The Thompson Shuswap Food Connections Project

Phase II Report

Community Futures Thompson Country

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Agriculture and Agri-Food Canada, the B.C. Ministry of Agriculture and the Investment Agriculture Foundation of BC, are pleased to participate in the delivery of this project. We are committed to working with our industry partners to address issues of importance to the agriculture and agri-food industry in British Columbia. Opinions expressed in this report are those of the authors and not necessarily those of the Investment Agriculture Foundation, the B.C. Ministry of Agriculture or Agriculture and Agri-Food Canada.

Executive Summary

The Thompson Shuswap Food Connections (TSFC) project was initiated to examine the local food economy and identify opportunities to diversify local farm production and to expand local markets. The project was structured and reported on in two phases. Phase I surveyed farmers on the nature and extent of their food production and interviewed agency purchasers to better understand their buying structures. Phase II examined local food facility capacity and case studies to explore the feasibility of enhancing food processing infrastructure and value-added production capacity in the region.

Phase I Report

The Phase I report provides many insights into regional farming from the initial survey of farmers and the targeted farmers' surveys and interviews. While the majority of regional production is livestock related there is also a core group of vegetable and small fruit producers who rely primarily on direct marketing venues. Most interviewed farmers were hesitant about expanding into wholesale markets and they also identified challenges to increasing their production capacity.

Many of the other challenges facing regional farmers are industry-wide (e.g. aging farmers, high land costs, global marketing) however there were also local conditions that, if improved, could support farm industry expansion (e.g. the establishment of identified markets and assistance with the aggregation and distribution of products). It is significant that most of the resistance to expansion came from the smaller farmers. The area's few larger operations, in comparison, were more likely to express interest in increasing their production and expanding their marketing reach.

The institutional contacts suggested that onions, carrots and potatoes would be the best crops to be considered for integration into local purchasing systems as these products are purchased in substantial volumes, currently produced locally, and could be supplied on a year round basis. Again there were obstacles to matching farmers and institutions including the absence of required storage and distribution structures. For example, products sold to institutions need to be channelled through the established commercial distribution houses that each institution works with and farmers would need to meet the grading/packaging/labelling, and food safety requirements of these distributions systems.

Phase II Report

The Phase II Report examines regional food facility capacity to address marketing, distribution and processing challenges through an analysis of regional food facility/hub markets (Section 2) and food facility/hub products (Section 3). In Section 2 we confirmed that agriculture in the region competes in a global market-place where large food distribution systems dominate the sales of food to local residents. Kamloops must also compete with other British Columbia food production areas with more favourable geographic conditions and closer access to large markets (e.g. Fraser Valley). Despite these challenges, there are successes in the region that could be expanded into new markets. Opportunities for direct sales will continue to be important to the success of local farmers and there are benefits to supporting more direct sales through agri-tourism branding and marketing.

In Section 3 we reviewed eight food facility/hub case studies and concluded that there was little confidence in the viability of a centralized local food facility/hub for the region at this time. We also reviewed existing local food facility/hub network components and identified a regional shortage of commercial facilities (e.g. aggregators and storage facilities) with most farmers meeting their needs on-farm. Case study research also indicated that in other regions the agri-food system is intersecting with the tourism sector in multiple ways that promote sustainability and strengthen the local agri-food sector. Recognizing the potential of agri-tourism, regional agri-tourism food network options are explored in Section 5 following a more general discussion of regional agri-food opportunities in Section 4.

In Section 6, we highlight recommendations that support and enhance the regional agri-food network, including the following:

- support opportunities for direct farm product marketing including farmers market expansion and farm-gate sales.
- support establishment of local farm product aggregator.
- support local advocacy for the protection of water for agriculture.
- support farmers exploring new niche markets and products such as
    - specialized grains
    - supportive grain CSA
    - parent seed production
    - herbs
    - niche products that support existing farm businesses (e.g. specialized or organic hay and grains for sport horse industry or organic farming)
    - expansion of potato production and processing.
- consider all opportunities for collaboration with First Nations including:
    - expansion of crop land under First Nations management.
    - development of niche market processing facilities as new joint economic development initiatives (e.g. specialized potato or garlic products)
    - expansion of Heartland Quality Foods marketing of frozen produce items
    - linking new niche items and/or high volume items grown on crop land under First Nations management through to local institutional markets.

- expansion of food policies that support local food such as:
    - regional companies and agencies, although small players in the local food chain, could lead by example with policies committing to a percentage content of local food to demonstrate their commitment to change.
    - regional municipalities could adopt percentage local food content policies at their venues as an expression of support for change.
    - in a limited capacity, local institutions have demonstrated that policy is an effective driver for change. The 'food-to-cafeteria movement' and the hospital 'food revolt' may help to accelerate policy change.
    - policies can bring local food production activities into programming through the supported activities such as school gardens and the inmate gardens at the Kamloops Regional Corrections facility.
    - policies recognizing the potential to reduce carbon emission associated with food supply by connecting near market food production and purchasing.
- support growth of agri-tourism network components as a strategy to diversify and strengthen farm/businesses through such steps as:
    - support agri-tourism industry advocacy, funding and leadership.
    - develop a marketing/promotions plan for the regional agri-tourism network.
    - develop an agri-tourism network structure to support local operations.
    - ensure regulatory support for agri-tourism development.
- ensure local government policies regulating land use and delivering services are structured to support agriculture.
- Consider the hiring of a regional Agricultural Support Officer to strengthen the agri-food sector as proposed in the job description framework outlined in Section 4.

Section 1 Introduction

1.1 Project Context

The Thompson Shuswap Food Connections Project is a project jointly funded by Community Futures, Agriculture and Agri-food Canada, the BC Ministry of Agriculture, the Investment Agriculture Foundation of B.C., the Ministry of Jobs, Tourism and Skills Training and the Southern Interior Beetle Action Coalition. The purpose of the project is threefold:

- To strengthen the connection between local agriculture/food producers in the Thompson/Shuswap Region in order to support small agri-food businesses in the region
- To explore opportunities for growth and diversification of local agriculture and food products in the Thompson/Shuswap Region
- To reduce the volume of carbon emissions associated with food supply through exploration of near market potential and food processing opportunities to meet local institutional and retail demands.

To achieve these objectives, the project has been divided into two phases (Figure 1). Phase I involved four main steps including: a survey of local farmers; consultation with local farmers; local institution and agency consultation; and recommendations on connecting farmers with local institutions to create new partnerships. The Phase I report is available at www.communityfutures.net/agriculture.htm and www.tsfoodconnections.ca.

The Phase I research identified an agri-food system with a few successful large scale producers working in a typical supply chain with wholesale and distribution systems, and many small scale producers depending on direct sales. The report identified opportunities for growth and diversification in the farm sector but at the same time, identified major challenges facing industry expansion. One of the highlighted opportunities in Phase I was the identification of a few local farmers wanting to increase production to meet new demands. However, access to large scale food distribution companies and networks was restricted by current purchasing protocols that required new suppliers to either deliver unique products or better quality of current product offerings at lower prices.

