into the U.S. and expand into new regions.” Pg 24
“Niche Markets with Unlimited Potential – Tapping into the Organic Herb & Spice Market originally published in Acres USA, October 1998 (Vol. 28 No. 10)

Processor Issues
“Understanding the marketing effort that is required to be successful in the herb business is easily the most common problem.”

Marketing Opportunities With infrastructure Support
“Near major metropolitan areas, this theme farm idea could be very successful because city people are looking for more than the product themselves; they want information, inspiration and a fun experience.”

Partners in Promotion and Support
International Herb Association (IHA)
Canadian Herb Society (CHS)
Ontario Herbalist Association (OHA)

Year **June, 17 1998**
Name of Article **Development Feasibility Study for a Mid-Atlantic Agri-Business Incubator and Local Food Processing Center Project No. 98-01**
Author Bay Area Economics, Claggett Wolfe Associates, Cameron Wold, & Don Meyer
Prepared for Maryland Food Center Authority
Publisher/Web address StekTek Consulting Web Publishing http://www.stektek.com/agribus/p1contents.htm

Community Economic Development Flexible Marketing Network Examples
Maryland Food Center Authority assessed “the feasibility of a proposed food processing center and agri-business incubator.” The Phase 1 analysis “identified strong market support for an agri-business incubator located in the Baltimore/Washington corridor.” “The Phase 2 analysis outlines the basic elements of the facility’s business plan and policies, recommends a marketing plan to attract tenants and stakeholders/supporters, and analyzes the financial performance of the proposed facility.” – from Exec summary
Outlines a business plan strategy including tenancy, legal structure, organizational structure, program/service offerings, fees, tenant screening, outreach and marketing plan, financial analysis, return on investment – “calculating the return on investment must include both tangible and intangible benefits that may be derived from the project.”
Return on investment examples:

job creation (including spin-off)
increased business success: “approximately 80 percent of incubator businesses succeed versus 20 percent for non-incubator businesses and roughly 85 percent remain in the local area.”
public health: “A certified, shared-use kitchen will provide small local processors with supervised facilities, training and professional counselling to minimize food-related health risks.”
retained wealth: value-added rather than selling raw goods
increased small business opportunity: shared, certified kitchens are capable of processing short runs of products
regional identity
agricultural land preservation: “incubator can increase the viability of sustaining a small farm operation by providing farmers with a location for value-added processing
collaborative program development
collaborative facility utilization
“Experience has shown that those shared-use commercial kitchens that follow the incubator concept have been more successful than kitchens that just contract out the facility. The value-added by the associated business-coaching, training, financing and technical assistance was found to increase business success and, in turn, attract more users.”
“The success of the incubator was directly linked to the success of the tenant/client businesses.”
Current Global Context
“Specialty food processors have provided one of the strongest market segments for food processing business incubator around the country. Specialty or gourmet food processors are generally considered by the food industry to produce better quality products that are not designed for the mass market. Many of these products are, however, sold in mass-market outlets in specialty or gourmet sections. Individuals and businesses in this market segment are ideal for an incubator setting because they typical fall into one of two categories: (1) they have a product – or a concept for a product – that has been widely accepted by their family, friends and patrons (in the case of restaurants), but they lack the business acumen or processing knowledge to make it commercially viable, and/or (2) they are successfully producing and selling a product that is prepared in an uncertified facility or that is produced in limited quantity due to a lack of marketing knowledge or processing capacity. In either case, a certified processing facility with a business services package can provide value added support to nurture and expand these potential users.”
Growing specialty food market
“because the development of a kitchen incubator can take two or more years, it is important to note that those individuals that express interest in becoming tenants during the early stages of development may not be there when the facility opens. However, these first tenants tend to reflect the “type” of tenants (e.g., specialty food producers, caterers, etc.) that will eventually occupy the facility.”
“Incubators that had strong community interest and stakeholder buy-in developed a strong tenant base (with 1 or 2 substantial anchor tenants) resulting in 400 or more hours rented per month.”

Processor Point of View
New businesses were interviewed regarding the potential facility: “individuals interviewed indicated that they needed:
a certified facility
business planning and support
help in understanding how to run a business and develop a concept
funding
resources for ingredients, recipes, packaging, labelling, and marketing”

Year **1998**
Name of Article “Value Chains As a Strategy”
Author Growing Alberta – Agriculture and Food Council
Sponsored by British Columbia Investment Agriculture Foundation Agriculture and Agri-Food Canada

-“The emergence of Value Chains as an organizational structure reflects a continued evolution of the market economy. Value Chains are intuitively simple. In essence, Value Chains respond to the demands of the consumer more effectively and efficiently. They do so by building collaborative management structures as well as information systems that enable each “link” in the chain to work together. Hence the value Chain in its entirety is better able to respond to customer demands and market changes.” From abstract pg (i)
Value Chains definition: “A strategic collaboration of organizations for the purpose of meeting specific market objectives over the long term and for the mutual benefit of all ‘links’ of the chain.” Pg (i)
“the success of Value Chains is highly dependent on the ability of potential partners to cooperate with each other to create WIN-WIN situations. This is easier said than done. Experience to date illustrates that experienced third party management is often necessary to guide the partners through the development process.” Pg (ii)

Current Global Context
“Value Chains are a global phenomenon and developing rapidly in the major agri-food producing regions in the world: including Western Europe, Australia, Japan and the United States.” Pg 13
“value Chains are an effective business response to several market drivers including:
new market development
improve profitability within an existing business arrangement
communications with the consumer
quality assurance
improving or standardizing logistics
addressing food safety issues
-“new market development Value Chains are by definition ‘niche’ in nature. They begin small and typically involve small or medium sized operations. Or they begin at a pilot scale level within a larger organization.” Pg 13
Value Chain Management Issues:
Success depends on presence “of a clearly identified idea owner or driver”
“skilled third party management”
“clear business objective(s)”
“research should always support Value Chain objectives but not drive the project”
“communications among and between the participants working in a Value Chain is critical.”
“the development of effective Value Chains take time”
“Value Chain success will require new information systems and new management skills”
“will require CEO/Senior Management involvement from retailers, food service outlets and logistics providers at the ‘advisory level’”
“new perspectives, new skills, and new training”
“close working relationships”
“project planning and development”
“Third party management is able to provide a number of roles including:
project development

issues identification
facilitation to identify priorities
project planning
communications
organizing funding
manage processes and outputs
evaluation" all of above from pgs 15-17

"The evidence and the market trends clearly illustrate that Value Chain formation is a timely and effective response to demanding market conditions. In fact it can be argued, that the prevailing forces driving Value Chain development will increase. These forces include:
concerns with food safety and quality assurance
the assurance of supply – the right quantities at the right time
the need for increasing flexibility and the ability to respond to changing consumer demands
the continuing drive to reduce system costs – transportation, handling, transaction costs, inventory and storage
the increasing ability to differentiate
changing consumer needs and demographics" pg 18

"the evidence suggests that value chains are here to stay. Further it might be concluded that if anything, chain formation around the world is accelerating and becoming even more complex and multi faceted. The Western Canadian agri-food industry must take not of these developments and ensure that structures, skills, and processes are in place to compete in this environment." Pg 37

Community Economic Development Flexible Marketing Network Examples
The Alberta Value Chain Project : Driving forces
New product innovation and differentiation
The need to build capacity to respond to growing unpredictability
Effective strategic alliances proven to enhance market performance
New factors requiring business response: environmental, life cycles analysis, animal welfare
Outsourcing to experts becoming more common

Year **1997**
Name of Article Establishing a Shared-Use Commercial Kitchen
Author ED. Cameron Wold Primary authors – Cameron Wold, Martin F. Sancho, Ph.D, Karen Schubert, John Wojtacha, ASID, & Laura Hobbs
Sponsored by USWest Foundation Western Entrepreneurial Network
Publisher/Web address University of Colorado at Denver

"a "how-to" manual with emphasis on the steps a community might take in developing the shared-use kitchen concept." From Foreword pg iv
"I have come to the conclusion that food entrepreneurs require more than their fair share of individual attention if their businesses are to succeed. Further it is my opinion that commercial kitchens that wish to be landlords only will often find themselves in the same state as their unassisted tenants – out of business." Pg x
"Where and how can food entrepreneurs receive the help they need? The answer lies in approaching your commercial kitchen from the incubator concept." Pg x

