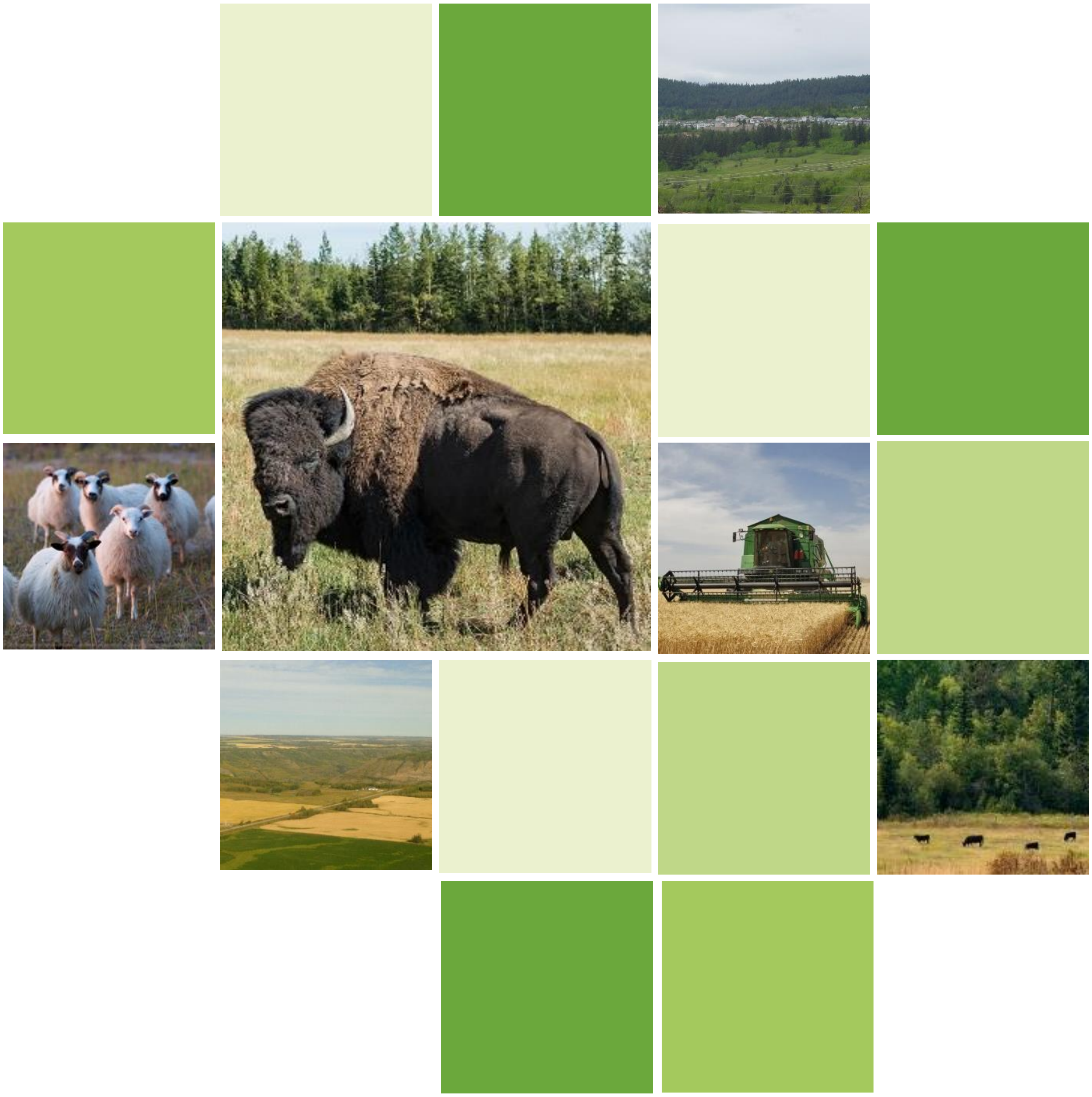

SUPPORTING NORTHERN B.C.'S AGRICULTURE PRODUCERS AND FOOD/BEVERAGE PROCESSORS

Industry Consultation and Findings Report

COMMUNITY DEVELOPMENT INSTITUTE
UNBC

BRITISH COLUMBIA
Ministry of Agriculture

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The success of this project depended on the time, effort, and goodwill of the many agrifood producers in northern BC who took part in a focus group or interview. We would like to thank these producers for their generous commitment of time, experience, and ideas.

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Finally, we would like to recognize and thank the Honourable Lana Popham, Minister of Agriculture for meeting with us in Fall 2017 for a briefing about the agrifoods industry in northern BC. Without that beginning, this project would likely not have been possible.

It is our hope that the findings from this will project provide a fair and accurate reflection of the insight and guidance to the next phase of the project, identifying targeted support, resources, and solutions through existing government and non-government programming that will enhance the agrifoods sector in northern BC.

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Availability of this Report

This report is available on the Community Development Institute website at www.unbc.ca/community-development-institute

Executive Summary

The BC Ministry of Agriculture and the Community Development Institute (CDI) at the University of Northern British Columbia (UNBC) share a common interest in facilitating the growth and development of the agricultural sector in northern BC. Agriculture has always been an important economic contributor to the region and, with increased demand for food, both at home and abroad, the sector is now entering a new phase of opportunity. Through working together on this project, the Ministry of Agriculture and the CDI hope to facilitate opportunities for growth.

The project, entitled the *Northern BC Agrifood Industry Needs Assessment and Supports* was developed to identify and assess current and future business and market development opportunities, challenges, and barriers faced by northern BC's agrifood industry. Particular attention was focused on marketing agrifoods products to the Lower Mainland and other metropolitan areas of the province.