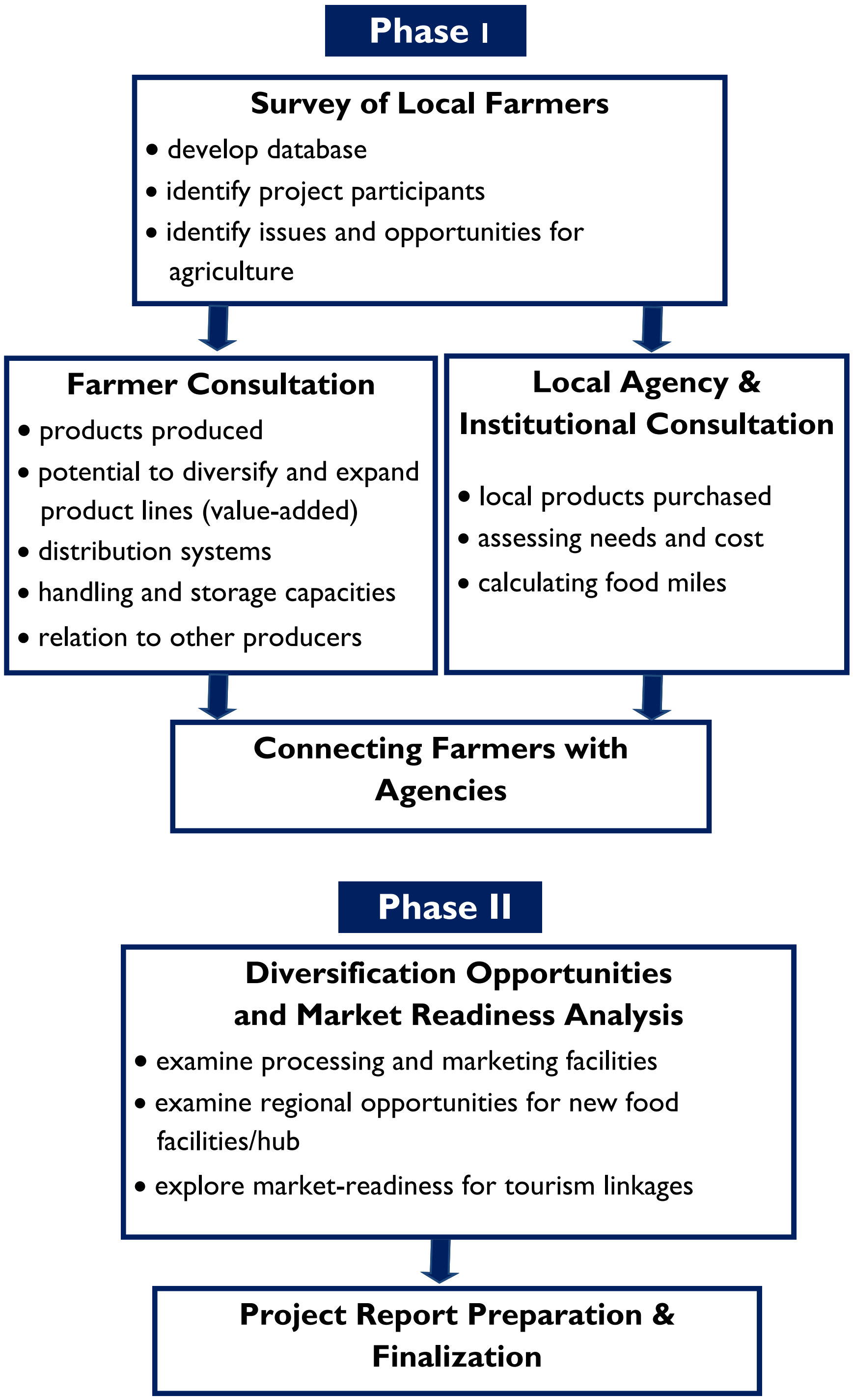


Figure 1: Thompson Shuswap Food Connections Project Process

Given this context the Phase II report was advanced to research local food facility capacity to address marketing, distribution, and processing challenges. For this project, a food facility is defined as an operation that supports local food production with business services such as produce handling and processing, packaging, labeling, storage, shipping, in addition to product development, marketing and tourism linkages. Food facilities can come in many forms. The purpose of a food facility is to improve the efficiency of production by providing access to modern equipment to stimulate small-scale food processing. A food facility can also serve as a centralized distribution facility where product from several farms can be collected, sorted and graded, packaged and stored for easier access to future purchasers and distributors. Such services could also be available for individual operators.

However, the broader development needs of the region may be better addressed by exploring the establishment of a 'food hub'. Food hubs are a slightly different and overlapping concept, usually referring to the specific enterprises within a value-based supply chain facilitating the aggregation, storage, processing, distribution, and/or marketing of locally or regionally produced food products. Food hubs also usually have the goals of supporting small to midsized producers, catalyzing regional food system growth, improving food security, and providing food system educational opportunities. Food hubs can differ in their organizational type, management, operation practices, and governance, as well as their target customers, infrastructure, logistics, services offered, and structure (Lerman, Feenstra & Visher, 2011).

A food hub is defined as…

Food hubs are a slightly different and overlapping concept, usually referring to the specific enterprises within a values-based supply chain "facilitating the aggregation, storage, processing, distribution, and/or marketing of locally or regionally produced food products" (Barham, 2011, p. 6)

The benefits of a food facility or hub are that farmers can collectively tap into larger markets, without requiring high capital outlays for handling, processing storage and distribution facilities. Food hubs can offer expensive processing equipment and training that would not otherwise be accessible to small scale producers. The food hub environment helps stimulate micro-business development as farmers work to create successful food companies. Processing equipment and product development services can also support farmers and other entrepreneurs to bring innovative new agri-based products into the market. In the Phase I report, a lack of access to aggregated products and a shortage of best price, unique niche market products were listed as barriers to local institutional purchasing. Through a food hub, residents will have greater access to local producers, and the facility can be structured to respond to the increasing interest by residents and tourists to experience local food and cultural traditions.

Phase II was structured to determine if there is market demand and long-term viability and sustainability for a food hub in the Kamloops Region, and/or to identify a means of delivering food hub functions.

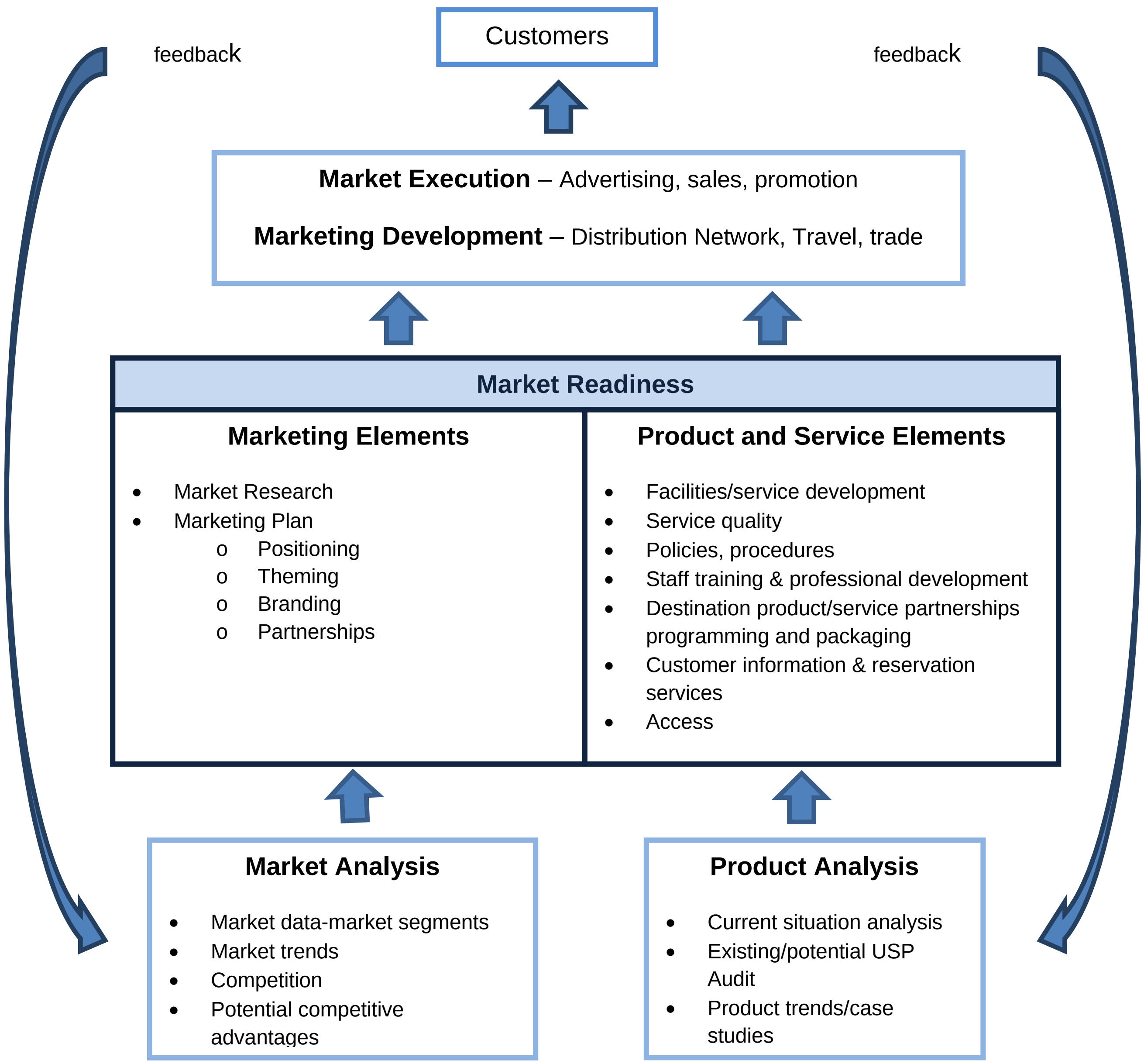
The Phase II report uses a tourism market-readiness framework (Figure 3). The term 'market-ready' is used in the tourism industry to identify a product that is ready to be sold to a specific market and requires consideration of factors beyond the scope of a traditional feasibility study. Tourism products typically include attractions and activities, accommodations, restaurants and retail shops. In the case of this report, 'market-ready' agricultural products could include food facility processing and demonstration tours as well as:

- Farm producers/attractions: historic farm, demonstration farm, petting farm, farm wagon/sleigh tour, horseback riding, corn maze, gardens
- Agricultural themed attraction: museum, interpretive facility, exhibit, demonstration, interpretation, learning program
- Farm accommodation/farm vacation package
- Agricultural theme tour, route
- U-Pick
- On-farm market/shop/retail
- Community farmers' market
- Agricultural festival/special event[1]

In the tourism market, a market-ready product must meet essential standards in terms of marketing, packaging, and quality, and addresses the following considerations:

- Marketable: The operation is interested in offering its products to specific markets and is capable of participating in cooperative marketing programs. It has a marketing budget and a management structure that allows marketing decisions to be made. The operation may already have a strong local or regional marketing program in place and may already have identified specific target markets.
- Packageable: The operation has administrative systems that allow its products/services to be sold either directly to the consumer or through identified distribution channels. The operation has the potential to support the production and sale of local food and artisan products. The site has to be accessible.