“The National Businesses Incubation Association (NBIA) describes business incubation as “a dynamic process of business enterprise development. Incubators nurture young firms, helping them to survive and grow during the start-up period when they are most vulnerable. Incubators provide hands-on management assistance, access to financing and orchestrated exposure to critical business or technical support. They also offer entrepreneurial firms shared office services, access to equipment, flexible leases and expandable space – all under one roof.” Pg x

Processor Issues
gave an intro to marketing: the basics (customer analysis, competitor analysis, product, place (distribution), price, promotion
“Nearly every business success story can be traced to the use of a simple marketing concept: creating the right product to fit the needs of the right customer and delivering it at the right price, place, and time. The more you stay true to these rules, the better chances of succeeding and flourishing in even the most competitive of marketplaces.” Pg 153
“One of the most fundamental challenges for specialty food manufacturers is developing a high-quality, shelf-stable product that consumers want.” Pg 157
“Specialty food consumers will make a special effort to locate and buy their favourite specialty products, despite higher prices and limited availability.” Pg 153
“Your product can not be all things to all people. The advantage of being involved in the specialty food business is the unique nature of this market and variety of the products contained there. Unique specialty products appeal to unique customer segments. Therefore, do not try to sell everything to everybody.” Pg 154

“Quality control: ensuring consistency and purity of products
“Inventory control: tracking ingredients and finished products to maximize freshness and on-time order delivery
“Sourcing quality ingredients in quantity discounts from reliable suppliers
“protecting your recipe and any other proprietary information
“Complying with federal, state, and local food regulations
“Maximizing technology to minimize order completion time and customer service” pg 157

Year **Autumn 1995**
Name of Article New Directions for Micro enterprise
Author June Holley & Amy Borgstrom Somers
Publisher/Web address Originally published in Making Waves, Vol. 6, No. 3 (Autumn 1995).

ACEnet mission: “to build the capacity of local communities to network, innovate, and work together to create a strong, sustainable regional economy that has opportunities for all”

Current Global Context
Involved in variety of economic development activities in Appalachian Ohio – flexible manufacturing networks (FMN)
Working with Community Food Initiatives (CFI) – facilitating organization focuses on developing a market niche and market linkages rather than directly assisting individuals to start micro enterprises
“Since most niches develop around unmet or emerging needs (health, disability, aging, environment, etc.), a capacity for on-going product development is crucial.”pg65
“ACEnet’s specialty foods initiative, the Food Ventures Project, has designed a code kitchen” which allows entrepreneurs to experiment together…..”provides potential entrepreneurs with the

chance to try out their businesses without investing sizable sums to purchase code equipment." pg 65

Structural Market Barriers
"programs can be more cost effective if functions are distributed rather than all contained in one organization" pg 66
"Networks encourage micro entrepreneurs to share information, to learn who has what resources and skills, and to build relationships. These networks foster informal mentoring relationships, thus decreasing the cost of technical assistance to the new firms." Pg 66
"an effective way to bring traditional community institutions (banks, schools, and businesses and human service agencies) into the economic revitalization process is to engage them in very specific projects, developing new kinds of support for networks of market focused micro entrepreneurs." pg 66
"Combining micro enterprise strategies with flexible manufacturing networks can solve with the most difficult part of business operations – marketing – by having a market niche around which much group knowledge has been built. It then helps micro entrepreneurs join with others to meet the needs of that market. Thus, the burden of marketing and product identification are shared and less likely to weigh down any individual." Pg 68
Partners in Promotion and Support
ACEnet, CFI, Food Ventures Project
Community Economic Development Flexible Marketing Network Examples

ACEnet. CFI, Food Ventures Project

Year **1991**
Name of Article A Profile of the Canadian Specialty Food Industry
Author Peat Marwick Stevenson & Kellogg
Prepared For The Federal/Provincial Market Development Council
Sponsored by Agriculture and Agri-Food Canada

Marketing Opportunities with Infrastructure Support
"For the majority of respondents the quest for new markets is focused upon Canada, often their own province. To many, the prospect of beginning exports to the United States or significantly expanding an existing export business is daunting. While they are attracted by the size of the market, they are also intimidated by the level of competition and the difficulties, both perceived and real, of exporting."

"Also significant is that an overwhelming majority of Canadian distributors say they have difficulty marketing Canadian substitutes for products that they currently import. They cite four reasons why:
Difficulty in securing, or lack of awareness of, an acceptable domestic substitute product.
Imports, whether from the United States, Europe or elsewhere, tend to sell more briskly than do the Canadian equivalents.
Customer service, especially continuity of supply, from local sources is not competitive with that provided by importers/distributors handling imported products.
On occasion prices are not competitive, though they concede this is very much a secondary consideration.

To increase share of the domestic market Canadian specialty food manufacturers must, therefore, improve service levels. This implies a better understanding of the customers' needs and improved management of the entire manufacturer/distributor interface including order fill, timeliness of delivery and handling of promotions. Above all, it means more innovative and unique products presented to distributors in a way that addresses their objectives and strategies."

Current Global Context
"There is a strong consensus among Canadian specialty food manufacturers that they, and they alone, must look after themselves. They fell that the onus is on them to build their business at home and abroad. They do not expect "handouts" or other forms of direct assistance from government at any level. They do, however, expect government to provide a "level playing field", that is, a cost structure and regulatory environment that allows them to compete on an equal footing with manufacturers in other jurisdictions, especially the United States."

SMALL SCALE

FOOD PROCESSOR

Association (SSFPA)

Market Scoping Project

Appendix B
Processor Questions

August 2002

Hello, good day.

Ask for the name listed and say

“I am phoning you because you are listed as a processor in the BC Ministry of Agriculture Food and Fisheries. Are you still processing?”

“My name is___ and I am working on a contract for the new Small Scale Food Processor Association and conducting interviews with processors. If you have time I can explain the history of the SSFPA and the benefits to you for participating. The interview could take from half an hour to an hour and a half, depending on how many questions you ask. Can you talk now, or can I make an appointment and call back later?

NO—MAKE APPOINTMENT and “Would you like me to send background info to you by e-mail?”

Yes

The SSFPA was incorporated June 4, 2002 and this market scan is sponsored by a joint initiative of VanCity Credit Union and Ecotrust Canada called the Conservation Finance Technical Assistance Program. “Would you like to have the website that explains this program?” (See www.ecotrustcan.org)

The incorporation on June 4 followed from two years of organizing with eleven plus steering committee members who were acting on the identified needs identified by small-scale growers, processors and retailers from across BC. “Would you be interested in receiving by e-mail the Outcome Report May 2001 that details this process?”

The primary goals are to provide support and infrastructure for small-scale food processors to grow at a regional level that is coordinated also at the provincial and federal level. This intended support and infrastructure is identified as a way for the processors can get more of their products to the local market and beyond. “Would you like the brochure by e-mail that briefly explains this, sent to you?

The benefits of you participating in this interview is that you will receive an e-mail version of the report in the first two weeks of September 2002, officially released at the first AGM of the SSFPA, date TBA.

There are three things in the marketing scan that will be important for processors to know.

1. A section of the report will be a literature review and bibliography of relevant articles relating to marketing for small-scale food processors and specialty food products.
2. A section reporting on the responses of the processors will show what marketing techniques are being uses by peers, and will be a useful benchmark.

3. A section of the report will detail what the retailers say processors need to do now to get into the store, and what processors would need to do if they were supported by an association's infrastructure.

Do you have any questions about the marketing scan or the SSFPA?

Would you like to participate in this SSFPA marketing scan?

Marketing Scan Survey for existing small-scale food processors.

Organization: *Business phone:*
Contact person: *Title:*
Confirm database address.
Do they want the Outcome Report May 2001?
Do they want the brochure and applications sent? How?
How long have you been in business?
Is your business owner operated?
How many FTEs do you have?
What is/are your product (s)?