The project consists of two phases and three reports:

- Project Implementation Plan (Phase One);
- Industry Consultation and Findings Report (Phase Two); and
- Action Plan for Delivery of Programs and Assistance (Phase Two).

This report, the *Industry Consultation and Findings Report* is based on focus groups and interviews conducted with agrifood producers across northern BC. In total, 60 producers participated in the consultation sessions, representing a wide range of meat (beef, lamb, pork, chicken, bison, and turkeys), produce, and value-added (jam, honey, apple cider vinegar, dried mushrooms, dried fruit, and caramels) products. Focus groups were held in the northwest, northeast, central, and eastern regions of northern BC, engaging producers from Terrace, Smithers, Burns Lake, Vanderhoof, Fort St. John, Dawson Creek, Chetwynd, 100 Mile House, Williams Lake, Quesnel, McBride, Valemount, and the Robson Valley.

These discussions provided a 'producers lens' which will help inform the development of targeted support, resources, and solutions that can grow the agrifoods sector in northern BC. The key findings from this research can be summarized as follows:

- There is significant capacity and opportunity for growth in all aspects of the agrifoods sector. There are a large number of producers working part- or full-time off the farm who would prefer to work full-time on the farm. Growing the market to enable these producers to devote all of their time to farm operations would increase production volumes.
- The assessment by producers of their current markets is that they are far from ideal. They do not deliver the price or volume required to sustain farm operations without off-farm income. Furthermore, current markets are time consuming, particularly in the areas of marketing and sales, with transportation being both time-consuming and costly.
- There is strong interest by producers in pursuing the development of the Lower Mainland market. This market is perceived as being more aware of, and concerned with, purchasing healthy food that is raised / grown locally (meaning produced in BC). Producers also feel that Lower Mainland consumers understand and appreciate quality food products and have the financial means and willingness to pay for the true cost of these products.
- There is almost unanimous agreement that producers in the north do not have the expertise or time to understand and successfully develop the Lower Mainland market. Producers identified a number of potential approaches to market development and questions related to those approaches that require research and subsequent dialogue and decision-making before a path forward can be developed.

There were questions around market intelligence, market identification, market size, transportation, storage, distribution, product branding, and the opportunity for collective or cooperative marketing and sales.

- There is significant support for exploring the establishment of an organization to take on all of the aspects of the work associated with market development, including market research, product development, market development, processing, packaging, branding, transportation, distribution, and payment to producers. Most producers feel that this organization had to be accountable to producers.
- Producers also identified a number of other issues that are having an impact on farm operations, including the cost and availability of farm labour, aging producers and succession planning, government regulations, and for meat producers, the shortage of abattoir facilities.

Critically, what emerged from this needs assessment and consultation is that market growth and development will only be successful if all aspects of the market development equation are addressed together. There is, in fact, a danger of approaching this opportunity on a piecemeal basis.

In summary, we know that the demand for quality food is increasing, and that many consumers are looking for quality 'local' food. We also know that there is significant opportunity to grow the agrifoods sector in northern BC, and that this opportunity will increase as climate change brings warmer temperatures and shorter winters to the region. Finally, this research has helped build an understanding of the agrifoods sector in northern BC; producers are small and have limited skills, expertise, and time beyond a focus on production. Taken together, these factors indicate that there is significant potential for growth in the northern BC agrifoods sector that will increase over time. However, nothing will happen without soil / land to table coordination of this potential.

Introduction

The BC Ministry of Agriculture and the Community Development Institute (CDI) at the University of Northern British Columbia (UNBC) share a common interest in facilitating the growth and development of the agricultural sector in northern BC. Agriculture has always been an important economic contributor to the region and, with increased demand for food, both at home and abroad, the sector is now entering a new phase of opportunity. Through working together on this project, the Ministry of Agriculture and the CDI hope to facilitate opportunities for growth.

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Participant Profile

The *Northern BC Agrifood Industry Needs Assessment and Supports* consultation engaged a broad range of producers who brought to the discussions a wide range of knowledge and experience. In total, 70 producers participated in the consultation.

Meat Producers

The meat producer group included beef, lamb, pork, chicken, and to a lesser degree bison and turkey producers.

The beef producers ranged in size from fairly large cow/calf operations (300-400 cows) to much smaller operations (fewer than 30 cows). All of these producers had been in the industry for several decades; some had grown up in a cattle ranching family. Beef producers tended to be specialized. If they raised other animals, it was generally for family and friends.

The lamb producers were all fairly small in size, the largest raising about 70 lambs annually. Some of these producers had 20-25 years' experience, while others were fairly new to the industry. Like the beef producers, they tended to be focused on lamb, raising other animals for family and friends only.

The pork operations were also fairly small in size, the largest having about 10 sows. Most of the pork producers also raised other animals; chicken, lamb, or a few head of cattle. These producers tended to be looking to diversity to create a stable income. Some of the participants reported having tried raising pork in the past, but had abandoned the effort because of lack of market or price for their animals. While many of the pork producers had several years of experience, it was not necessarily in pork production.

The chicken producers were all producing either under permit or for personal use. Many of these producers were fairly new to the industry, while a few had about 20 years' experience. Some of the producers raised other animals, but others indicated that they had jobs off the farm to pay the bills.

Produce Producers

All but one of the produce producers who participated were fairly small in size and grew a wide range of produce. There was a wide range of experience among them, from people who had been gardening for over 30 years to those just starting out. Some of these producers indicated that they or their partner/spouse had a job off the farm to supplement their income.