[1] The Economic Planning Group of Canada (2005). *Nova Scotia Culinary Tourism & Agri-Tourism Study*. Retrieved November 1, 2012 from http://www.gov.ns.ca/agri/marketing/research/Culinaryand AgriTourismExecutiveSummary.pdf



(Source: The Economic Planning Group of Canada (2005). *Nova Scotia Culinary Tourism & Agri-Tourism Study*. Retrieved November 1, 2012 from http://www.gov.ns.ca/agri/marketing/research/Culinaryand AgriTourism ExecutiveSummary.pdf)

Figure 2: The Tourism Market-Readiness Framework

- Quality experience: The experience at the operation is presented in a professional manner that leaves the consumer satisfied with the product/service. The products/services are quality assured and support the development of a quality foods program/experience. Essential standards include: legal and regulatory requirements, health and safety standards, quality experiences and services, and a facility that is well maintained and clean.[2]

A tourism 'market-readiness' scan, particularly the analysis of potential markets and products, will determine if a food hub can support the development of a quality food program and may identify options for agri-food industry development and expansion. Potentially, there will be opportunities to mobilize market-ready products and create a network of local stakeholders in the region to pursue the development of quality food based products/services and collaborative marketing, and build relationships between players in the distribution chain to ensure long-term success through the targeting of specific markets[3]. A market-ready operation based in the Kamloops region could help strengthen the regional food network relationships outlined in *Figure 3*.

Figure 3: Understanding the Local Food Network

The tourism market-readiness analysis requires a thorough understanding of the local food producer network (Phase I), existing food hub components (Phase II), and assessments of future target markets (Phase II). Three key questions for this analysis provide the structure for this report.

- What is the market?
- Where is the demand?
- What are the opportunities?

[2] Maddock, M. (2002) Colac *Otway Shire Nature-based Tourism Strategy 2002-2006*. Retrieved on 11 May 2009 and available on: http://www.colacotway.vic.gov.au/Files/NatureBasedTourismStrategy.pdf
[3] The Economic Planning Group of Canada (2005). *Nova Scotia Culinary Tourism & Agri-Tourism Study.* Retrieved November 1, 2012 from http://www.gov.ns.ca/agri/marketing/research/CulinaryandAgriTourismExecutiveSummary.pdf

1.2 Report Organization

Section 1 provides context for the overall project. The market analysis (Section 2) provides a summary of the potential markets (i.e. residents, visitors, producers, institutions) for a food hub (defined in Section 1.4). Section 3 includes a review of current market trends and consideration of market potential. A market summary clarifies the potential competitive advantages of a food hub facility based in Kamloops.

The Food Hub Product Analysis (Section 3) starts with a review of case studies from across Canada to provide a summary of current food hub trends and to identify the elements that are necessary in building the organizational and management structure of a successful food hub. Section 3.2 describes the scale of local food hub components in the local area and identifies specific produce or products that could potentially provide Kamloops with a competitive advantage in the marketplace.

Section 4 considers strategies to strengthen the food hub infrastructure in the Kamloops Region. In Section 5 agri-tourism strategies are considered as a means to strengthen and diversity the agri-food network. Section 6 summarizes project findings and presents key strategies for strengthening and diversifying the local agri-food network.

1.3 Methodology

Phase II of the Thompson Shuswap Food Connections Project adopted a mixed methods approach to research and data collection. This type of exploratory approach provides different perspectives for assessing the feasibility of a food hub for the Kamloops Region, enhancing confidence in the validity of findings and providing place-specific insights through a rich description of data from a secondary review of literature and in-depth interviews[4].

The research and data collection has also involved a review of government and policy documents and consulting reports addressing agri-foods, agri-tourism, farmers' markets and food processing. Specifically a number of case studies on commercial food production facilities and retail sites have been investigated to generate an understanding of the competition in the market place, as well as to identify the necessary products/services required for a food production facility or hub in the Kamloops region. In addition, these reports have also provided guidance in determining a marketing strategy to promote the facility/hub to specific target markets. Finally, newspaper and journal articles in the media assisted in identifying current trends in product/service development and marketing linked to food production facilities/hubs

[4] Singh, E., Milne, S. and J.S. Hull (2012) "Use of Mixed Methods Case Study to Research Sustainable Tourism Development in South Pacific SIDs" In K. Hyde, C. Ryan, A. Woodside (eds) *Field Guide to Case Study Research in Tourism, Hospitality and Leisure. Volume 6* (pp 457-478) Bingley UK: Emerald Group Publishing.

Interviews were conducted with the owners of local facilities to understand the current state of affairs of commercial food production in the Kamloops Region. The interviews were with the aim of maximizing the flow of relevant information pertaining to the types and capacity of handling, packaging, storage, docking, and retail facilities currently provided in the region as well as the market demand. The questions also addressed the management structure, future plans, and main partnerships. Thank you to all of the farmers and businesses who provided valuable information and insights.

1.4 Definitions

The following provides a list of definitions to clarify the terms throughout this report.

Food Facility: For the purpose of this report, describes an operation that supports local food production with business services such as: produce handling and processing, packaging, labeling, storage shipping, in addition to product development, marketing and tourism linkages. A food facility can serve as a distribution facility for one or more farms were products are collected, sorted and graded, packaged and stored for easier access to future purchasers and distributors. Typically a food facility concentrates services in a single location and is referred to as a centralized facility.

Food Hub: For the purposes of this report, a food hub is a central food facility or network of facilities operating within a values-based supply chain facilitating the aggregation, storage, processing, distribution, and/or marketing of locally or regionally produced food products. The goals of a food hub include supporting small to midsized producers, catalyzing regional food system growth, improving food security, and providing food system educational opportunities. Food hubs can differ in their organizational type, management, operation practices, and governance as well as their target customers, infrastructure, logistics, services offered, and structure.

Market-Ready: is a marketing term used to identify a product, including a service that is ready to be sold to a specific market. The term is used in various industries including tourism and agri-food.

Niche Market: is a subset of the market with specific desirable characteristics. . This could involve a specialty product which is not available elsewhere, or it could be a more standard product with specialty properties.

Value Chain: describes a special relationship between a retailer and the producer, including all the intermediaries such as a processor, a distributor, etc. where everyone along the chain realizes benefits with the goal to deliver maximum value for the least possible cost.

1.5 Region

The focus of the project is on the Thompson-Shuswap region served by Community Futures. There has been a particular emphasis on the Thompson-Nicola Regional District (TNRD) and Kamloops due to the interest and project participation that was generated through the Phase I research. Throughout this report we are interested in regional farming (e.g. TNRD), however, it is recognized that Kamloops is the economic hub of this area where food facility services have historically concentrated.

Section 2 Food Facility/Hub Market Analysis

2.1 Identification of Markets

The success of a food hub in Kamloops depends on the strength of four main markets. The first market (Section 2.2) is the producers from the Thompson-Nicola Regional District who would utilize the hub for their current business and any future business development. The second market (Section 2.3) is residents interested in supporting local food growers and in purchasing locally grown food and subsequent initiatives to serve that growing interest. The third market (Section 2.4) is visitors to the region who are interested in experiencing/sampling local cuisine. The fourth market (Section 2.5) is the institutional purchasers specifically those surveyed in Phase 1, and indirectly their suppliers (the large corporate food distribution companies) who could benefit from better access to aggregated local products. Each of these markets is reviewed in terms of:

- numbers
- demand
- education, research, and local food initiatives
- future trends

Section 2.6 concludes the market analysis with a discussion of the competitive advantages of the Kamloops region and Section 2.7 provides a summary of key findings.

2.2 Producers

2.2.1 Numbers

The 2011 data from Statistics Canada, as reported in Phase I of the Thompson Shuswap Food Connections Project, indicated that the Thompson-Nicola Regional District supports 1,177 farmers in the region. The largest three categories of farms include cattle ranching and farming (including beef and dairy) (31%), other animal production (including equine production; 31%), and other crop farming (including hay production; 20%). The Phase I survey of local farmers also revealed a small, but diversified farm sector with fruit, vegetables, poultry and grain farming operations.

2.2.2 Demand

Phase I survey results indicate that 83% of respondents were interested in increasing their sales to consumers, distributors, retail grocery stores, commercial and restaurants, public institutions and the local food community. The majority of farmers indicated that land, capital, labour and equipment were resource needs necessary to expand production. They expressed hesitation about expanding into the wholesale market and increasing their production capacity.

In terms of their interest in new food facilities, 83% of respondents would like to learn more about partnerships to expand commercial market opportunities, 58% of respondents indicated an interest in value-added processing to expand their market opportunities, 67% indicated that they would or maybe interested in partnering in a shared food processing facility, and 73% indicated that they would be interested in partnering in a shared storage facility. Other dynamics of the market indicated in Phase 1 are:

- some unused production capacity (e.g. potato culls) could be used to support new industry, e.g. processed potatoes, diversified carrot Stock Keeping Units (SKUs), or distilled products (e.g. vodka).
- local growers could supply “local” claims (e.g. local organic grains for local organic meat or local grain to support claims of a “local” bakery product).
- the area supports diversity of products but mostly on a small scale.
- expansion of existing farm operations and/or the addition of new small scale farms is limited across the farm industry in Canada for a number of reasons:
    - lack of farm succession options for exiting farmers
    - aging farm population
    - high land and farm business entry costs
    - marketing challenges
    - shortage of labour
    - high or different grading standards in the wholesale supply chain

2.2.3 Education, Research and Local Food Initiatives

In the Phase I research, local farmers reported hosting school farm tours but they did not report involvement in agricultural research. Farmers, particularly those participating at the Kamloops Regional Farmers’ Market, were actively involved in local food initiatives such as the Thompson-Shuswap Chef-Farmer Collaborative (discussed further in Section 2.3.3).