Question				**YES**	**NO**
Do you consider your product to be a specialty/gourmet food?					
How do you sell your products?	Farm gate				
	Farmers' markets				
	Direct to retailer				
	Direct sales by mail order/phone/internet				
	Direct sales by Trade Shows				
	Direct sales by Food services to organizations				
	Community Supported Agriculture program				
	Broker (paid in commissions)				
	Co-op marketing agency				
	Specialty Food Distributor (they buy)				
	To a retailer under contract to supply product with the retailer's private label				
	To another level of food processor				
	Supplier driven marketing—taste sample tables in retail settings and at community events				
	Box program				
	Other				
Where do you sell your products?	Which region (s)?				
	Other regions in BC and Alberta	?			
		?			
		?			
	Nationally				
	Export	?			
		?			

How do you promote and merchandise your product?	Print media advertising			
	TV advertising			
	Radio advertising			
	Trade show face-to-face			
	Point-of-Purchase (POP) manufactured displays			
	Supplier driven marketing (food sample tables)			
	Direct store distributor (rack jobbers/contract merchandisers)			
	Brochures for distributors that buy product			
	Brochures for brokers that represent product (commissioned)			
	Brochures for consumers that buy product			
	Labelling that promotes regional production			
	Labelling that promotes regional resources			
	Labelling that promotes organic or non-GMO food sources			
Are you a member of any trade association?	Functional Food & Nutraceutical Network			
	COABC Certified Organic Assoc of BC			
	Chamber of commerce			
	Fruit growers association			
	Food Protection Association			
	Food Technologists			
	Restaurant and Foodservices Association			
	Salmon Marketing Council			
	FarmFolk/CityFolk			
	Food Processors of Canada			
	Juice Council			
	Packaging Association			
	Peace Value-Added Food & Agriculture Association			
	Institute of Agrologists			
	BCIT Institute Food Technology			
	Consumer’s Assoc			
	Canadian soft drink Assoc			
	Canadian Co-operative Association BC Region			
	BC Ginseng Growers			
	BC Tree Fruit Association			
	South Island Organic Producers Association (SIOPA)			
	other			
What types of operational challenges (if any), affect your ability to sell your product(s) to retailers and/or wholesalers?	Meeting quality assurance			
	Discussing small lot production with Retailers and wholesalers			
	Being HACCP approved			
	Meeting quantity required			
	Finding appropriate and affordable small-scale food technology that would lower production costs			
	Learning different market options for food products			
	Following recall requirements			
	Labelling requirements			

	Packaging problems			
	Bar code problems			
	Finding consistent quality and quality raw ingredients			
	Not able to attend trade fairs			
	Do not have e-commerce capabilities			
	No time to self educate on small-scale marketing			
	No access to regional marketing technical assistance			
	Cannot find marketing data that is specific to small-scale processing in western Canada			
	Other			
What external barriers (if any) do you face in getting your product to the market?	Inconsistent Government labelling information			
	'Planagrams' large business monopoly of shelf space at certain retail outlets			
	Undeveloped distribution/transportation infrastructure			
	Access to growth capital			
	Access to bridge financing			
	No trained labour locally			
	No marketing data specific to small scale food processors			
	Other			
How do you find out about the people that buy the product?	Strategis website (Canadian on-line support)			
	Word of mouth			
	Business Development Bank			
	Library			
	Community futures			
	HRDC			
	Other			
How do you find out about your competitors?	Strategis website (Canadian on-line support)			
	Word of mouth			
	Business Development Bank			
	Library			
	Community futures			
	HRDC			
	Other			
Would you like more information on the new Small Scale Food Processor Association (SSFPA)?				

SMALL SCALE

FOOD PROCESSOR

Association (SSFPA)

Market Scoping Project

Appendix C
Contact information for the Respondents to the Interview

November 2002

Processor participants

Compmany Name	Address Line 1	City	Province / State	Postal / Zip Code	Phone 1	E-Mail Address
Amazing Almonds	34318 Fraser St	Abbotsford	BC	V2S 1X9	604-855-7473	bkingman@telus.net
Narnia Farms	RR# 2, S59, C10	Smithers	BC	V0J 2N0	250-847-3938	Mailto:info@narniafarms.bc.ca
Wilp Sa Maa'y	Site K, Comp 1, Box 186	Hazelton	BC	V0J 1Y0	250-842-5334	Mailto:darlene@bulkley.net
Kootenay Pasta Company Ltd.	PO Box 2066	Invermere	BC	V0A 1K0	250-342-9056	Mailto:tands@rockies.net
Little Creek Dressings	3545 Westside Road North	Kelowna	BC	V1Z 3W8	250-769-3932	Mailto:lcgarden@cnx.net
West Coast Seasonings	2233 Woodlawn St.	Kelowna	BC	V1Y 2T1	250-862-8977	Mailto:ok.harvest@shaw.com
Tilly's Galley	Box 2321	Sechelt	BC	V0N 3A0	604-885-2400	Mailto:tillysgalley@uniserve.com
Nelson's Chocofeller	202 625 Front St.	Nelson	BC	V1L 4B6	250-352-5880	Mailto:hwheelie@hotmail.com
Delectible Pickle Factory	9304 Jubilee	Summerland	BC	V0H 1Z0	250-494-4483	Mailto:delectibles@telus.net
In Your Face Foods	Box 57	Procter	BC	V0G 1V0	250-229-5646	Mailto:inyourfacefoods@netidea.com
The Frenchie One	2158 Makonin Rd	Castlegar	BC	V1N 4R2	250-354-9877	Mailto:tfo23@hotmail.com
Lorraine's Handy Work	Site 1, Box 3A, Comp 12	Endako	BC	V0J 1L0	250-699-6598	Mailto:lorraineturnbull@yahoo.com
Ron's Kootenay Kitchen	2065 Haaglund Rd	Christina Lake	BC	V0H 1E3	250-447-9263	Mailto:ronskk@sunshinecable.com
Cherry Bomb Productions Ltd	1801 Hall St	Nelson	BC	V1L 2A5	250-352-6115	Mailto:cherrybomb@telus.net
Chub Lake Farm	Box 614	108 Mile Ranch	BC	V0K 2Z0	250-791-6398	Mailto:chblakefarm@bcinternet.net
Berry Delightful	9515 95th Ave	Fort St. John	BC	V1J 1H7	250-776-7306	Mailto:drogers@pris.bc.ca
Kiskatinaw River Ranch	Box 908	Dawson Creek	BC	V1G 4H9	250-843-2300	
Anita's Organic Grain Flour Mills	43615 Yale Rd	Chilliwack	BC	V2R 4J3	604-823-5543	Mailto:info@anitasorganicmill.com
Willowbrook Farms	RR 1 734 35th Ave. N	Creston	BC	V0B 1G1	250-428-3507	Mailto:rmsloss@kootenay.com
Happy Days Goat Dairy	691 Salmon River Rd SW	Salmon Arm	BC	V1E 2M1	250-832-0209	Mailto:hapdays@shuswap.net
Allen's Simply Delicious Gourmet Candies	Box 1208	Nelson	BC	V1L 6H3	250-352-3576	Mailto:licorice@netidea.com
Dragon's Eye Nursery	4365 Victoria Rd	Grand Forks	BC	V0H 1H5	250-442-5731	
Organa Farms	Organa Farms	Yarrow	BC	V2R 5H8	604-855-7104	Mailto:organafarms@yahoo.ca
Canadian Sea Buckthorn Enterprises	4154 Panderosa Drive	Peachland	BC	V0H 1X5	250-767-9188	Mailto:smcl@shaw.ca
2% Jazz 98% Funky Stuff	2671 Douglas St	Victoria	BC	V8T 4M2	250-384-5282	Mailto:expressolol@shaw.ca
Moonstruck Organic Cheese Inc.	1306 Beddis Rd	Salt Spring Island	BC	V8K 2C9	250-537-4987	Mailto:info@moonstruckcheese.com
Island Fruitcicles	285 Renold Rd	Saltspring	BC	V8K 1Y2	250-653-2300	Mailto:kaye@saltspring.com
Cultivated Forest Co-op	n/a	Denman Island	BC	n/a	250-333-0275	Mailto:swann_g@denmanis.bc.ca
Saltspring Roasting Co.	211 Horel Rd	Saltspring Island	BC	V8K 2A4	250-653-2366	Mailto:mickey@saltspringroasting.com