Value-Added Producers

The value-added producers who participated produced the following products: honey, jam, apple cider vinegar, dried mushrooms, dried fruits, and caramels. All but one of these producers produced a variety of products in order to round out their income. Most commonly, they had a market garden, but a few also raised animals.

Current Markets: Meat Producers

The first part of each focus group or interview focused on a discussion of current markets. Participants were asked to identify their current markets; describe their experience with that market, including opportunities, challenges, and barriers; and identify the future potential of that market. The markets identified are described and discussed below.

4.1 Sell Animals at Auction

Selling animals at auction was identified by larger beef producers as their only market. It was also identified as the primary market for many of the lamb producers. The animals sold at auction are usually finished at a feedlot before they are killed and sold to the consumer. Most cattle are transported from auctions in BC to Alberta for finishing. In this process, BC beef becomes Alberta beef.

Challenges

Transporting animals to auction was described as a challenge for producers. For beef producers, while transport is an issue, the auctions generally take place close to home. What happens to them after that is not the producer's concern. Lamb producers, however, indicated that their animals must travel to Alberta or to the Fraser Valley to auction. Many described this journey as being very hard on the animals, resulting in weight loss just before the sale. Producers described losing considerable value as a result.

Advantages

Selling at auction has the advantage of being a well-known and well-established path to market animals. The systems and processes are in place and everyone knows how they work. Selling at auction also has the advantage of guaranteeing that all of your animals will be sold. Both beef and lamb producers sell their animals in late fall, as feed is too expensive and the weather too unpredictable to keep them over winter.

Limitations

One of the limitations of the current system is that there is no opportunity to build a brand identity for BC beef or lamb. While acknowledging that the volume of cattle and lamb that BC produces is much lower than Alberta, many producers who participated remarked on the market position that Alberta has been able to build, particularly for Alberta beef.

4.2 Direct Sales to Consumers

Smaller beef producers, as well as producers of lamb and pork identified direct sales to consumers as a marketing approach. Consumers who are interested in direct sales are usually those who want to know where their food is coming from, how it has been raised, and who the producer is, including their values and approach to raising animals. Participants indicated that these consumers generally live in larger urban areas: Vancouver, Fraser Valley, Kamloops, and the Okanagan. Producers who engage in direct sales usually create a website as their primary marketing tool. Often several producers will band together to establish a small producers group. This makes it easier for consumers to find them. They also rely on word of mouth to increase sales.

Challenges

Producers indicated that direct marketing is very time-consuming. The consumer is looking for a relationship with the producer; they want to get to know who is producing their food and whom they are dealing with. This is not a simple commercial exchange; it generally involves several emails and phone calls, exchanging personal information, and providing a briefing on farm practice. Finalizing the sale may take a very long time. With direct sales, there is also the expectation on the part of consumers that each order will be a custom order. Cuts, wrapping, and labelling may be specific to each individual consumer. This means having access to, and building a relationship with, a butcher who is willing to do custom orders.

Another challenge with this market is transportation. If the consumer is in one of the southern urban areas, the time and cost of transportation is a significant factor. Most producers deliver the product themselves, as there are no other workable options for transportation. It was a common refrain among these producers that being on a delivery trip is difficult as there is no one to look after the animals while they are away.

Technology may also be a barrier for northern producers wishing to engage in direct marketing. Many farms in BC still do not have access to high-speed internet. This makes online transactions extremely difficult and adds to the time spent on each sale. Furthermore, many producers do not have the technical knowledge or skills to establish and manage a web-based business that includes online transactions and the need for website security.

Advantages

Participants indicated that one of the advantages of this market is that the product fetches a considerably higher price. That said, producers indicated that they must watch their costs carefully, because by the time all things are considered, special cutting and wrapping, transportation, and producer time, it is easy to spend more money that you take in.

For some, the advantage of getting to know their consumer is a rewarding outcome of direct marketing. They like to know that their animals and their products are going to a good home. For others, the time and personal energy required to build a relationship with a consumer is a burden.

Limitations

Producers agreed that the key limitation for direct marketing has been size of herd. Because of the time involved, direct marketing has been a bit of a market niche for small producers. Those who have larger herds would never have the time to build a personal relationship with each consumer. For these larger producers to take advantage of direct marketing, ways would have to be found to link the product with discerning customers in a way that communicates value without the need for a one-to-one relationship. This might include, for example, branding and labelling that conveys the information about the producer and the quality of the product.

4.3 Farmers' Markets

Farmers' markets were identified as a market by several meat producers. That said, poultry producers were much more likely than beef and lamb producers to be at these markets. Some of the beef and lamb producers who did not sell their animals at auction mentioned having tried farmers' markets, but then reverting back to direct marketing or selling to family and friends.

Challenges

Producers reported that selling at farmers' markets is very time-consuming and takes time away from doing chores and tasks on the farm. They spoke of the preparation time required to attend the market, including the need to obtain credit/debit machines, cash for change, signage, tables, table covers, shopping bags, coolers, ice, small freezers, etc. For some, the preparation time can be several hours. They also spoke of the need to factor driving time, and vehicle costs, into the equation.

The expectation on the part of some consumers that the prices at the farmers' market should be lower than the prices at the grocery store was also a challenge for many. Many producers indicated that they felt that northern BC consumers were not ready, willing, or able to pay the true cost of locally produced food. Not selling product was also mentioned as a challenge. Several beef and lamb producers mentioned having tried farmers' markets, but then backing out because the feedback was that people either buy in bulk and freeze the meat or they shop weekly for fresh, not frozen, red meat. Chicken and other poultry producers indicted that this perception applied somewhat to their products, but that buying frozen was not the same barrier.