2.2.4 Future Trends

There are many successful products and producers in the region covered in Phase I. The project area is seen as a viable agricultural area but farmers responding to the Phase I survey indicated a high level of concern over the future of agriculture. Phase I recommendations pointed to the need for more local policies to support local food and strategies to improve opportunities for direct sales.

2.3 Residents

2.3.1 Numbers

In 2011, Statistics Canada reported that the population of Kamloops was 98,754, representing a 6.4% growth rate from 2006. In total there were 40,728 dwellings. Demographically, 16.2% of the population was aged 65 and over, while 68.4% was between the ages of 15 to 64. Approximately 15.3% aged 0 to 14. The number of census families totaled 28,560, a 5.3% increase from 2006. Married couples totaled 68.5% of residents while 15.4% were common-law couples, with 16.2% lone-parent families. Approximately 25.8% were single. In Kamloops, 89.3% of the population reported English as their mother tongue with 95.6% speaking English most often at home.

Kamloops has a long agricultural history that includes extensive orchards and market gardens. The long, warm summers in the region and the access to irrigation from the Thompson River has historically enabled productive cultivation from a variety of crops that are still grown today in the Thompson Valley[5]. In the early part of the 20th century, Kamloops had 15 canneries in operation supplying the local market with tomatoes, beans, and pumpkins and also exporting produce to Calgary and Vancouver. At that time, 10th and Victoria was the site of the ice plant and cold storage facility for the Kamloops farming community[6]. By the 1980s only one cannery still functioned, coinciding with the decline of food processing, consolidation of plants, and increasing competition of the industry in western Canada[7]. By the end of the 20th century, Kamloops had become almost totally dependent on an agri-food system that relied on “just-in-time” delivery of food produced outside of the region. In the 21st century there has been an increasing focus on community sustainability and food security by local residents and an interest in restructuring the local agri-food sector. Significant local initiatives point to increasing local resident demand: The Kamloops Food Policy Council; the Thompson-Shuswap Chef-Farmer Collaborative; the Kamloops Regional Farmers’ Market; the First Nations Agricultural Association and education programs in local schools (Section 2.3.3).

2.3.2 Demand

Resident demand for local food was recently documented in the Economic & Social Benefits Assessment of the Kamloops Regional Farmers’ Market study as follows:

- the estimated economic benefit of the Kamloops Regional Farmers’ Market on the local economy is approximately $3.1Million annually.

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[5] Kamloops Food Policy Council (2012) *Public Produce Strategic Plan.* Kamloops Food Policy Council, Kamloops, B.C.

[6] Whiting, D. (2012). Personal communication. November 9, 2012.

[7] Stewart, J. (1992) The Kamloops Canneries: The Rise and Fall of a Local Industry, 1913-1990. *BC Studies.* Number 93, Spring 1992.

- the estimated number of market customers on the assessment day was 3606 customers.
- the estimated number of market visits per year was 86,003 visits.
- over 500 market visitors participated in the study.
- customers spent $32.26 per visit on average.
- 54.6% of the survey respondents visit the market either 'regularly' (almost weekly) or 'frequently' (2-3 times per month) (Connell & Frisque, 2012: p.1).

In August 2012, the BC government, as part of their Agrifoods Strategy, invested $2 million to support BC farmers and food processors in their efforts to promote local food. The matching funding, available through the Investment Agriculture Foundation and the British Columbia Agriculture Council, is aimed at supporting local businesses and organisations to launch or expand their own marketing campaigns to customize promotions specific to their market and needs. This new funding is an effort to support BC's 20,000 farmers[8] and build the local market for BC foods that is forecasted to grow into a $14 billion-a-year industry by 2017[9].

2.3.3 Education, Research and Local Food Initiatives

Kamloops Food Policy Council

The Kamloops Food Policy Council acts as an umbrella group for the advocacy and coordination of community groups and individuals working on food security issues in Kamloops. The Council has provided support to improve food security in the Kamloops area for the past 20 years, establishing Kamloops as a national leader in the area of food security. The Council includes members from Community Gardens, Community Kitchens, Farmers' Markets, Heartland Quality Foods, the City of Kamloops, Gardengate Horticulture Program, Thompson/Shuswap Master Gardeners, Shuswap Thompson Organic Growers Association, Thompson Rivers University, Aboriginal Friendship Society Foodbank/Food Action Centre, Kamloops Food Share and Bear Aware.

In 2011, community residents established a Public Produce Project to increase access to fresh, locally grown fruits and vegetables for the public. The project has reshaped municipal public policy around edible landscaping and public produce. In the same year, the *Designing Healthy Cities* workshop was held to highlight the benefits of implementing public produce projects. Through community efforts, a Public Produce Strategic Plan was completed in 2012 with the goals of enabling free access to nutritious food, contributing to local food security, increasing knowledge of how food is grown, making use of under-utilized land and helping to build community capacity for healthy landscapes and a more secure food community.

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8 *Let's Get Local, British Columbia* (2012). Accessed December 15, 2012 from http://www.getlocalbc.org/

9 Government of British Columbia (2012). *BC Food Producers Welcome $2 million "Buy Local" Campaign* (August 30, 2012). Ministry of Agriculture, Victoria BC.

Thompson-Shuswap Chef-Farmer Collaborative

The Thompson-Shuswap Chef-Farmer Collaborative (TSCFC), with a membership of 70 local chefs and farmers, has as its main goal to unite those who cook with those who grow, so restaurants can feature local, seasonal food and beverages. In 2011, it has gained national recognition at the Canadian Chef's Congress. The group organizes the popular annual Farm2Chef event featuring 19 local restaurants offering food grown by local farmers. Promoted as a family friendly event occurring at Thistle Farm, the gathering attracts over 300 participants. Survey results from the event revealed that 57% of respondents identified that the event exceeded their expectations in terms of introducing participants to the food and beverages available in the Kamloops region. The majority of respondents commented that they would return in the future. The variety of food, drink and music was also mentioned as an important reason for the event's success. In particular, participants mentioned the chef competition, the chance to discover new local wineries and breweries, and the food booths as opportunities for participants to share their information, recipes, techniques and food samples from the region.

Kamloops Regional Farmers' Markets

Over 30 years ago, the Kamloops Regional Farmers' Market was founded by concerned citizens interested in providing an alternative to the global industrialized food system. Two recent studies detailing the economic and social impact of the Wednesday and Saturday markets found that the average spent per visit on Wednesdays is CAN$20.77 and on Saturdays is CAN$32.27 respectively. The average number of people attending the markets is one of the highest in British Columbia. The estimated number of annual visitors has increased from 81,282 in 2006 to 86,003 in 2012. The economic benefit of the Wednesday market on the local economy is estimated at $1.7million annually and for the Saturday market it is higher at CAN$3.1 million annually. The market is acknowledged as providing an important space for vendors to sell their produce, prepared food, arts and crafts and for local artists to display their talents. For agricultural producers, it is an opportunity to beta test new offerings. The results of the survey indicated that 80.6% of attendees were drawn to the market to support local producers and to purchase local, fresh, organic produce and food[10]. Approximately 30% of shoppers are regular visitors to the market and 36.5% are between the ages of 21-35 years old.

Thompson Rivers University (TRU)

TRU has been a leader in the promotion of local food, integrating local food into the menu for the flagship restaurant of the Culinary Arts Program (Accolades Restaurant) and as a key participant in farm to chef events. TRU has expressed its commitment to local food in the TRU Campus Sustainability Action Plan: Ecological Footprint Analysis & Steps Forward, 2010-2012. As stated in the plan, "as a large institutional food purchaser, we have the ability to significantly support local farmers. There is also an opportunity to integrate sustainable food sourcing into

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[10] Connell, D. and Frisque, J. (2012) *Economic and Social Benefits Assessment: Final Report Kamloops Regional Farmers' Market*. BC Association of Farmer's Markets and University of Northern British Columbia, Prince George, BC.

TRU's culinary arts program and retail meats program. Key agricultural actions from the plan are establishing a community garden for the use of TRU community members, increasing the availability of local food on campus and supporting local farmers.

First Nations Agricultural Association

The First Nations Agricultural Association (FNAA), located in Kamloops, is working on many initiatives that support the local food network such as:

- Heartland Quality Food retail outlet with sales of local produce
- Black Creek Ranch grass fed beef program
- agricultural training programs
- culinary education programs

FNAA initiatives focus on self-supply to improve the health and wellness of First Nation communities and to stimulate the First Nation agricultural sector. Other FNAA associated organizations include the First Nations Agricultural Lending Association (FNALA) and the Aboriginal Agricultural Education Society of British Columbia (AAESBC),

Local Educational Initiatives

Throughout the region there are many examples of educational initiatives geared towards increasing the understanding of local food. Examples of educational initiatives include the FNAA training programs, school garden programs and garden-to-plate initiatives such as the one provided at the Boys and Girls Club.