Paul Griffin and Associates	n/a	Victoria	BC	n/a	250-370-1505	Mailto:john@johnrewers.com
Qualicum Farms	350 Parker Rd	Qualicum	BC	V9K 1X4	250-752-1838	
Quisqueya Hemp Co.	185 Horel Rd	Saltspring Island	BC	V8K 2A4	250-653-9673	Mailto:shauna@sillykitty.ca
Natanis Natural Foods	3300 Whittier Ave	Victoria	BC	V8Z 3P9	250-475-0032	Mailto:natanis@pacificcoaStreetnet
Monsoon Coast Trading Co.	280 Robinson Rd	Saltspring Island	BC	V8K 1P7	250-537-9447	Mailto:dhall@monsooncoast.com
Woods Original Food Products	4316 West View Ave	Powell River	BC	V8A 3J6	604-485-2860	Mailto:woodsoriginal@shaw.ca
Salt Spring Flour Mill	169 Dogwood Lane	Salt Spring Island	BC	V8K 1A4	250-537-4282	Mailto:dogwoodlane@saltspring.com
Denman Island Chocolates	1840 Northwest Rd	Denman Island	BC	V0R 1T0	250-335-2418	Mailto:info@denmanisland.com
Armit Spring Orchard	Box 442	Lillooet	BC	V0K 1V0	250-256-4717	Mailto:armitspring@hotmail.com
Terrace Mountain Herb Farms	RR #7, Site 13, Comp 41	Vernon	BC	V1T 7Z3	250-545-8899	Mailto:n/a
Pzazz Fine Foods	1689 Johnston St.	Vancouver	BC	V6H 3R9	604-420-5820	Mailto:johnduncan@telus.net
Sage Kitchens	Box 4037	Golden	BC	V0A 1H0	250-344-7633	Mailto:wildsage@rockies.net
Briggswood Country Preserves	4716 - 51st St.	Rycroft	AB	T0H 3A0	780-765-3180	Mailto:brigswood@telusplanet.net
Caramoomel Products Inc.	2105 Morrison Rd	Kelowna	BC	V1X 4W4	250-765-0574	Mailto:cdudka@direct.ca
Kawano Farms	11030 Hwy 97 South	Prince George	BC	V2N 5T9	250-963-7127	Mailto:mikenoulett@telus.net
Cariboo Ginseng	Box 4563	Williams Lake	BC	V2G 2V6	250-747-8402	Mailto:judy_alsager@telus.net
White's Ginseng and Medicinal herbs	10900 Cold Stream Rd	Vernon	BC	V1B 1C9	250-542-1984	Mailto:pat@ginsengfarm.com
Warmland Gourmet Foods	PO Box 216	Duncan	BC	V97 3X3	250-748-9236	Mailto:saucychef@cowichan.com
Salt Spring Island Cheese	285 Reynold Rd	Salt Spring Island	BC	V8K 1Y2	250-653-2300	
Echo Oils Inc.	2148 Haaglund Rd	Christina Lake	BC	V0H 1E3	250-447-7661	Mailto:iam@sunshinecable.com
Hothuck's Vegetarian Foods	1117 Lamey's Mill Rd	Vancouver	BC	V6H 3P5	604-737-2231	Mailto:brenda@hothucks.com

Retail participants

Compmany Name	Address Line 1	City	Province / State	Postal / Zip Code	Phone 1	E-Mail Address
Calkins & Burke Ltd	800 - 1500 West Georgia St	Vancouver	BC	V6G 2Z6	604-669-3741	Mailto:stephen.trueman@calbur.com
Preisco Foods	91 Glacier St	Coquitlam	BC		604-941-8502	
Small Potatoes Urban Delivery (SPUD)	160 E. Hastings St	Vancouver	BC	V5L 1S6	604-215-7783	Mailto:info@spud.ca
Planet Organic	3995 Quadra	Victoria	BC		250-727-9888	Mailto:nvestorrelations@planetorganic.ca
Kootenay Co-op	295 Baker St	Nelson	BC	V1L 4H4	250-354-4077	Mailto:kootcoop@netidea.com
Share Organics	1885 St-Ann St	Victoria	BC	V8R 5V9	250-595-6729	Mailto:comments@shareorganics.bc.ca
Thrifty Foods	777 Royal Oak Dr.	Victoria	BC	V8X 4V1	250-544-1234	Mailto:info@thriftyfoods.com
Growing Circle Food Co-op	106-149 Fulford Ganges	Salt Spring Island	BC		250-537-4247	Mailto:nager@growingcircle.com
Lifestyle Markets & Select Stores	#180 - 2950 Douglas St	Victoria	BC	V8T 4N4	250-384-3388	Mailto:http://www.lifestylemarkets.com/
Beland Foods	PO Box 1911	Sechelt	BC	V0N 3A0	604-886-0766	Mailto:beland_foods@sunshine.net
Michael Theodor Brokerage Inc.	310 - 2025 West 42nd Ave	Vancouver	BC	V6M 2B5	604-263-1530	Mailto:brennen@mtbi.ca
Green Isle Sales Ltd	110 - 2728 Spencer Rd	Victoria	BC	V9B 4C6	250-474-5458	Mailto:daren.greenisle@telus.net
Capers Community Market	2285 West 4th Ave	Vancouver	BC	V6K 1N9	604-739-6640	Mailto:bmcapers@axion.net
Horizon Distributors	8335 Winston St	Burnaby	BC	V5A 2H3	604-420-6751	Mailto:general@horizondistribuotrs.com
BC Association of Farmers' Markets	n/a	n/a	BC			Mailto:bwells@sunwave.net
Granville Island Vendors Program	1	1	BC			
Wildfire Bakery	1517 Quadra	Victoria	BC			
Fresh Picks Organics	n/a	Victoria	BC			

Little Creek
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URBAN DELIVERY

Ron's Kootenay Kitchen
2065 Haaglund Road
Christina Lake, B.C. V0H 1E3
Phone: 250-447-9263 Fax: 250-447-9263
email: ronskk@sunshinecable.com

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KOOTENAY KITCHEN

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YOU ***GOAT*** TO HAVE THE VERY BEST !!

Calkins & Burke Ltd

Chub Lake Farm Echinacea

Works effectively when taken at first sign of cold or flu symptoms. Take 10-20 drops in a small beverage drink 3 times a day until symptoms disappear. Excellent for tooth aches ,sore throats and wounds. Apply with cotton swab or dropper.

Each 50 ml bottle of Echinacea angustifolia contains 7500 mg of dried root extract
1 ml = 15 drops

Pure organic tincture
Boosts immune system

50 ml

Made in Canada/Grown in Southern Interior

Natanis Natural Foods

Nutritional Information	
Information Nutritionelle	
Per 50 g serving / par portion de 50g: (approx. 1/4 cup / environ 1/4 tasse)	
Energy / Énergie	202 Cal/845 kJ
Protein / Protéines	14 g
Fat / Matières grasses	9 g
Carbohydrates / Glucides	16 g

