

Reclaiming market share in a global economy

Vancouver Island farmers explore ways to expand markets

by **PETER MITHAM**

VICTORIA – Creating opportunities for local growers was the focus of the Capital Regional Food and Agriculture Initiatives Roundtable (CRFAIR)'s Farmer 2 Farmer event in at the Saanich Fairgrounds, March 1.

Rooted in the food security movement of the early 1990s, CRFAIR relaunched five years ago to encourage local production and reduce the amount of food brought into the region.

These goals were the focus of two afternoon roundtable sessions that focused on closing the local supply gap and exploring new opportunities for growers.

CRFAIR board member Patricia Reichert, a researcher at Royal Roads University, launched the afternoon with a map showing how deeply interconnected the global food system has become. She presented statistics from the 2016 federal census of agriculture indicating that farmers in the Capital Regional District (CRD) supply between 5% and 6% of food consumed within the region. The census also found that 80% of local farms have less than \$25,000 in sales and of these, 80% have less than \$10,000 in sales.

Those small farms simply can't compete against the international giants shipping food into the region, Reichert said, and reclaiming market share from them is a tall order. "So far, we're not seeing an answer we can just transport in," she said.

The one area for hope is in

direct marketing.

The agriculture census found that 97% of food produced within the CRD sells via direct marketing. This works out to approximately 5% of all food consumed locally. While local food might never account for more than 10% of local consumption, it's an opportunity farmers shouldn't ignore.

"The change can occur in the space where direct farm marketing sits," Reichert said.

To understand the opportunities, Reichert has convened a roundtable of local food industry leaders to "identify the opportunities and hurdles for changing the current imbalance in the supply of local food compared with global sourcing."

The initiative will identify where supply gaps exist and what's most needed on the production side, and what local farmers can produce that can expand their market share.

Reichert said it's much easier to get people to talk about the global food system now than it was even five years ago.

But scaling up the local industry to meet the demand for local food and reclaim market share is difficult, particularly in a region where land is expensive and margins are thin.

"There aren't the values that are bringing people into agriculture," session participant Kristen Nammour, who oversees the business mentorship program operated by Young Agrarians. "Most of what farmers are

getting into is value-dense, small-scale agriculture."

Reichert agreed, saying that it's tough to extract enough economic value from farming to support the passion that goes into it.

This explains the prevalence of direct marketing among "values-based" farmers, who want to counter price pressure from retailers. Grocers typically mark up prices 30% to 35% just to eke out margins of 2% or less.

Institutional opportunities

This led into the second half of the afternoon, which focused on how local farmers can serve the emerging demand among institutional purchasers as the province launches its plans for Feed BC.

Jeffrey Brothers, former regional manager with Marquise Hospitality Inc. overseeing its operations at hospitals and seniors facilities in BC, said the company is looking to remove the stigma 'institutional food' often has.

Promoting local food is very important to chefs in today's kitchens, he said,

regardless of whether they're in a restaurant or an institutional setting. This has been true since his days as a sous-chef at the Fairmont Empress Hotel in Victoria and local farmers would arrive with produce.

"When all that interesting product came in, there was a story attached to it," he said.

The fact isn't lost on seniors.

"The generation coming through the [retirement] communities is asking where their food is coming from," he said.

This makes the moment right for Feed BC, but BC Ministry of Agriculture policy analyst Thom Dennett, who is leading the initiative, described it as "a complicated endeavour."

The first challenge for farmers is understanding government requirements.

Hospital menus have strict dietary requirements that govern purchasing decisions, for example. The supply chain

relationships needed to meet these criteria take time to establish.

Government is also working to understand how much of these criteria can be met with products found within the region. Consultations with stakeholders are planned prior to the program's official launch.

There's also a need to respect international trade agreements.

BC triggered international trade challenges when rules governing wine sales in grocery stores favoured BC wine, and the province doesn't want to draw further complaints with Feed BC. BC agriculture minister Lana Popham expects the program to see institutions sourcing no more than 30% of their food from BC growers.

"It still is early days," Dennett said. "I can't tell you how it's going to be implemented yet, but it's totally happening."



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