2.3.4 Future Trends

Future trends point to an increasing demand for local food and support for the local food system in the Kamloops Region. Policy measures by the City of Kamloops also point to increasing access to nutritious food to sustain good health for residents by promoting local food to reduce food imports to the region. The City of Kamloops has adopted food security as a key sustainability issue as part of its *Sustainable Kamloops Plan*[11]. The plan identifies that continued success in the community will be measured by increasing demand for local food as indicated at Farmers' Markets, continuing the operation of community kitchens, increasing the amount of land available for gardening, and achieving 4 to 5 community garden plots per 1000 residents. The attendance at the Kamloops Regional Farmers' Markets has grown by approximately 6% over the past six years and the younger demographic shopping at the markets offers an opportunity to increase the number of regular visitors over time. The recently established Visions Farmers' Market Society has organized the first consistent Winter Farmers' Market supporting 18 vendors selling their produce and food at the Sahali Mall (www.eatkamloops.org).

[11] (2010) City of Kamloops, *Sustainable Kamloops Plan Food Security,* Kamloops BC.

Private initiatives also are integrating local agriculture as part of residential development in the city. A sustainable Master Planned Community of approximately 4,500 people is being proposed at the site of Tranquille on the Lake, the historic location of Tranquille Farm and Tranquille Institution. The farm will be expanded to serve the new development in the area as a market center where urban food research, crop production, value added food production, and culinary skills will be pursued and celebrated. At present, Tranquille Farm offers a Chef Direct program to link to local chefs in the region, participates in the Kamloops Regional Farmers' Markets, offers a Community Supported Agriculture (CSA) program, and hosts a series of year round events including a corn maze, historical guided tours, and concerts[12]. There are also a number of new restaurants in Kamloops that have opened in the last five years. They are marketing local ingredients as their point of difference in the marketplace. These establishments include Terra Restaurant, and Papa T's.

The results of the resident market analysis reveal that the resident population of Kamloops is increasing. Interest in food security is substantial for a community of its size due to the rich agricultural history of the Thompson Valley. There are many opportunities for residents to actively participate in and support food security policy development and programming. The proliferation of public and private sector initiatives indicate that there is a well-developed resident market supporting local producers and the purchase of local produce and food. This market is expected to continue to grow over the coming years as a result of increasing population, increasing visitation trends at markets and restaurants, greater education around the topic of food and lifestyle changes emphasizing health and sustainability.

2.4 Visitors

2.4.1 Numbers

Kamloops is a popular year-round tourism destination for outdoor recreation enthusiasts. It offers numerous opportunities for world-class hiking, mountain biking and skiing. The Sun Peaks Resort is within a short drive, and there are over 200 lakes within a 40-mile radius of the city centre. The City itself is home to 82 parks, and many modern fitness and sports facilities that have been developed over the past decade to support Kamloops Brand as the Tournament Capital Centre of Canada. There is also an active arts community with theatre, art galleries, museums, cultural events (i.e. music in the park) and the Kamloops Symphony Orchestra. Nine percent of the resident population is employed in the hospitality sector. The Rocky Mountaineer injects over CAN$15 million into the local economy annually while 27,878 participants competed in 109 tournaments in town in 2011 injecting over CAN$11.8 million into the local economy[13].

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[12] Tranquille on the Lake (2012) *Tranquille Farm Fresh.* Accessed November 5, 2012 at http://tranquillefarmfresh.ca/

[13] Venture Kamloops (2012). *Community Facts*. *Accessed November 8th, 2012 at http://www.venturekamloops.com/communityfacts.htm*

Visitor numbers to Kamloops reveal that there are a number of key markets interested in tourism experiences linked to food. Food is reported as the third most important expenditure of travelers after transportation and accommodation. Over 86% of travelers from the United States reported that dining out is their number one leisure activity. Travelers interested in local food and wine experiences are often also interested in finding out more about production methods and what is grown locally. They are open to new experiences and see food as a way to discover new and different cultures and identities. They tend to be educated with knowledge of culture and are interested in life-long learning, and tend to travel independently (i.e. not in groups). They have high expectations in terms of customer service and facilities[14]. Even though food tends not to be a primary motivator for travel, interest in food has been identified as a global trend[15] that provides economic benefits at the destination, supports the rural economy, allows for rural diversification, and defines a culture and its people[16].

The Thompson-Okanagan Tourism Region has built a regional brand around food and wine tourism over the last two decades, becoming internationally recognized in the marketplace. The region welcomed 3.1 million visitors in 2010. Key domestic markets (81%) are the Lower Mainland, Thompson Okanagan residents and Alberta while international markets of the UK, Germany, Australia, and the Netherlands accounted for 9% of visitors. In total, visitation generated CAN $1.54 billion in 2010. Visitors are evenly divided between men and women, are highly educated, with above average incomes. Key activities of visitors are sightseeing, nature, hiking, visiting wineries, wildlife viewing and visiting friends and relatives[17]. In 2011, Kamloops reported approximately 623,000 overnight room nights confirming that the city has a well-developed visitor market[18].

2.4.2 Demand

A number of recent studies reveal that there is visitor interest in consuming local foods when visiting Kamloops. Tourism BC's *2012 In Market Research Report* of the visitors to the Thompson Okanagan revealed that 44% of respondents expressed an interest in unique local cuisine as a top factor in choosing the Thompson Okanagan as a destination. The survey also identified that respondents associate the Thompson Okanagan with a good value for money, a place to relax and unwind and for its restaurants, shopping and nightlife[19]. An economic assessment of the Rocky Mountaineer's effect on businesses in Kamloops completed in 2012 reported that 40-50,000 overnight rooms are booked per season in town. The report identified that the most attractive evening entertainment for Rocky Mountaineer guests are

[14] Hall, C.M., Sharples, L., Mitchell, R. Macionis, N. and Cambourne, B. (2003) *Food Tourism Around the World: Development Management and Markets.* Oxford, UK: Elsevier.

[15] Yeoman, I. (2008) *Tomorrow's Tourist: Scenarios and Trends.* Oxford, Elsevier Ltd. & Future Foundation

[16] Croce, E. and Perri, G. (2010). *Food and Wine Tourism*. Oxfordshire, UK: CABI International

[17] (2012) *Embracing Our Potential*. Kelowna: Thompson Okanagan Tourism Association. TOTA

[18] Tourism BC (2012) *Overnight Occupancy Statistics: Kamloops*. Tourism BC: Victoria.

[19] Tourism BC (2012). *2012 In-market Research Report: Thompson Okanagan*. Tourism BC: Victoria, BC.

culinary/culture based and involved healthy activities such as eating fresh, local foods. When respondents were asked to identify their top three choices for evening entertainment for Rocky Mountaineer guests in town, two of the three activities were culinary and cultural based experiences[20]. In the 2012 surveys of the Kamloops Regional Farmers' Markets, the Wednesday and Saturday market results reported that 17.2% and 21% of respondents respectively were out of town visitors.

2.4.3 Education, Research and Local Food Initiatives

Visitors may be interested in education and research components as aspects of their agri-food experience but are not directly engaged in the funding, administration or advocacy of these initiatives. Locally, TRU is involved in continuing research into the economic impacts and visitor satisfaction at local food events such as: the Farm2Table annual event; and Canada Day events.

2.4.4 Future Trends

Food and wine tourism is forecasted to grow over the next ten years. The region's strengths include distinctive rural experiences, local flavours, and a strong artisan base that provides an opportunity to create new experiential products and services linked to food and wine. The Thompson Okanagan tourism strategy, *Embracing Our Potential,* has identified Enriching Local Flavours as a key theme to strengthen and support the region's growing emphasis on local flavours and to build on its status as a premier food and wine destination. The combination of fertile valleys, farms, orchards, and vineyards; expansion in winery related accommodations and restaurants; growth of breweries and distilleries; increasing adoption of organic farming; and emerging emphasis on regional cuisine; are all providing opportunities for increasing the demand of local food and wine in the Kamloops Region. Kamloops is ideally positioned to take advantage of this expanding niche market of tourists interested in local foods and in unique culinary experiences[21]. While wine tours can be a part of this package it is not recommended that Kamloops try to duplicate and compete directly with the Okanagan experience.

2.5 Institutions

2.5.1 Numbers

The Phase 1 research focused on the local purchasing patterns of three institutions in the Kamloops area – Interior Health Authority (Royal Inland Hospital), the Kamloops Regional Corrections Facility and Thompson Rivers University (TRU). These three institutions are generally considered the largest purchasers in the area and their purchasing patterns are often representative of other smaller institutions.

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[20] Giles, A. (2012) *An Economic Assessment of the Rocky Mountaineer's Effects on Business in Kamloops, BC*. TRU Graduating seminar, unpublished report.
[21] (2012) *Embracing Our Potential*. Kelowna: Thompson Okanagan Tourism Association (TOTA).

2.5.2 Demand

Institutional contacts from Phase I identified that onions, carrots and potatoes are the three best crops to consider for integrating into local purchasing systems as these products are purchased in substantial volumes, are currently produced locally, and, with storage, could be supplied on a year-round basis. Products sold to institutions would be channeled through commercial distribution systems, with farmers having to meet the grading/packaging/labeling criteria and food safety requirements of these distribution systems. Distribution and institutional organizations noted significant barriers to the creation of new partnerships with local producers. Some of these barriers could be addressed in a new food facility or hub (e.g. better access to aggregated products), however, producers have their own barriers, specifically a hesitancy to accept lower prices than they are receiving through their direct sales. At the same time, institutional purchasers have established relationships with growers and are reluctant to shift or compete with these partnerships. The Phase I report provides more detailed discussion of the demand and supply relationships between farmers and the local institutions.