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NON DAIRY
GLUTEN FREE

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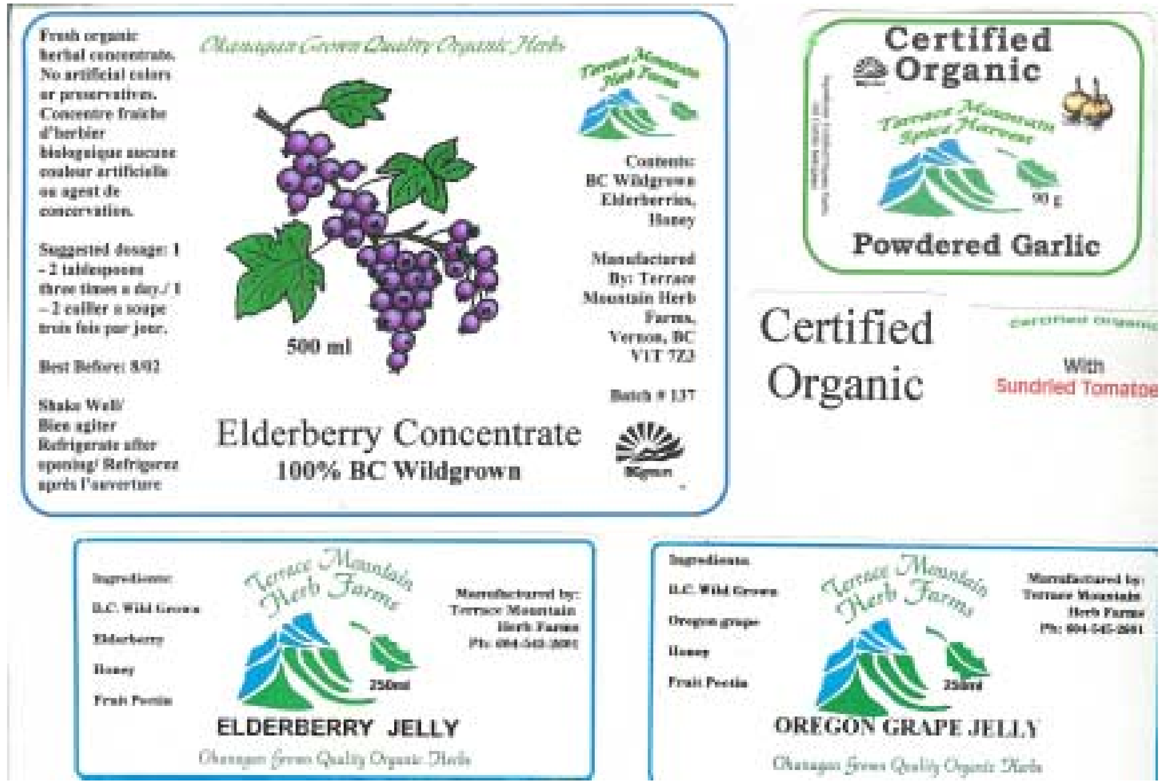
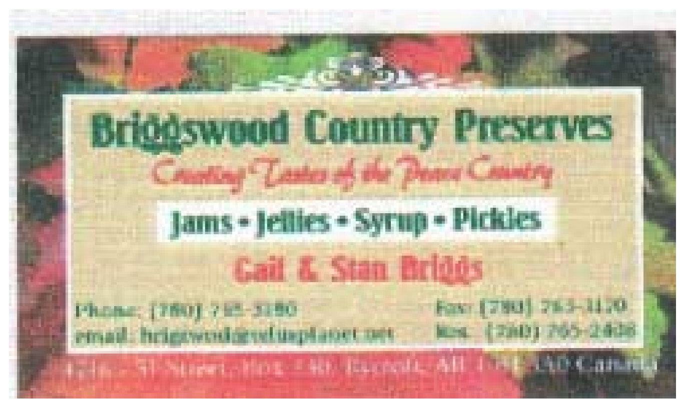
604/442-5731 FAX 604/442-0035

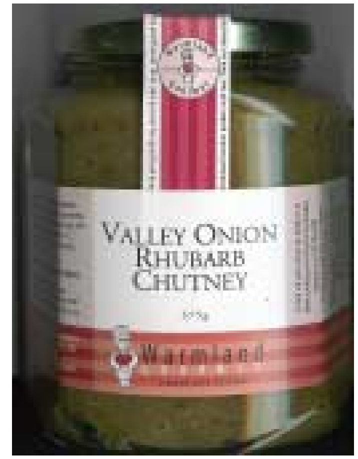


Sage Kitchen



MONSOON COAST

EXOTIC WORLD SPICES



Capers

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ROASTING CO.

SMALL SCALE

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Appendix D
Retail Questions

August 2002

Hello, good day.

Ask for the name listed and say

“I am phoning you because you are a specialty food retailer/broker/distributor.

“My name is___ and I am working on a contract for the new Small Scale Food Processor Association and conducting interviews with food retailers. If you have time I can explain the history of the SSFPA and the benefits to you for participating. The interview could take from half an hour to an hour and a half, depending on how many questions you ask. Can you talk now, or can I make an appointment and call back later?

NO—MAKE APPOINTMENT and “Would you like me to send background info to you by e-mail?”

Yes

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The benefits of you participating in this interview is that you will receive an e-mail version of the report in the first two weeks of September 2002, officially released at the first AGM of the SSFPA, date TBA.

There are three things in the marketing scan that will be important for retailers to know.

4. A section of the report will be a literature review and bibliography of relevant articles relating to marketing for small-scale food processors and specialty food products.
5. A section reporting on the responses of the processors will show what marketing techniques are currently being uses by peers, and will be a useful benchmark to document the growth of this specific small-scale infrastructure marketing support.

6. A section of the report will detail what the retailers say processors need to do now to get into the store, and what processors would need to do if they were supported by the SSFPA infrastructure.

Do you have any questions about the marketing scan or the SSFPA?

Would you like to participate in this SSFPA marketing scan?

Marketing Scan Survey for Brokers & Retailers of specialty food products .

Organization: *Business phone:*
Contact person: *Title:*

Confirm database address.
Do they want the Outcome Report May 2001?
Do they want the brochure and applications sent? How?
How long have you been in business?
Is your business owner operated?
What are the types of specialty food product (s) you carry?

<table>
<tr><th colspan="3">Question</th><th>DETAILS OR COMMENTS</th><th>YES</th><th>NO</th></tr>
<tr><td rowspan="7">What geographical region does your store serve?</td><td colspan="2">Which region (s)?</td><td></td><td></td><td></td></tr>
<tr><td rowspan="3">Other regions in BC and Alberta</td><td>?</td><td></td><td></td><td></td></tr>
<tr><td>?</td><td></td><td></td><td></td></tr>
<tr><td>?</td><td></td><td></td><td></td></tr>
<tr><td colspan="2">Nationally</td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">Export</td><td>?</td><td></td><td></td><td></td></tr>
<tr><td>?</td><td></td><td></td><td></td></tr>
<tr><td>What is your definition of a specialty/gourmet food product?</td><td colspan="5"></td></tr>
<tr><td>What are the criteria you now use, for a specialty food processor to get their products into your store?</td><td colspan="5"></td></tr>
</table>

What trade magazines do you read that contains specialty food market demand?	
How do you find regional specialty food processors to buy from?	
Do you use supplier driven marketing?	
Do you use Point-of-Purchase Merchandising Displays?	
Would you like more information on the new Small Scale Food Processor Association (SSFPA)?	

SMALL SCALE

FOOD PROCESSOR

Association (SSFPA)

Market Scoping Project

Appendix E
Annotated Website resource Bibliography
August 2002

Year **August, 28 2002**
Name of Article Valley Food Works Program
Prepared For Community Futures Development Corporation of Strathcona website
Sponsored by Human Resources Development Canada
Publisher/Web address http://www.strathfutures.bc.ca/vfp/vfp.html

- 'In April 2000, Community Futures Development Corporation of Strathcona launched a one-year pilot project to stimulate growth in the value-added food sector of the Comox Valley."
- Access to a directory of local commercial kitchens, a resource library, and assistance navigating government rules and regulations
- Contacts, useful links for farmers and food producers (getting started, market research, general agri-food and value added websites, food safety, labelling and regulations, training and learning)

Year **August 27, 2002**
Name of Article BC Herb Growers' Association website
Publisher/Web address http://www.bcherbgrowers.com

- Formed in 1997
- Membership of approx. 50
- Purpose is to promote, facilitate, and enhance herb growing

Year **August 27, 2002**
Name of Article Slow Food website
Publisher/Web address http://www.slowfood.com

- Italian association founded in 1986
- International movement founded in Paris in 1989
- A movement for the protection of the right to taste
- "an international non-profit movement, democratic, cultural and social utility, based on the voluntary membership of people who intend to cultivate common cultural and gastronomic interests."

Year **August 27, 2002**
Name of Article Island Farmers' Alliance website
Publisher/Web address http://www.freshfromtheisland.com

- "a grassroots organization representing the needs of agriculture and farmers on Vancouver Island and the Gulf Islands."
- "Our mission is to ensure the sustainability and growth of Island Agriculture. The objective of the IFA is to strengthen unity among Island producers and to ensure sustainability of Island Agriculture."

Year **August 21, 2002**
Name of Article Health Canada website
Publisher/Web address http://www.hc-sc.gc.ca/hppb/nutrition/labels/e_faq.html

NUTRITION LABELLING - QUESTIONS AND ANSWERS
INFORMATION JUNE 2001

1. What are the proposed new regulations?

The proposed new regulations present the requirements for three different types of nutrition information on food labels.