Another challenge mentioned was the rule that to sell at a farmers' market you must make, bake, or grow the product yourself. This rule means that you cannot hire someone, say a summer student, to staff the booth for you. It also means that producers from one region cannot collaborate to offer a range of products and take turns making the trip in order to sell their products in a distant region. For example, it would be impossible for five producers from the Robson Valley, with beef, lamb, vegetables, honey, and cheese to put together a single shipment and send it down with one of the producers to sell at one table at a farmers' market in Vancouver.

Advantages

One of the significant advantages of farmers' markets is that they draw a crowd of people who are interested in purchasing product. Many of the poultry producers spoke to developing a repeat customer base that then put the word out to others in the community. Often, the repeat customers would also order directly and in bulk.

Another advantage identified by participants is that the market management handles all of advertising, promotion, and programming for the farmers' market. It was noted that well-run farmers' markets included attractive signage; considered location, access, and parking; scheduled a variety of vendors; booked entertainment for adults and children to hold people at the market; and importantly, did not overbook so that vendors are able to sell the majority of their product.

Limitations

Many participants mentioned that farmers' markets need to work to attract more people. More people would mean more sales. Other participants pointed out that attracting more people was not enough; they had to be people who recognize the value of local food and are willing to pay.

4.4 Local Restaurants

Only a few of the meat producers identified local restaurants as a market they had pursued. Despite good intentions from both producers and restauranteurs, all identified multiple challenges and very few advantages in this market.

Challenges

The primary challenge for both producers and restauranteurs was that restaurant customers in northern BC do not appear ready to pay a premium for locally raised meat. As a result, restaurants cannot recover the additional cost to purchase local meat. If customers are not ready to pay extra, restaurants feel they might as well serve the cheaper meat available from restaurant suppliers.

Another challenge for producers was that restaurants only want specific cuts, usually the high-end cuts. This leaves producers with large quantities of cheaper cuts that many people are not interested in.

Advantages

Producers agreed that, if consumers were ready to pay a premium price, locally or regionally branded products in restaurants would increase sales in other venues.

Limitations

For many of the smaller producers, supplying restaurants could quickly outstrip their capacity to supply product. As a result, the only way supplying local meat to restaurants could work is if several small producers banded together. For mid-sized and larger producers, the local restaurant market was seen as being too small to be of interest.

Current Markets: Produce and Value-Added Producers

As with the meat producers, the first part of each focus group or interview focused on a discussion of current markets. Participants were asked to identify their current markets; describe their experience with that market, including opportunities, challenges, and barriers; and identify the future potential of that market. The markets identified are described and discussed below.

5.1 Farmers' Markets

Selling products at farmers' markets was identified by all produce and value-added producers. For most, the farmers' market was their primary source of income. Generally speaking, producers attended farmers' markets within an 80-100 kilometre distance. Many indicated that some market customers also purchased products at the farm gate.

For produce and value-added producers, the challenges, opportunities, and limitations of farmers' markets were very similar to those identified by meat producers.

Challenges

Produce producers, like meat producers, reported that selling at farmers' markets is very time-consuming. They cited the same tasks and issues, but added that they are required to harvest their product before they depart. This is time away from doing chores and tasks on the farm.

The expectation on the part of some consumers that the prices at the farmers' market should be lower than the prices at the grocery store was also a challenge for many. Many producers had stories of customers comparing the price of locally produced produce with the price of produce imported from the USA or Mexico. Not selling product was also mentioned as a significant issue. For produce producers, unsold merchandise is no longer saleable and is often simply composed.

Produce producers also identified as problematic the rule that to sell at a farmers' market you must grow the product yourself. They pointed out that crops need tending during prime farmers' market season and that farmers' cannot be in two places at once. Hiring a student to tend the market stall would be easier than having a student tend the garden.

Advantages

Like meat producers, produce and value-added producers indicated that one of the significant advantages of farmers' markets is that they draw a crowd of people who are interested in purchasing product. These customers often become repeat customers.

Produce and value-added producers agreed that another advantage to farmers' markets was that the market management handles all of advertising, promotion, and programming for the market. Like meat producers, they appreciated and valued well-run farmers' markets.

Limitations

Many produce and value-added participants also mentioned that farmers' markets need to work to attract more people, and that they must be people who recognize the value of local food and are willing to pay.

5.2 Farm Gate and U-Pick Sales

Farm gate and u-pick sales involve the consumer travelling to the farm. For farm gate sales, larger producers will often have a small display or shop featuring produce picked that day. Small producers will often operate these sales on an honour basis, trusting that customers will leave cash for what they take. For u-pick sales, producers allow customers into the garden to pick their own produce. The farmer does the gardening; the customer does the harvesting. For some producers, u-pick gardens have become hugely successful. They give people who do not have the time to garden an opportunity to gather fresh-from-the-garden produce.

Produce and value-added producers almost always do farm gate and u-pick sales in addition to farmers' market sales.

Challenges

One of the challenges of farm gate and u-pick sales is marketing. Producers reported using roadside signage, posters, and the internet to market farm gate and u-pick sales. Most felt that many customers arrived at the farm gate serendipitously; they were out for a drive and saw the sign. Many producers also felt that u-pick farms gained customers through word-of-mouth, as well as roadside signage.

Producers who operate u-pick and farm gate sales mentioned concerns about theft from their properties as a potential risk. U-pick producers also mentioned that having inexperienced people walk through the garden can result in plants being damaged.