2.5.3 Education, Research and Initiatives

Thompson Rivers University

In speaking with the Chair of the Culinary Arts Program at Thompson Rivers University, a number of research priorities were identified. A number of initiatives are proposed or are presently underway, linked to gaining a better understanding and expansion of local foods. These include:

- Understanding the economy of local food through an examination of the local food system. Identify recommendations on how local farmers' can be more competitive in the local marketplace.
- Expansion of the development of specialty food products and production methods (i.e. Bees on the Roof) to advance TRU's position as a leader in the production of specialty foods in a university setting.
- Continuing research into the economic impacts and visitor satisfaction at local food events – Farm2Table annual event, Canada Day event – in the Kamloops Region.
- Investigating traditional indigenous methods and cuisine before European contact.
- Defining what is meant by the term 'Canadian' food.
- Development of research linked to the new kitchen garden proposed for construction outside the Culinary Arts building.

Through contact with the Trades and Technology staff, additional agri-food research projects through TRU include:

- Cultivation of raspberries on Haida Gwaii as part of the development of fresh local food offerings for residents of and visitors to the Islands.

- Food products testing for pH and water quality for small-scale food processors in cooperation with Interior Health and the Department of Science
- Market research and logistics for two beef regional value chains. Identification of market segments for grass fed and grain finished beef production.
- BC Beef for BC Chefs Research program: new database allowing chefs to order local beef carcass' online
- Access to Markets for the BC beef industry: identification of sellers, finishers, and processors to determine provincial beef capacity. Leading to negotiations with large supermarket chains for changes to the inspection system that make local beef more competitive with imported beef in the market place.

Grassland Applied Technology Centre

The Grassland Applied Technology Centre addresses national agricultural priorities in the areas of horticultural and field crop production and protection including tree fruits, small fruits; utilization, quality, and safety of plant products; the cellular and molecular biology of plant pathogens; soil resource conservation and land evaluation. The centre has laboratory space, driers, storage and a preparation and grinding area for conducting research on general grassland management issues and general agricultural issues in the region. They work with federal and provincial partners and private industry on various research projects, including a project at present with a group of vineyards in the Summerland Area. The facility has 17 full time staff. They are not involved in and do not have the facilities for product handling, food production, packaging facilities or a retail space. There is interest amongst the staff to partner with regional partners to support agri-food initiatives. The plans over the next five years are to maintain present programming. There are no plans for expansion.

2.5.4 Future Trends

As noted in the Phase I research there is a demand for food that could be met locally but the development of local partnerships requires new distribution systems and expanded production. Climate change policy (e.g. carbon tax) and public institutional efforts to reduce carbon emissions from their procurement contracts could also create pressure for more local food.

2.6 Competitive Advantages of the Kamloops Region

Venture Kamloops, the economic development agency for Kamloops, provides a thorough discussion of the competitive advantages of Kamloops for agriculture in their Community Facts brochure. They are highlighted in the section covering the topics of environment, research capacity, access and tourism[22].

Environment

The City of Kamloops has many competitive advantages that support the agricultural sector. Kamloops has an ideal climate for agriculture. The warm, dry summers and accessible water for irrigation are desirable for field, fruit, and vegetable crops as well as specialty crops such as herbs, berries and Christmas trees. Historically, Kamloops has supported a culture of agriculture that has included both the production and processing of a wide variety of agricultural products.

Research Capacity

Kamloops is home to the Grassland Applied Technology Centre and part of Agriculture and Agri-Food Canada's national network of 19 research centres. Research addresses national agricultural priorities in the areas of horticultural and field crop production and protection as noted in Section 2.5.3.

TRU is engaged in a number of agri-food initiatives including the University's new Centre for Innovation in Ranching, Range and Meat Production that has been developed to facilitate research and development to help ranchers, producers and suppliers adopt new technologies that support sustainable ranching practices. The centre has conducted research on respiratory diseases with young calves, measuring quality of young beef, and examining health of herds. These research findings should help improve herd health and management, possibly leading to better financial returns. TRU also offers a culinary arts program producing graduates who are knowledgeable about the local food system. The culinary arts program purchases local foods primarily for the Accolades Restaurant and is an advocate for local foods.

The First Nations Agricultural Association (FNAA) is located in Kamloops and has as numerous projects focused on enhancing agriculture, including programs for education, marketing and production. The FNAA has a history of partnerships with local agricultural groups.

Access

Kamloops is a vital transportation hub in Western Canada, with links to the rest of Canada, United States, Europe and the Pacific Rim. The country's two main railway lines intersect in Kamloops and the city is located on provincially and nationally significant highway corridors.

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[22] Venture Kamloops (2012). *Community Facts*. Accessed November 8th, 2012 at http://www.venturekamloops.com

Kamloops has a growing airport and over 25 trucking and transport companies that ship goods throughout British Columbia, across Canada, and into the United States.

Tourism

Tourism in Kamloops is growing and plays an increasingly important role in the local economy, with 9% of the population employed in the hospitality industry. Rocky Mountaineer railway vacations inject over $15 million into the local economy during the summer season, and Kamloops is a stopover point for bus tour companies travelling between the Lower Mainland and Rocky Mountains. The strong tourism sector provides a potential marketing niche for local agriculture.

Venture Kamloops, the marketing and economic development arm of the City of Kamloops, promotes additional competitive advantages of the City including:

- an investment friendly climate, including new business start-up support and resources
- a diversified economy including land available for warehouse and distribution services
- a skilled and well-educated labour pool of more than 54,000 workers
- TRU hosts over 25,000 students (on campus and distance/online) enrolled in over 25 disciplines
- a rich quality of life in an agreeable climate
- access to full urban services.

2.7 Summary

Agriculture in Kamloops competes in a global market-place where large food distribution systems dominate the sales of food to local residents. Kamloops must also compete with other British Columbia food production areas with more favourable geographic conditions and closer access to large markets (e.g. Fraser Valley). Despite these challenges, there are successes in the region that could be expanded into new markets.

The data reveals that Kamloops welcomes numerous visitors with a varying degree of interest in agri-tourism, local food and cuisine. For all visitors, eating out is one of their most popular activities. Visitors to the Thompson-Okanagan are interested in experiencing unique local cuisine and this is an important factor in choosing the region as a destination. Both the Rocky Mountaineer guests and Farmers' Markets guests in Kamloops expressed interest in local foods and in supporting local producers.

The Okanagan has successfully demonstrated how to brand and market local wine and fruit industries and can provide some valuable lessons for the Thompson Shuswap region. Opportunities for direct sales will continue to be important to the success of local farmers and there are benefits to supporting more direct sales through agri-tourism banding and marketing. It is recommended that Thompson Shuswap initiatives build upon local specialities such as ranching experiences, organic farms, and specialized products in unique geographic settings to develop a unique regional agri-tourism network experience. Where the Okanagan agri-tourism industry has successfully initiated common experiences (e.g. winery tours), the Thompson Shuswap region can celebrate farm diversity in an agri-tourism network experience.

Where the Okanagan agri-tourism industry has successfully initiated common experiences (e.g. winery tours) the Thompson Shuswap region can celebrate farm diversity in an agri-tourism network experience.

Section 3 Food Facility/Hub Product Analysis

This section starts with a review of food facility case studies with the dual objectives of:

- developing a better understanding of the elements, successes and challenges of food facilities; and
- developing an understanding of how different food facility structures or hub components might work in the Kamloops context.

Section 3 continues with a review of existing food facility components in Kamloops, including the strengths and weaknesses of the current levels of service.

3.1 Comparative Case Studies

Eight facilities in North America have been reviewed as potential models for a food facility/hub in the Kamloops Region. These eight sites demonstrate ways to support the development of marketable and packageable quality food services. A summary at the end of each case study section identifies considerations for the Kamloops Region.

	Facility	Location
3.1.1	The Food Processing Development Centre and Agrivalue Processing Incubator	Leduc, Alberta
3.1.2	Comox Valley Farmers' Market	Comox Valley, Vancouver Island, BC
3.1.3	Salt Spring Island Farm Produce Centre	Salt Spring Island, BC
3.1.4	Hope Food Processing Facility	Hope, BC
3.1.5	New City Market	Vancouver, BC
3.1.6	Food Hub	Calgary, Alberta
3.1.7	Food Hub Sacramento County Alliance with Family Farmers	Sacramento, California
3.1.8	Detroit Eastern Market	Detroit, Michigan USA

3.1.1 Case 1 – The Food Processing Development Centre and Agrivalue Processing Business Incubator, Leduc Alberta

Overview

The Food Processing Development Centre (FPDC) is a product research and development laboratory designed to support and expand the capability of Alberta's food processors. FPDC assists with food processing technological challenges, regulatory and labelling requirements, and the development of new or improved products and processes.

The Agrivalue Processing Business Incubator (APBI) provides the infrastructure and services to support and enhance the establishment and growth of new agri-food companies and new business ventures in Alberta.