- Nutrition labelling: the regulations would make the Nutrition Facts box mandatory on pre-packaged foods with a few exemptions. It would have a consistent format and always provide information on Calories and on the following 13 nutrients: fat, saturated fat, trans fat, cholesterol, sodium, carbohydrate, fibre, sugars, protein, vitamin A, vitamin C, calcium and iron.
- Nutrient content claims: the regulations would update the current requirements for nutrient content claims (e.g. low in saturated fat, low sodium) based on current science and also introduce new claims (e.g. x% fat-free).
- Diet-related health claims: the regulations would permit four new claims for foods that are suitable for diets that reduce risk of heart disease, some types of cancer, osteoporosis and update the requirements for non-carcinogenic claims.

2. How were the proposed regulations developed?

The proposed regulations were developed through extensive consultation with consumers, health interest groups and the food industry. An external Advisory Committee was appointed to help in the development of the nutrition labelling policy. We looked at the U.S. model as well, particularly at their prize-winning format.

8. Why is there no exemption for small businesses?

Nutrition labelling is regulated under the Food and Drugs Act. This Act allows for exemptions to be made only for products regulated under the Act, such as food or drugs. There are a number of exemptions of foods in the proposed regulations that will have the effect of easing the requirements on small businesses. In addition, a transition period of three years instead of two is proposed to assist small businesses.

A small business is defined for this purpose as a manufacturer who had gross revenues from sales of food in Canada of less than $1 million. A transition period of two years is proposed for the remainder of the food industry.

The exemptions for foods processed and sold in the same retail establishment and for foods packaged at the time of sale to the consumer will help some small businesses such as bakeries. In addition, during the three-year period, Health Canada will encourage the development of the type of nutrient data sources and related software and analytical capacity that are needed by small businesses to develop nutrition information for their food label.

Year **August 21, 2002**
Name of Article Canadian Food Inspection Agency website
Publisher/Web address http://www.inspection.gc.ca/english/corpaffr/publications/com_import/appendix_iie.shtml

Universal Product Code (U.P.C.)

The Universal Product Code (U.P.C.) is a 12 digit, all-numeric, machine-readable code (bar code) that identifies a consumer package. The U.P.C. is not required by government, but is administered by the Electronic Commerce Council of Canada. Although this code is not required by law, virtually all retailers require that the food merchandise they carry, other than alcoholic beverages, be labelled with a U.P.C. The code is used in tracking inventory, pricing, accounting and at the check-out counter. It is also used on invoices, cases, bills of lading, etc.

For more information concerning the U.P.C., or to obtain an application form, contact the Electronic Commerce Council of Canada at the following address:

Electronic Commerce Council of Canada
885 Don Mills Road
Suite 301
Don Mills, Ontario
M3C 1V9
Telephone: (416) 510-8039
Toll free: (800)567-7084
Internet: http://www.eccc.org/

Year **August 21, 2002**
Name of Article Electronic Commerce Council of Canada website
Publisher/Web address http://www.eccc.org

Can I use my U.P.C. outside North America ?

Yes. The U.P.C. number is part of the worldwide EAN/UCC numbering system. The EAN 13 digit data structure can accommodate a North American 12 digit U.P.C. by right justifying t he number and filling the leading position with a zero. Effective January 1, 2005, EAN numbers will also conform to the new 14-digit data structure.

Does the U.P.C. number identify the country of origin of a product ?

No. The UPC number does not identify the country of origin of a product. The Company Prefix portion of a U.P.C. can identify which EAN/UCC member country as assigned the number for use.

,,,,,,,,,,,,,,,,,,,,,,,

Variable Length Company Prefixes

These three parts of the U.P.C./GTIN may occur in any of the following ratios depending on the capacity required (items to be coded) by the applicant:

# of digits		
COMPANY PREFIX PORTION	ITEM REFERENCE PORTION	CHECK DIGIT
6 digits	5 digits	1 digit
7 digits	4 digits	1 digit
8 digits	3 digits	1 digit
9 digits	2 digits	1 digit
10 digits	1 digit	1 digit

This sliding scale of Prefix assignments protects the long term capacity of the EAN/UCC worldwide numbering system. When product identification requirements are low, the Company Prefix portion is longer as fewer Item Reference combinations are required. A 5 digit Item Reference number can generate 99,999 unique U.P.C./GTIN number combinations, whereas a 2 digit Item Reference has 99 unique U.P.C./GTIN combinations.

Who Needs a Bar Code?

1. Manufacturers, suppliers, importers, wholesalers, retailers and distributors who are manufacturing product for sale using a brand name/label that belongs to them.
2. Companies who need to facilitate scanning and tracking throughout the supply chain.
3. Companies that may trade outside of Canada

Year **August, 9 2002**
Name of Article Agri-Food Trade Service website
Author Agriculture and Agri-Food Canada
Publisher/Web address http://atn-riae.agr.ca/stats/trade_summary/e3273.htm

Imports - Agri-Food for January to May 2002

Agri-food exports for January to May 2002:
$10.53 billion,1.79% below same period 2001

Agri-food imports for January to May 2002:
$8.34 Billion, 7.50% over same period 2001

Agri-food trade balance for January to May 2002:
$2.19 Billion, 26.05% below same period 2001

Top Agri-food Imports (in $ millions)	(2001 total)	(2002-May)	Same Period 2001
Wine, including fortified, bottled	803	307	4.5%
Food preps., fruit syrups, chewing gum, etc.	560	256	11.2%
Beef, boneless, frozen	383	185	9.6%
Biscuits and crackers etc.	420	183	15.0%
Maize, (corn)	408	177	42.4%
Beef, boneless, fresh	352	152	1.8%
Dog or cat food	354	150	7.0%
Mixtures for the food or drink industries	213	142	59.6%
Grapes, fresh	292	128	18.6%

Imports by Province (in $ millions)	(2001 total)	(2002-May)	Same Period 2001
Ontario	11,086	4,810	6.8%
Québec	2,830	1,175	3.0%
British Columbia	2,614	1,138	6.5%
Alberta	1,220	532	17.9%
Manitoba	737	388	30.5%
Atlantic Canada	457	175	-7.4%
Saskatchewan	288	121	11.6%

Year **August, 9 2002**
Name of Article Statistics Canada's Internet Site
Author Statistics Canada
Publisher/Web address http://www.statcan.ca/english/Pgdb/People/Population/demo02.htm

Population[1]

	1997	1998	1999	2000	2001
	thousands				
Canada	**29,987.2**	**30,248.2**	**30,499.2**	**30,769.7**	**31,081.9**
Newfoundland and Labrador	554.1	545.3	540.7	537.2	533.8
Prince Edward Island	136.9	136.9	137.6	138.1	138.5
Nova Scotia	934.5	936.1	939.7	941.2	942.7
New Brunswick	754.2	753.3	754.4	755.3	757.1
Quebec	7,302.6	7,323.6	7,349.7	7,377.7	7,410.5
Ontario	11,249.5	11,387.3	11,522.7	11,685.3	11,874.4
Manitoba	1,136.6	1,137.9	1,142.4	1,146.0	1,150.0
Saskatchewan	1,022.0	1,024.9	1,025.5	1,022.0	1,015.8
Alberta	2,837.2	2,906.8	2,959.5	3,009.2	3,064.2
British Columbia	3,959.7	3,997.1	4,028.1	4,058.8	4,095.9
Yukon	32.2	31.5	31.0	30.6	29.9
Northwest Territories	41.8	41.1	41.0	40.9	40.9
Nunavut	25.9	26.4	26.9	27.4	28.2
x data unavailable, not applicable or confidential.					
1. On July 1 of each year.					
Source: Statistics Canada, CANSIM II, table 051-0001.					
Last modified: August 9, 2002.					

Year **August, 8 2002**
Name of Article Canadian Association of Specialty Foods website
Publisher/Web address http://www.finefoodalliance.com

Mandate: “To represent the specialty food industry by providing a forum to facilitate discussion on issues of relevance. To provide, through its annual Fine Food Show and its internet site, showcases for specialty food products.”