Advantages

A key advantage of farm gate and u-pick sales is that producers do not have to travel to sell their products. For some, the fact that they do not have to spend time packing up and travelling to farmers' markets more than makes up for the challenges.

Some producers saw the opportunity to have consumers out at the farm as an opportunity to educate them about farming, farm life, and the value of locally produced food. Many have welcomed this opportunity and do guided tours of their property.

Limitations

There were no inherent limitations identified with farm gate and u-pick sales. Several producers mentioned that they would be pleased if they could sell 100% of their product through these channels.

5.3 Produce Boxes

A number of produce producers operating near the larger centres reported undertaking or participating in a produce box program. The produce box is usually picked up by, or delivered to, the consumer on a weekly basis. It will contain a variety of fresh picked seasonal vegetables. Consumers wishing to purchase produce boxes are asked to sign up for the season. Producers who do produce boxes are almost always at the farmers' market, and many report signing up produce box customers there. Other marketing methods for produce boxes include websites, posters, and word of mouth.

Challenges

Producers with experience, and those who have considered doing produce boxes, cite the main challenge as the time it takes to assemble and deliver the orders. Considerations include the total size of the harvest that week, the total amount of produce required, and the size of each order. Delivery must be immediate to ensure that the produce is in prime condition when it arrives.

Given that a produce box program is more time intensive than selling at the farmers' market or at the farm gate, many producers have had to hire staff to assist. It was mentioned that a labour shortage in many communities means that staff are becoming difficult to find. Also challenging is being able to balance the cost of labour with the cost that people are willing to pay for a produce box.

Another challenge that can emerge is a shortage of produce due to low crop yields or failure. Ensuring that there is flexibility to deal with these circumstances is a consideration for these producers.

Advantages

Producers indicated that the primary advantage of a seasonal produce box program is that it creates a predictable and steady income. They also commented that the orders provided a guideline for planting, minimizing the amount of excess produce that may go to waste.

Limitations

Because a produce box program is labour intensive and staffing costs must be considered, the need to balance costs and revenue can be a limitation. If labour cannot be sourced, or sourced at a reasonable cost, then the program has to be scaled back to one that is manageable by the producer and unpaid assistance (usually family members). As one producer who had experienced this noted, scaling back wastes investments in materials (e.g. boxes, sorting tables and space, etc.), marketing, and systems development (e.g. invoicing, order tracking, etc.).

5.4 Bulk Sales

The opportunity for bulk sales requires a sizable scale of production. As such, only two participants mentioned this market. Both indicated that the buyer had been a large grocery chain and that the order was picked up at the farm.

Challenges

In both cases, additional permits and certifications were required that added to the administrative burden for the producer.

Advantages

For produce producers who have a sizable harvest, bulk sales have the advantage of being able to sell their entire crop at one time to one buyer. This minimizes the need for marketing and transportation.

Limitations

Both producers mentioned that becoming dependent on one buyer made the farm vulnerable if that buyer backed out of the arrangement. One of the producers had experience with this and indicated that it would have been more problematic had their farm not been highly diversified.

5.5 Local Restaurants

A few of the produce producers identified local restaurants as a market they had pursued. While some reported that this market had been successful, they were generally located close to larger centres and had arrangements with higher-end restaurants. Those who had tried this in smaller centres indicated that the challenges eventually outweighed the advantages. Many of the challenges and potential advantages for produce producers were similar to those experienced by meat producers.

Challenges

The primary challenge is that restaurant customers in northern BC do not appear ready to pay a premium for locally raised fresh produce. As a result, restaurants cannot recover the additional cost to purchase local vegetables. If customers are not ready to pay extra, restaurants feel they might as well serve the cheaper produce available from the major restaurant suppliers.

Advantages

Producers agreed that, if consumers were ready to pay a premium price, locally or regionally branded products in restaurants could increase sales in other venues. They noted, however, that this branding advantage would not be available to all products. For example, while Soda Creek corn may well be a product with potential, other 'regular' vegetables would have a hard time establishing a niche.

Limitations

The lack of a transportation network that can move produce from the farm to restaurants in larger, but usually more distant, communities quickly and efficiently means that the only producer-restaurant relationships that can develop are highly localized. Producers indicated that a distance of more than a couple of hours generally means that it is not worth the trip and that restaurants in smaller communities are generally serving a limited and basic menu.

The Lower Mainland Market: Interest, Opportunities, and Challenges

The second part of each focus group or interview turned to a discussion regarding marketing products in the Lower Mainland. Participants were asked to indicate whether they would be interested in marketing products in the Lower Mainland, to describe any research they had done regarding this market, including opportunities, challenges, and barriers, and to provide their assessment of the potential of this market.

The highest level of interest in this opportunity came from meat producers, particularly beef, lamb, and pork producers. There was also interest from produce producers for crops that would travel well, including root vegetables and brassicas (cauliflowers, broccoli, brussels sprouts, cabbage, etc.). Value-added producers of products such as fruit preserves and honey also expressed a keen interest.

6.1 Opportunities and Advantages of the Lower Mainland Market

Producers across the spectrum indicated that they felt consumers in the Lower Mainland were more aware of and concerned with purchasing locally raised / grown (meaning produced in BC) food. They also felt that Lower Mainland consumers were more willing to pay for the true cost of producing local food.

Building on this opportunity, some producers also indicated that they have found that there is an awareness of and appreciation for specialty foods, including heritage varieties of produce and fruits, rare and specialized breeds of beef, pork, and lamb, and rare varieties of honey.

Participants in the focus groups and interviews believe that Lower Mainland consumers also have an appreciation for quality food products and the financial means to purchase these products.