Both are provincial facilities operated by the Alberta Ministry of Agriculture and Rural Development. The province covers construction, staffing and administrations costs. Fees for service are rendered to clients as a means of partial cost recovery.

Components

The Development Centre is a fully equipped and staffed pilot plant and test kitchen that clients can contract. The APBI leases processing space, storage (raw and finished), shipping and receiving space, and supplies business development assistance during their development phase.

Marketing

In operation since 1984, the Leduc hub is well known throughout the agri-food sector. Both branches have an extensive web presence advertising their detailed services.

Summary/Observations

These are expensive facilities to construct, and to sustain such bricks and mortar service centres requires deep long-term public funding. The importance of long-term funding was recently demonstrated by the untimely closure of the Food Innovation Centre of British Columbia (FICBC) based in Chilliwack. This endeavour has been forced to close due to lack of continuance funding from the BC government to cover operating costs. The FICBC was created with start-up funding in 2009 from BC's Growing Forward program and had 130 clients at the time of its closure. News on the status of FICBC is available at http://www.theprogress.com/news/179140381.html. While FICBC and Leduc operated at different scales and range of activities, it is clear that public funding is a critical component for long-term success.

3.1.2 Case 2 –Salt Spring Island Farm Produce Centre, BC

Overview

A facility for produce storage, distribution and processing was identified in Salt Spring Island's Area Farm Plan (2006) as part of the agriculture infrastructure required to build a dependable local food supply, and reduce the carbon footprint of an island community. Through a series of surveys, consultations and reports since the creation of the initial 2006 plan, the infrastructure needs of the community were further defined. Through this process a mobile abattoir was identified as a higher priority than the produce centre and an action plan was created to move the abattoir project forward. A 3-year business plan for the produce centre was recently developed and presented to the community in April 2012 (www.plantofarm.org). The centre will be developed in phases as funds become available.

The Salt Spring Island Farm Produce Centre will be a multi-purpose facility designed to support Salt Spring Island agriculture by storing, processing and distributing Salt Spring Island farm produce. A primary aim of the centre is to increase farm profitability by diversifying markets and expanding market streams. The centre will work towards increasing access to local food for the entire community and will help to build a strong local food brand.

The timing for the development of the centre is linked to an allocation of 0.6 hectare of land to the community from a Salt Spring Island real estate developer (Beddis Development Ltd.) as a condition of removing land from the Agricultural Land Reserve. As part of the negotiated conditions, the developer must also provide a new building and a cash contribution that can be used for the development of the produce centre on the allocated site. The estimated value of the contribution from the developer is $380,000. The newly formed Salt Spring Island Farmland Trust Society will manage the land allocation. The full capital plan for the centre will be developed following subdivision of the property.

It is intended that the centre will operate as a not-for-profit organization on a cost recovery basis. According to the business plan, this social enterprise is slated to break even in its 3rd year of operations.

The objectives of the centre are to:

- Provide temperature-controlled storage for island farm produce, including refrigeration, freezing and dry storage
- Provide for washing, sorting and packing farm produce for commercial sale and distribution
- Work with farmers and commercial buyers to increase the availability of Salt Spring Island farm food
- Work with individual farmers, farm organizations, chefs, food processors, and community organizations/groups to increase value-added processing for commercial sale and distribution of food made from locally sourced ingredients

- Work with farmers, chefs and others in product development, testing and commercial marketing of locally produced farm food
- Work with farmers, processors and commercial buyers to provide other services as need and opportunity arise, such as farm equipment rental, use of a greenhouse, creation of a winter farmers' market, educational workshops, incubator services, mentoring etc.
- Create a secure produce supply chain for the island, reducing its dependence of off island product.

The Facility

The plans for the centre include the following:

- A main building in the range of 1,500 square feet. Arrangements with Beddis Development Ltd will cover the basic costs of 1,000 square feet; the remaining 500 square feet will be costed when the design is complete. The main building will have one loading dock and the capacity to add a second loading dock; areas for receiving, handling and sorting; refrigeration and mechanical room; certified greens processing room and cooler; certified commercial processing kitchen; dual temperature walk-in cooler. The upper mezzanine will house the offices, multi-purpose room, lunchroom and supply storage.
- A secondary building will be provided by renovating the existing barn that is on the site, resulting in 900 square feet of produce storage.
- Greenhouse (size to be determined). The greenhouse is intended to provide a responsible reuse of compressor energy and will generate revenues that can help to pay for the energy required.

Marketing

The development of the produce centre provides an opportunity to for public education about local food systems, and to launch a Salt Spring Island farm food brand. This brand could identify and promote all farm produce, meat and processed products, regardless of which market stream the product is sold through—farm stand, farmers' market, restaurant, grocery store. Funding is needed to refine the details and implement the marketing campaign.

Summary/Observations

The Thompson Shuswap Food Connections Project should follow the development of the Salt Spring Island produce centre closely as the island community works through the very real organizational and financial challenges of establishing the enterprise despite the donation of land, buildings and cash. As of October 2012, the development of the centre has not advanced due to a variety of factors including:

- The community focused primarily on developing a mobile abattoir which required considerable planning and fundraising. The abattoir began handling poultry in Sept/Oct

2012. Additional fundraising is required to make the facility fully operational for all livestock species.

- The community is adverse to financing debt, preferring to raise all of the funds needed to complete the centre -- a successful but time-consuming model.
- On-farm processing and storage has expanded, reducing the need for a large production facility.
- The development of the centre is caught in a chicken and egg dance: produce production has not yet reached a fully commercial volume; infrastructure services are needed if volumes are going to reach commercial levels; and increased volume is required in order to ensure the financial stability of the produce centre.
- Farmers are concerned that they may not be able to pass on the costs of storage and handling to consumers.

Further consultations with the community will be conducted this fall/winter, considering these new realities.

The case study reveals that market readiness requires appropriate research, and a solid comprehensive business strategy, support from local producers, a commitment to work together, and a branding and a marketing strategy to identify and promote the sale of local produce.

3.1.3 Case 3 – Hope Food Processing Facility, BC

Overview

The Hope Food Processing Facility operates a preparation kitchen. Current production includes small batches of local produce. There are five producers presently using the food facility and there is the opportunity for increased capacity. The operating budget shows that the facility is operating annually at a loss. Present users show a high level of enthusiasm for such a site, but also display a low willingness to pay for its services. Currently the site's potential is limited by its function. Users have the ability to use home kitchens and alternate venues for small-scale production that are more convenient than the Hope site.

Components

In 2008, a study was completed to increase the services offered at the facility to include: cold storage, steam kettles, grill, stoves, convection oven, steam ovens, dishwasher, and preparation areas. The expansion and upgrade to a shared use kitchen was estimated at CAD$600,000 with an annual operating budget estimated at CAD$286,000.

Marketing

There is presently no formalized marketing strategy for the facility.

Summary/Observations

The recent expansion feasibility study identified that the expansion was not financially viable due to its location, distance from producers and high capital costs for upgrades. Similar to other case study projects, financing was seen as a critical issue. A lack of market demand and unwillingness by producers to accept a user-pay fee structure for use of the facility were also important considerations. It was recommended that the proposed food facility be moved to the larger Vancouver area.

The Hope facility experience suggests that minimum requirements for a successful food facility that should be considered when planning for a facility in Kamloops. A facility should have the following:

- Capability of delivering quality food production, including manufacturing processes and paper trails that meet consumer and regulatory expectations.
- A sound operation and management plan
- An experienced manager with the authority and responsibility to run the facility
- Clear predetermined objectives.
- The capability to allow more than two or three manufacturing processes at one time
- Clear policies and procedures for procurement, storage, packaging and labelling.
- Partnerships to deliver training programs by existing institutions.
- Design and delivery of specialized business and market planning services.

3.1.4 Case 4 – New City Market, BC

Overview

The New City Market (NCM) is a proposed local food hub for Vancouver. It is meant to fill the gaps in the local food value chain of the Lower Mainland by strengthening the local food economy and increasing the social and cultural capital of Vancouver's food system. The study identified a lack of processing, storage and distribution capacity in the region. The proposed market will be located in the False Creek Area of Vancouver. The NCM will allow produce and value-added products grown and crafted around Vancouver to be directly accessed and marketed by a wide range of purchasers including institutions, the commercial sector and households. The market will support the production and storage of produce and processed foods for off-season months and offer educational programs and ready-to–eat venues.

The business plan supports the development of a flexible governance plan with the market being established as a non-profit corporation operated in a public-private partnership with the city. The vendors will sit on the board but will not have control of the day to day management of the site.

The NCM will have initial construction and operating costs in excess of CAN$15 million. Vendors will pay for market space and use of processing facilities. It is projected that the facility will have 2,000 visitors a day who will spend on average $30-40 day.

Components

The components of the proposed NCM will include:

- Market Hall – 20,000 sq. ft. (60 vendors) + 10,000 sq. ft. outdoor plaza (40 vendors)
- Distribution Center – 8,000 sq. ft. warehouse (5,000 sq. ft. cooler, 1,500 sq. ft. freezer)
- Commercial Kitchen – 4,000 sq. ft.
- Eatery – 3,000 sq. ft.
- Office Leasing – 27,000 sq. ft. (business venture)
- Event space – 1,600 sq. ft. divided into three venue rooms.
- Educational and public programs linked to local food systems

The commercial kitchen will include the following: chilled sandwich tables, stainless steel tables, fillers, choppers, labeling machines, flash freezers, ovens and burners, steam trays, walk in fridge and freezers, dry storage, and microwaves and kettles

Marketing

There is presently no formalized marketing strategy for the proposed facility.