Year **July, 25 2002**
Name of Article Agriculture and Food Council
Publisher/Web address http://www.agfoodcouncil.com/

Mission – “To be a catalyst supporting the Alberta agriculture, food and life sciences industry in growth, competitiveness, profitability and sustainability, enabling industry members to engage on another, their stakeholders, markets, consumers, governments and the public.”
From value chain brochure – “Value Chains can:

- Improve response to consumer demand
- Establish quality assurance and food safety systems
- Drive cost reductions

- Reduce and/or share risk
- Improve financial stability
- Differentiate consumer products
- Create access to new markets or capital
- Build cutting edge knowledge and skills
- Build the critical mass needed to increase market share
- Drive sustainable growth

Year **July, 25 2002**
Name of Article Agriculture and Agri-Food Canada website
Publisher/Web address http://www.agr.gc.ca

- "To prosper in the 21st Century, Canadian agriculture must lead the world in food safety, innovation and environmentally-responsible production. Together with farmers, the broader agri-food industry and consumers, governments are working to develop an action plan to help Canadian Agriculture meet the challenges and seize the opportunities of a new century."
- Website includes information, links, contacts
- Marketing – including policies, services, analysis, etc
-

Year **July, 25 2002**
Name of Article Alberta Agriculture, Food and Rural Development website
Publisher/Web address http://www.agric.gov.ab.ca

- Features – Alberta investment and international trade, biz management and economics, crops/planting, dept info/agencies/offices, publications, engineering, food and agri processing, markets, news and weather
- "Key Trends in World Markets:"

"Strategic alliances, supply chain alliances, the formation of business groups and long-term business relationships will be critical for survival and growth. Improved packaging, the ability to maintain freshness, information technologies, logistics and efficient transportation systems are transforming the economics of distribution. Companies seeking survival and growth will require an alliance strategy of some type. This may be local, regional or international. In Europe, this phenomenon is termed as supply chain based competition where food processors do not compete individually for market position. Rather, they compete as part of a supply chain system that is targeted to meet the specifications of a particular market segment and retail/distribution channel."

Year **July, 25 2002**
Name of Article Canadian Food Inspection Agency website
Publisher/Web address http://www.inspection.gc.ca

- protecting our borders and skies, food recalls/allergy alerts, protecting the security of the food supply
- contents – about the CFIA, agricultural inputs, biotechnology, consumer centre, forms, inputs, inspection manuals/codes of practice, labelling/retail food, newsroom, publications, related sites, science and laboratories, and more

Year **July, 25 2002**
Name of Article Canadian Rural Partnership website
Publisher/Web address http://www.rural.gc.ca

- “The Rural Development Initiative is the second funding program under the Canadian Rural Partnership. It has evolved from the Pilot Projects Initiative which was developed to respond to the immediate needs of rural and remote communities and allowed them to develop local solutions to local challenges. The Pilot Projects addressed the 11 priorities identified by rural Canadians. The Rural Development Initiative focuses on the fourth of these priorities, “Strengthening rural community capacity building, leadership, and skills development.”
- Can apply on website for funding under the Rural Development Initiative
- Gives info on eligibility, what funding is available, requirements, review process, etc
- Website also includes info about Canadian Rural Partnership, rural dialogue, rural teams, research, rural lens, Canadian Rural Information Service, info pathfinders, publications, and calendar of events

Year **July, 25 2002**
Name of Article Center for Entrepreneurial Leadership Clearinghouse on Entrepreneurship Education
Publisher/Web address http://www.celcee.edu

- the CELCEE database contains abstracts of materials on entrepreneurship education at all levels, and a collective of links to organizations dealing with entrepreneurship education

Year **July, 25 2002**
Name of Article Ecotrust Canada website
Publisher/Web address http://www.ecotrustcan.org

- “goal is to transform an economy that has been based on individual scale resource extraction to a conservation economy, one with equitable and sustainable use.”
- “strategy is to act as a catalyst and broker to create the institutions need to envision, inform and finance the conservative economy; support conservation entrepreneurs; and conserve and restore the landscapes and waterways need for its health.”
- Offer tools and resource through Information services and Economic Development programs
- In partnership with Ecotrust based in Portland, Oregon

Year **July, 25 2002**
Name of Article Enterprise facilitation website
Publisher/Web address http://ef.new-westminister.bc.ca

- for local business owners in New Westminster
- helps local business’ thrive through creativity, entrepreneurship and innovation
- eg of biz incubator

Year **July, 25 2002**
Name of Article farm Credit Canada
Publisher/Web address http://www.fcc-sca.ca

- info, news regarding Annual Report (2001-02) , FCC approved $ 2.4 billion in loans to producers and agribusiness operators seeking to start, expand or upgrade their operations
- financial tools – loan calculator, mortgage calculator, Farm Finance kit, loan self-assessment, publication subscription, financial terms glossary
- registration for on-line services

Year **July, 25 2002**
Name of Article Centre for Food Safety and Applied Nutrition (HACCP) website
Publisher/Web address http://www.cfsan.fda.gov/~lrd/haccp.html

- gives overview of HACCP background and Application guidelines
- HACCP: A State-of-the-Art Approach to Food Safety . Oct. 2001
- HACCP involves 7 principles

1. Analyze hazards (biological, chemical, physical)
2. Identify critical control points
3. Establish preventative measures with critical limits for each control point
4. Establish procedures to monitor the critical control points
5. Establish corrective actions to be taken when monitoring shows that a critical limit has not been met
6. Establish procedures to verify that the system is working properly
7. Establish effective record keeping to document the HACCP system

Year **July, 25 2002**
Name of Article Food Biotechnology Communications Network website
Publisher/Web address http://www.foodbiotech.com

- "searches out credible, current and evidence-based information about biotechnology and food and makes it easily accessible to Canadians."
- Website also contains lots of info re: biotech basics (Q & A)
- Info on teachers and students, contacts, references and links
- FBCN also adds disclaimers at end of each article (position not necessarily endorsed by FBCN)

Year **July, 25 2002**
Name of Article Canada Food Bureau website
Publisher/Web address http://www.agr.gc.ca/food/index_e.html

- in partnership with industry and gov'ts, the primary centre of knowledge of the Food industry (the food and beverage processing, distribution and retail sectors)

- has info for the consumer, info on E-commerce, the environment, employees, industry associations, industry info, functional foods and nutraceuticals, MISB home, presentations/speeches, profiles, regulations and more

Year **July, 25 2002**
Name of Article Foodsafe website
Publisher/Web address http://c2t2.ca/foodsafe/

- foodsafe – "training program which can be used to train secondary school learners, as well as front line staff, managers, and supervisors of restaurants in safe food handling procedures, including worker health and safety content and the use of Hazard Analysis Critical Control Points (HACCP) principles."
- Website includes info on the training program, the institutional package, what's new, a quiz and links

Year **July, 25 2002**
Name of Article Food Share website
Publisher/Web address http://www.foodshare.net

- founded in 1985
- "original mandate was to co-ordinate emergency food services, and to collect and distribute food." And "to advocate for policies that would ensure adequate employment, and the income necessary to enable all people to meet their basic needs."
- Organization concerned with and actively addressing food security issues

Year **July, 25 2002**
Name of Article Department of Foreign Affairs and International Trade Program for Export Market Development website
Publisher/Web address http://198.103.104.42/pemd/menu-e.asp

- includes assistance to companies – market development strategies, new to exporting companies, capital projects bidding
- assistance to trade associations
- PEMD handbook
- How to apply
- Annual report

Year **July, 25 2002**
Name of Article Ryerson's Centre for Studies in Food Security
Publisher/Web address http://www.acs.ryerson.ca/~foodsec/

-"Working with community partners to facilitate dialogue, research and action to increase food security by addressing issues of health, income, and the evolution of the food system."