The market opportunities and advantages that focus group and interview participants associated with the Lower Mainland market are discussed below.

Appreciation for locally produced and specialized products

For many producers, the opportunity to sell their products to consumers who would appreciate them was very important. Many had stories of being at farmers' markets and speaking with people who compared their prices to supermarket prices for products imported from the USA or Mexico. There were also stories of people who did not appreciate the difference in the taste between supermarket fare and heritage carrots and potatoes or specialty pork or chickens. For those who take great pride in their products, this appreciation means a great deal.

Opportunity for higher prices and increased revenue

For many producers, the Lower Mainland market represents an opportunity for higher prices and increased revenue for their products. While there was recognition that there would be increased costs associated with entering the Lower Mainland market, all producers we spoke with were emphatic that they could not afford to take a loss on these sales. They spoke to the need for a comprehensive business plan for the Lower Mainland market and had questions about whether this plan should be created at the individual producer level, product level, or geographic level.

Opportunity to farm full-time

For many of those who have to work off the farm to make ends meet, marketing to the Lower Mainland means the opportunity to farm full-time. Higher prices and increased revenue combined with higher demand and more sales could make full-timing farming a reality for some. Many spoke of this as a dream come true.

6.2 Challenges and Issues of the Lower Mainland Market

In the discussion of challenges and issues related to developing the Lower Mainland market, producers spoke to both general and specific issues that would have an impact on their ability to successfully enter this market. The discussion of this market opportunity exposed the importance of taking a comprehensive approach to identifying the factors and conditions for success (compared to the danger of focusing too narrowly on only one part of the market development equation).

Market Intelligence and Market Identification

Most producers indicated that they would have no idea how to go about identifying demand and building relationships with Lower Mainland consumers who may be interested in their products. In the focus groups and interviews, they identified a number of questions such as how to decide whether they should target specialty retailers, general retailers, restaurants, markets such as Granville Island, or individual consumers. Further, they wondered how to identify specific customers, given considerations such as volume, quality, and price.

Some producers who had experience in the Lower Mainland market cautioned that market expectations are different than in northern BC and that producers had to be aware of the differences. One example provided was that individual consumers in the Lower Mainland tend not to buy in bulk; they shop for the week. While most northerners have a chest freezer, many Lower Mainlanders have only their fridge freezer.

The conclusion of this discussion was that northern producers needed expert advisors, with access to market intelligence and information, to help them with the questions they had identified.

Transportation, Storage, and Distribution

Transportation, storage, and distribution were identified as a significant barrier to marketing in the Lower Mainland. Participants agreed that it would be impossible for individual producers to do the deliveries themselves; the costs of transportation, accommodation, time away from the farm, and time away from the off-farm job would be too high. For producers to move into the Lower Mainland market, a transportation and distribution system would need to be developed to transport agricultural products from local or regional hubs in northern BC to the Lower Mainland, and from there to distribute goods to individual consumers, including retailers, restaurants, markets, and individuals. They had questions about how this might be arranged and discussed various models including developing a schedule and taking turns, hiring a local person to handle the job for everyone, speaking with one of the food distribution companies delivering to the north about delivering in the opposite direction, and developing a cooperative that would handle all of the transportation, storage, and distribution arrangements for all northern producers. Once again, the conclusion was that expert advice was needed to develop the most cost effective model.

Collective or Cooperative Marketing and Sales

In the discussion of supplying Lower Mainland retailers, restaurants, and markets, there was recognition that the demand for products would likely exceed the capacity of a single producer. There followed a discussion of the need for a model of collective or cooperative marketing and sales. There was emphasis on the need for a model that minimized costs and payments to middle brokers and allowed more revenue to flow back to producers or to be directed at tempering price points. Participants felt that developing this model would require expert advice, armed with market information regarding quantity / volume, timing, and quality. There was some discussion that the demand for some products may be so high and the current production in northern BC so low that the collective / collaborative marketing and sales group might have to be province-wide.

Product Branding

Focus group and interview participants, recognizing the importance of their market niche, "locally raised / grown", indicated that branding would be important to define and emphasize the niche. There was an understanding that the branding program would have to be linked to the size of the market. As an illustration, one participant used the example of Alberta beef. The market for Alberta beef is so large that it branded for the province, not for individual regions in the province. That was contrasted with the branding that had been developed for products from the Cowichan Valley. In the focus groups and interviews participants identified a number of questions including the appropriate geographic boundaries for branding, the inclusion of branding on product packaging, the design of product packaging, the inclusion and integration of branding in marketing materials, and the consideration of sub-branding elements such as organically raised products, grass-fed meats, etc. Once again, they expressed a need for expert advice.

Time to Research and Plan for Market Development, Growth, and Expansion

Through the discussion of the challenges and barriers, many of the focus group and interview participants reminded us that, in most northern BC agrifood operations, one or both partners had to take jobs off the farm to make ends meet. This means that there is very little time available to research and plan for market development, growth, and expansion. While there is strong evidence that the Lower Mainland market would be good for northern producers, most just do not have the time or expertise to move on the opportunity.

Some focus group and interview participants suggested the establishment of an organization, accountable to producers, to take on the aspects of the work associated with market development. Such an organization would look after market research, product development, market development, processing, packaging, branding, transportation, distribution, and payments to producers. There was discussion of potential models, including producer-driven co-ops and collaborative producer ownership of a for-profit or not-for-profit marketing 'organization'. Questions regarding this approach included how the organization would be financed, who would run it, who it would be accountable to, and how the quality and volume promised to consumers would be assured. Again, participants felt that someone with expertise in the field was required to work with producers to provide information and options and, if viable, to establish the organization. This would enable producers to focus on production, which they considered to be their area of expertise, and leave everything else to people who had expertise in market development.

In addition to taking action on the development of the Lower Mainland market, as defined above, producers identified other areas for investigation including exploring opportunities for bulk purchasing, exploring shared local storage facilities such as walk-in freezers and cold storage, identifying and assessing the potential of value-added products, and assessing the business case for facilities to produce value-added products (e.g. commercial kitchens, bottling and canning facilities, packing and packaging facilities).

Availability and Cost of Farm Labour

Many of the producers indicated that the availability and cost of farm labour was a factor limiting growth and expansion. Most producers are working to maximum capacity. To increase production and grow capacity would require additional help on the farm.

The first barrier identified by producers to hiring farm help was the cost of wages. Given that farm revenue often does not cover costs, wages in the agriculture sector are generally very low and cannot compete with the resource sector, tourism, or the service sector. Some producers indicated that they had taken advantage of grant or wage subsidy programs, but mentioned that they found that the paperwork to apply and report on these hires was time consuming and took away from their own time on the farm. They also mentioned that hiring staff brought with it the requirement for tax withholding and WorkSafe BC payments, which increased the administrative burden even further. It was also noted that these programs usually did not allow for repeat hires, so that workers had to be 'let go' just as they became effective and efficient at the job.

The second barrier to hiring farm help identified by producers was lack of candidates with an interest in or aptitude for farm labour. Producers observed that few people are looking to make agriculture their life's work. The work is seasonal and there is almost no career progression. As a result, there are virtually no educational programs that lead people to look for work on a farm. Furthermore, as with wages, the agriculture sector cannot compete with the resource sector, tourism, or the service sector in terms of working conditions. Generally speaking, work in the agricultural sector is difficult and the days are long. Participants observed that, in many ways, the ideal candidates would be people who had been raised on the farm; however, many of these people were either working on the family farm or were looking to leave the farm.

Aging Producers and Succession Planning

Participants in the focus group and interview discussions noted that most producers today are nearing retirement age and are looking to reduce, not increase their workload. Many who were of this age commented that they were too old, and felt the opportunity for market development would have to be taken up by the 'younger generation'.

Further discussion of this generational change revealed that many were concerned that there not enough young people who want to take up farming. For those who might be interested, the cost of purchasing land can be an enormous barrier. Many felt that there should be programs to assist young Canadians who want to get into farming to purchase the land and equipment required.

Government Regulations

There were many concerns and frustrations expressed regarding government regulations affecting farm operations. The comments were general in nature, rather than being directed specifically at regulations that would affect market development in the Lower Mainland. Furthermore, the comments were directed broadly, at the federal, provincial, and regional governments.

The Food Safety Act and Regulations, for example, were mentioned by producers as a barrier to the growth and development of the meat industry because they have reduced slaughter capacity in the province. Similarly, the Milk Safety Act and Regulations were mentioned as barriers to the development of dairy products such as cheese and ice cream. The Water Sustainability Act was highlighted as being particularly onerous for small producers because of the fees required. The rules governing staffing booths at farmers' markets were also mentioned.

Abattoir Facilities

Input from focus group and interview participants who raised meat suggested that there is a shortage of abattoir facilities and trained staff in northern BC. There was significant agreement that this shortage needed to be addressed as part of the strategy to grow and develop the Lower Mainland market, otherwise access to these facilities would become a 'pinch point' in the supply chain.

Regional Highlights

In addition to the sector oriented comments, there were a number of comments from focus group and interview participants that were regionally-specific. These comments offer important insights for developing strategies to support the agrifood industry in northern BC.

7.1 Northwest Region (Terrace, Smithers, Burns Lake, and Vanderhoof)

Terrace: Participants in Terrace expressed concerns that current and future population growth, which they attributed to the LNG plant in Kitimat, is putting pressure on the City of Terrace to allow residential development on prime farmland located near the Skeena River. With agricultural production in the area focused on produce (market gardens), participants feel that this land should be reserved for agricultural use.

Smithers: Participants in Smithers spoke to the opportunity to explore the potential of producing value-added products from the region for the Lower Mainland market, for example jam, syrup, honey, sausage, and specialty cured and dried meat. It was noted that this would require an investment in production facilities in the region. Participants were careful to note that the local market would not be large enough to support this investment.

Burns Lake and Vanderhoof: Participants in Burns Lake and Vanderhoof expressed concern about the growing foreign ownership of agricultural land in their regions. It was felt that interest by foreign buyers is pushing up the cost of land and making it more difficult for young Canadians to get into the business.

7.2 Robson Valley (Robson Valley, Valemount, and McBride)

In 2009, farmers, ranchers, and gardeners from Dunster, McBride, and Valemount formed the Robson Valley Growers Cooperative. This organization has served as a platform for cooperation, support, and mentorship among producers in the region. The result is that these producers have already identified and worked together to take advantage new market opportunities. This includes a significant presence in Jasper at the Jasper Farmers' Market. During the focus group discussion, participants identified a new potential market, supplying local food to the heli-hiking and heli-skiing operations in the area.

7.3 Northeast Region (Fort St. John, Dawson Creek, and Chetwynd)

Participants in the northeast region identified and expressed an interest in two regionally-specific market opportunities. The first was supplying the oil and gas work camps in the region. Focus group and interview participants anticipated that the construction of the LNG plant in Kitimat would mean an increase in pipeline and gas extraction jobs in northeast BC and that these workers would likely reside in camps. They felt that supplying these camps would be less costly than pursuing a Lower Mainland market. The second opportunity identified was to explore the possibility of developing markets in northwest Alberta. The concern was that this would likely require revisiting interprovincial trade regulations.