Year **July, 25 2002**
Name of Article Sources of Financing Industry Canada website
Publisher/Web address http://strategis.ic.gc.ca/sc_mangb/sources

- helps small businesses locate traditional or alternative sources of financing
- includes a search for financing, info about financing, private sector assistance, gov't assistance, micro-credit, calculators, glossaries and more

Year **July, 25 2002**
Name of Article Simon Fraser Community Futures website
Publisher/Web address http://www.southfraser.com

- Community Futures Development Corporation of South Fraser
- Assists individuals and businesses to succeed by offering the facilities, team and services to start, grow or expand a successful business
- Includes info on who they are, services, business planning, financing, business registration, young entrepreneur web site, youth page, links, events, workshops

Year **July, 25 2002**
Name of Article Toronto Food Research Network website
Publisher/Web address http://www.acs.ryerson.ca/foodsec/tfrn

- formed in 1985 by a number of practitioners, researchers, and academics who share a research interest in food security
- "concerned with the increasing threats to food security in our communities, TFRN members decided to get together once a month to share research findings, exchange information, and develop joint research and teaching initiatives for food security (in an informal and cooperative setting).
- Currently has over 75 members
- Website includes info on meetings, minutes, history, contacts, news and mailing list

Year **July, 25 2002**
Name of Article Impact communications Limited website
Publisher/Web address http://www.impactcommunicationsltd.com/Uniquely_Canada_Showcases/Main.html

- "For over thirteen years, Uniquely Programs have been providing business training and development to small businesses wanting to access the global marketplace."
- Website includes Uniquely Canada Showcases, Home business Report Magazine, Uniquely Canada enterprises Inc., Human resources training, seminars and materials and more info re: sponsors, how to apply etc

Year July, 25 2002
Name of Article Community Food Security Coalition website

Publisher/Web address http://www.foodsecurity.org

- "A CFS approach believes strongly in the need to protect and promote local family-based agriculture as an alternative to a globalized food system, CFS strategies such as developing farmers' markets and community supported agriculture arrangements in low income communities benefit farmers and consumers by building non-traditional but natural partnerships."
- "a non profit 501 (c)(3), North American organization dedicated to building strong, sustainable. Local and regional food systems that ensure access to affordable, nutritious, and culturally appropriate food for all people at all times."
- Website includes info about CFSC, programs, events, funding, publications, USDA, and links

Year **July, 25 2002**
Name of Article Western Agri-Food Institute website
Publisher/Web address http://www.westernagrifood.org

- mandate – "to study emerging economic, social, and environmental issues and trends, which have the potential to affect the agriculture and food sector in Western Canada. Our vision is to foster a healthy agriculture industry and prosperous rural communities."
- Mission – "to be an agent of change – a facilitator, motivator, multiplier of energy, and generator of intelligence."

Website includes membership info, events, members, board, publications, media releases, symposia, alerts, global scanning network, links, discussion forum, and contacts

Year **July 12, 2002**
Name of Article Alberta Food Processors Association Website
Publisher/Web address http://www.afpa.com/main.shtml

- "The AFPA is a non-profit organization representing all segments of the food and beverage industry: growers, processors, retailers, foodservice buyers and service suppliers."
- Website lists events, access to join AFPA, links, displays members products
- "members work together to: promote products, assure food safety and quality, find and train workers, enhance environment and workplace safety, exploit technology"

Year **July 12 2002**
Name of Article BC Food Technology Network Website
Publisher/Web address http://www.agsci.ubc.ca/bc_food_network/

- info website: access to Food Processors' Reference Manual, services, people, directories and associations, business resources, regulations
- public labs in BC – BCIT(Vancouver), Pacific Agri-Food Research Centre (Summerland), UBC (Vancouver)
- gives list of private labs

- info on co-packing
- info/listing/further links to commercial kitchens

Current Regional Context

- regulations – “There are seven agencies responsible for regulations governing food processing in British Columbia:
    - Agriculture and Agri-Food Canada
    - BC Min of Health
    - BC Min of Agriculture and Food
    - Canadian Food Inspection Agency
    - Fisheries and Oceans Canada
    - Health Canada
    - Industry Canada

- “today’s market often calls for an effective Hazard Analysis Critical Control Points (HACCP) system to be in place.”

Year July, 12 2002
Name of Article Food Technology – BCIT website
Publisher/Web address http://www.foodtech.bcit.ca/resource_centre/

- describes facilities and services, info on workshops, project opportunities, related resources

“food technology department available for use by companies, entrepreneurs and consultants working within the B.C. Food Industry. Services include: access to lab and pilot plant equipment, product and process development services, administrative support and counselling services.

Year **July 12 2002**
Name of Article Manitoba Food Processors Association Website
Publisher/Web address http://www.mfpa.mb.ca

- MFPA “non-profit, industry run organization that promotes Manitoba Made food products to local markets and international markets”
- Serves more than 200 member companies
- Growers, processors, marketing boards, gov’t agencies, retailers, as well as suppliers of goods and services to the industry enjoy the benefits of an MFPA membership
- Website offers info on what they do, who they are, publications, programs and services, MFPA member rebates, membership, career opportunities and profiles, events calendar, contacts and more

Year **July 12 2002**
Name of Article Canadian Federation of Agriculture website
Publisher/Web address http://www.cfa-fca.ca

- formed in 1935 to answer the need for a unified voice to speak on behalf of Canadian farmers
- farmer-funded, national umbrella organization

- represents over 200,000 Canadian farm families
- makes recommendations (to govt) for basic trade policy goals, export subsidies, export restrictions, market access, non-tariff barriers and more
- “Canada is eliminating all export subsidies. Further action is required to ensure that Canadian producers are not forced to compete in an international market that is distorted by export subsidies provided by others.”

Includes info on programs and projects, agriculture in Canada, policy info, a discussion forum, media centre, publications and more

Year **July, 11 2002**
Name of Article Saskatchewan Food Processors Association Website
Publisher/Web address http://sfpa.sk.ca

Saskatchewan Food Processors Association is playing a leading role in the promotion, support, and growth of the dynamic group of almost 200 member companies.

The Saskatchewan Food Processors Association was formed in 1990 as a non-profit organization designed to strengthen the food processing industry in Saskatchewan. The association has three main objectives:

To nurture the food processing industry within Saskatchewan by identifying and promoting the sale of foods and beverages grown and processed within Saskatchewan.
To establish a profile of the provincial food and beverage processing sector through the provision of accurate and timely information on the industry.
To represent and serve as a spokes group for the collective interests of the provincial food processing industry.

Through the pursuit of these goals the SFPA has worked to develop the industry as a whole. With over 75% of Saskatchewan food processors employing fewer than ten people, the SFPA's role as an umbrella organization has become crucial in providing management and marketing programs that individual companies simply cannot afford.

Mission Statement
"To encourage the growth of the Saskatchewan food and beverage industry by assisting our members in meeting the needs of the consumer through the promotion of 'SASKATCHEWAN MADE' products in and beyond our province."

- A well organized, informative, helpful website including background info, programs and services info, a directory listing, product sourcing, industry news, related sites and contact info

Community Economic Development Flexible Marketing Network Examples

- “The SFPA will assist companies seeking relevant data, market information, trade show figures, conference dates, or custom requests regarding the food processing sector. By facilitating communication lines between both the association and other companies, the SFPA works to ensure that the company is aware, and taking advantage of all the information available.”

- Publishes a newsletter “Food for Thought” every 2 months (provides current info, regarding industry trends, events, upcoming conferences, workshops, and SFPA projects)
- Path finding – “maintains a vast network of alliances and partnerships across the food processing industry, which allows the association to quickly access current information or contacts for member companies. In addition to facilitating the flow of information, the SFPA will connect companies directly to the source. Examples of such information include the sourcing of suppliers, packaging and labelling design, export requirements, and marketing/business plans.”
- Information services – “assist companies seeking relevant data, market information, trade show figures, conference dates, or custom requests regarding the food processing sector.”
- “The SFPA is accountable to its members, and as such maintains an ‘open door’ policy, allowing members to be in constant communication with the SFPA. Additionally, the executive team makes frequent visits to member facilities, allowing the association to be well abreast of member needs and concerns, as well as facilitating an excellent understanding of member operations.”
- Skill development – “committed to providing current and educational and developmental programs to our membership”
- Workshops – “to facilitate the development of skills which will aid in capitalizing on SFPA projects”
- Meeting and seminars (networking, exchange ideas, steer the association)
- Hosting events
- Promote attendance at prominent industry and consumer trade shows under the “Saskatchewan Made” umbrella
- Product demonstration program
- Strategic alliances program
- Export development
- Market development – “The SFPA is playing an increasing role in directly influencing the sales and market share of its members. By negotiating as a collective body, the SFPA has reach and power far beyond that of an individual processor, and utilizes this advantage in delivering programs that will impact the costs of marketing and overcoming market entry barriers.”
- Saskatchewan Made Branding program, Saskatchewan Made month, gift basket program
- High profile events
- Association website
- Saskatchewan Food Industry Directory