7.4 Central Region (100 Mile House, Williams Lake, and Quesnel)

100 Mile House: Participants in the 100 Mile House focus group spoke to the opportunity to develop a plan to renew their farmers' market with a view to attracting more people, particularly those who reside in the surrounding lake district during the summer months.

Williams Lake: Participants in Williams Lake spoke about the opportunity to raise and market grass-fed beef and lamb. While there is a growing demand for grass-fed meat, many people contend that grass-fed beef and lamb is an 'acquired taste' because it is not as 'mild' as grain-finished meat. However, it was noted that there is wide variation in the taste of grass-fed animals. Some are almost as 'mild' as grain-finished animals. From this discussion, it was suggested that research be conducted on the grass mix that would yield the most favourful meat. One element that could be explored is the impact of the protein content in the alfalfa that the animals consume. The focus on grass-fed animals was felt to be a good fit for the Cariboo region because they do not produce the grain to finish, which is why most of the animals are sold at auction and finished in Alberta.

Quesnel: Participants spoke about the opportunity to rethink land use and land management in the wake of the Mountain Pine Beetle epidemic and forest fire devastation. If the demand for food and the opportunities for agriculture are increasing, participants felt that it might make sense to provide more access to Crown land for forage.

Knowledge of and Experience with Provincial Government Programs

In the final part of each focus group or interview session, participants were asked about their knowledge of and experience with provincial government programs, particularly Ministry of Agriculture Market Development Resources.

Of the programs listed by the Ministry of Agriculture, the Buy BC / Buy Local program was most recognized. That said, none of the focus group or interview participants had direct experience with that program. The other programs were not generally recognized by participants.

A number of producers were familiar with and had utilized programs that provide wage subsidies for those in transition or for student employment. There was a sense among producers that these programs had been cut back.

Several people had heard of the Young Agrarians and BC Young Farmers. Others were aware of the fact that the Ministry of Agriculture is working with 4H to promote agriculture education and training. These programs were seen to be helpful to the industry.

Conclusion

The focus groups and interviews conducted for the *Northern BC Agrifood Industry Needs Assessment and Supports* identified and assessed current and future business and market development opportunities, challenges, and barriers faced by northern BC's agrifood industry, particularly with respect to marketing agrifoods products to the Lower Mainland and other metropolitan areas of the province.

These discussions provided a 'producers lens' which will help inform the development of targeted support, resources, and solutions that can grow the agrifoods sector in northern BC. The key findings from this research can be summarized as follows:

- There is significant capacity and opportunity for growth in all aspects of the agrifoods sector. There are a large number of producers working part- or full-time off the farm who would prefer to work full-time on the farm. Growing the market to enable these producers to devote all of their time to farm operations would increase production volumes.
- The assessment by producers of their current markets is that they are far from ideal. They do not deliver the price or volume required to sustain farm operations without off-farm income. Furthermore, current markets are time consuming, particularly in the areas of marketing and sales, with transportation being both time-consuming and costly.
- There is strong interest by producers in pursuing the development of the Lower Mainland market. This market is perceived as being more aware of, and concerned with, purchasing healthy food that is raised / grown locally (meaning produced in BC). Producers also feel that there is an awareness of, and appreciation for, specialty foods in the Lower Mainland. The perception is that Lower Mainland consumers understand and appreciate quality food products and have the financial means and willingness to pay for the true cost of these products.
- There is almost unanimous agreement that producers in the north do not have the expertise or time to understand and successfully develop the Lower Mainland market. Producers identified a number of potential approaches to market development and questions related to those approaches that require research and subsequent dialogue and decision-making before a path forward can be developed. There were questions around market intelligence, market identification, market size, transportation, storage, distribution, product branding, and the opportunity for collective or cooperative marketing and sales.
- There is significant support for exploring the establishment of an organization to take on all of the aspects of the work associated with market development, including market research, product development, market development, processing, packaging, branding, transportation, distribution, and payment to producers. Most producers feel that this organization had to be accountable to producers.
- Producers also identified a number of other issues that are having an impact on farm operations, including the cost and availability of farm labour, aging producers and succession planning, government regulations, and for meat producers, the shortage of abattoir facilities.

Critically, what emerged from this needs assessment and consultation is that market growth and development will only be successful if all aspects of the market development equation are addressed together in coordination. There is, in fact, a danger of approaching this opportunity on a piecemeal basis. For example, the time and money spent on identifying and securing consumers will not result in the desired growth unless transportation, storage, and distribution issues are also addressed.

The next phase of this project will focus on identifying targeted support, resources, and solutions through existing government and non-government programming that will enhance the agrifoods sector in northern BC and its ability and capacity to take advantage of existing and emerging market opportunities. The insights and information gathered through these focus groups and interviews will help inform that work.

The Community Development Institute at the University of Northern British Columbia

The Community Development Institute (CDI) at UNBC was established in 2004 with a broad mandate in the areas of community, regional, and economic development. Since its inception, the CDI has worked with communities across the northern and central regions of British Columbia to develop and implement strategies for economic diversification and community resilience.

Dedicated to understanding and realizing the potential of BC's non-metropolitan communities in a changing global economy, the CDI works to prepare students and practitioners for leadership roles in community and economic development, and to create a body of knowledge, information, and research that will enhance our understanding and our ability to deal with the impacts of ongoing transformation. The Community Development Institute is committed to working with all communities – Aboriginal and non-Aboriginal – to help them further their aspirations in community and regional development.

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