Summary/Observations

The NCM illustrates the importance of public-private partnerships in advancing food facilities. It is presently unclear if there are any partnership opportunities in Kamloops and the results of our Phase 1 research suggest that there is little or no support for a user pay system in the Kamloops region. The user-pay system subsidized by the office space, eateries and hall rentals is critical for recovering construction/operating costs. The integration of education and training programs as part of the facility speaks to the possibility of partnerships with key educational and institutional partners. At present this type of business model does not have strong support in Kamloops. The high costs of construction and operation will also be a major factor preventing the realisation of the NCM model in Kamloops.

3.1.5 Case 5 – Food Hub, Calgary, AB

Overview

The Calgary Farmer's Market was founded in 2003 with the first market opening in July 2004. The market is considered a new generation cooperative, where vendors sign a 5-year lease. The market is open 4 days per week (Thursday to Sunday). Vendors build their own retail outlet onsite. The market was recently moved and renovated at a price of CAD$10 million. A handful of vendors wholesale to local clients, with a majority of those clients participating in the market as vendors. The market generates CAD$3million annually.

Components

The components of the food hub include:

- 65,000 square foot lot,
- 55,000 square foot building. (30,000 sq.ft. market place including 8,500 sq.ft. coolers)
- 85 booths of which over 60 are producer direct
- 16 commercial kitchens run by individual vendors – 14 by 20 sq.ft. kitchen is average size.
- 6 of the commercial kitchens run full catering programs e.g. 2 Greek Gals. Vendors have 24/7 access to service their outside customers (but are only charged for the 4 days the market is open).
- Children's play area
- General store

Marketing

Marketing strategy for the Calgary Farmer's Market (http://www.calgaryfarmersmarket.ca/) includes a website featuring events, seasonal fare, recipes, hours of operation, farms and vendors, details of the market, news and a social media platform with Facebook and Twitter. The annual budget for marketing, licenses and permits is CAD$315,000. After renovations, the market was visited by 35,000 people in one week. A good day sees 20,000 people (50% paying customers, at $60 each per day)

Summary/Recommendations

The Calgary Farmer's Market illustrates the importance of a diversified offering of production and processing components to ensure the economic sustainability of a food hub. The cooperative also shows how centralizing and providing permanent privately owned facilities onsite can enhance the local food system. A well-funded marketing strategy provides opportunities for cooperative marketing partnerships and promotional support for the network of members.

3.1.6 Case 6 – Comox Valley Farmer's Market, Comox Valley, Vancouver Island, BC

Overview

The Comox Valley Farmer's market presently operates as a general farmer's market offering meat, produce, bakery, concessions, nursery and value-added items such as cheese. The market attracts 3,000 visitors, on average, each Saturday. The current market is run as a non-profit society that includes members of the regional marketing association, farmer's institute, the shellfish growers association, the local college, and municipalities.

In 2009, a preliminary study was conducted to expand the farmer's market to include kitchen facilities, food processing capabilities, packaging, and storage. The vision for the new facility included support for the production of primary and value added products, agro-forestry and handcrafted wood products, and educational programs. A key objective of the project was to create a globally recognized centre for furthering sustainable local food production with value added potential. The cost of the expansion was estimated at over CAD$6 million.

Components

The proposed development included a year-round area for vendors (40+ vendors), with expansion outdoors in the summer. In addition, the new facility would be wheelchair accessible, provide adequate parking, include public washrooms, provide power and water, support covered spaces for entertainment, audiences, socializing, storage, and interpretive space, and be located close to town.

A long-term lease was to be arranged between the market and the vendors, and a partnership with North Island College was to be created to enhance educational opportunities.

Marketing

A website for the Comox Valley Farmers' Market presently exists, providing information on market hours and events, a list of farmers and vendors, a history of the market, a kid zone, contact information, and membership information. http://www.comoxvalleyfarmersmarket.com/

Summary/Observations

Similar to Case 1, the expansion of the Comox Valley Farmer's Market into a food facility requires long-term public/private funding to sustain the new facility and the active participation of local farmers.

3.1.7 Case 7 – Food Hub Sacramento County Alliance With Family Farmers, California, USA

Overview

The Sacramento County Alliance with Family Farmers (CAFF) was started as an aggregation facility with distribution in 2005. The Growers Collaborative (GC) facility is located on the outskirts of Sacramento at Tam Cut Fresh Pack Warehouse. In 2006, GC became a limited liability corporation (LLC), wholly owned by CAFF. CAFF is registered as a 501(c)3 non-profit and thus is able to accept grants from government and private sources on behalf of Government of California. This structure helped secure necessary start-up capital that would otherwise have been quite difficult to obtain. GC was structured as an LLC to separate the trading operations of GC from the parent non-profit, and thus pave the way for a self-sustaining business that might even generate income for CAFF. GC was licensed by the California Department of Agriculture to distribute produce and held umbrella liability insurance for all of its producers. The GC sold only source-verified, fully traceable products, sourcing organic produce whenever possible.

In 2010, the facility offered aggregation services only, but generated USD500 to USD$1 million in annual business. Distribution is done through existing distributors such as Sysco and Fresh

Point. This has reduced costs and opened up a larger market using existing relationships. CAFF coordinates production with farmers and aggregates produce from multiple farms at the warehouse. The aggregator helps ensure that the local products meet both quality and quantity standards that conventional distributors require. A key aspect of the aggregator hub is that it does not try to compete against or replace the current distribution system. It works with the distributors inside the current system. The aggregator hub generates revenue by charging a small margin on all products that it aggregates and sells to distributors.

Components

The components of the food hub include an aggregator supported by 30 small family farms. The food hub also has a 200 square foot cooler and a loading bay.

Marketing

The marketing strategy for the facility is linked to the larger Community Alliance with Family Farmers website (http://caff.org/) that promotes programs, news and events, the history of the alliance, as well as information on how to get involved and support the alliance. The website also has an e-newsletter and a social media platform supporting Facebook, Twitter, Flickr and YouTube.

Summary/Observations

The Sacramento County Alliance with Family Farmers illustrates the potential success of starting with a food facility that offers a specific service that is in demand by producers in the region. In this case an aggregator and cooler provide infrastructure support to 30 small farms and help generate up to CAD$1 million a year. This focused strategy could be a potential opportunity for the Kamloops region if there are producers that have a specific need, like aggregation. The case study also points to the importance of working with public and private agencies to secure start-up funding for a food facility. In Kamloops, there are a number of government programmes such a Western Diversification, the Southern Interior Development Initiative Trust (SIDIT), and TRU that have access to public funding to support initial capital investments. In addition the marketing strategy is linked to the larger state-wide alliance. This model could be applied to the Thompson-Shuswap Chef-Farmer Collaborative if they were to initiate a concerted marketing strategy in the Kamloops Region.

3.1.8 Case 8 – Detroit Eastern Market, Michigan, USA

Overview

The Detroit Eastern Market (DEM) was founded in 1891 and privatized under a public private partnership in 2006. In 2006/2007 operating revenues were $1.18 million ($750k from vendors, $250k from grants and $200k from foundations). In 2009, a CAD$10 million renovation was completed. After renovations, revenues from vendor sales are expected to increase by 33% and operational expenses are expected to decline by 25%. The market receives an annual subsidy of CAD$450,000.

DEM operations are managed by the Eastern Market Corporation (public private partnership) while the City of Detroit owns the land. Eastern Market Corp (EMC) is a 501(c)(3) non-profit created to manage the public market and act as an advocate and neighborhood leader for redevelopment of the Eastern Market District. It strives to equally represent the City of Detroit, EMC and persons with special interest in the market, including corporations and foundations.

The market supports more than 250 independent vendors and merchants processing, wholesaling and retailing food. The market offers a variety of fresh and local products including flowers, plants, meats, spices, and packaged goods.

Components

The market is located 1.6 km northeast of downtown Detroit and is open three days a week. It is one of the largest public markets in North America covering 43 acres. It attracts 40,000 people on peak days. The market has 130 vendors (60 farmers, 35 produce resellers, 35 specialty/prepared food vendors) who offer a variety of market-ready products and services. There are future plans to increase available warehouse storage and build a commercial production kitchen.

Marketing

The marketing strategy for the facility is linked to the Eastern Market Detroit website (http://www.detroiteasternmarket.com/) that publicizes recipes, vendors, customers, businesses, directions, membership, events, shopping and dining, community, news and events. The website also has a blog and a social media platform supporting Facebook, Twitter.

Summary/Observations

The Detroit Eastern Market has a huge population to draw from and its success is testament to the long tradition of local food production and processing in the Detroit region. The market is supported through a variety of public and private sources of funding and membership is an important factor in providing support to the market operations. The Detroit Eastern Market also welcomes over 40,000 visitors a week for an authentic urban agriculture adventure. This effort to create a visitor experience is important in creating a market-ready product that is marketable, packageable and of quality. A food facility in Kamloops needs to also find a strategy for promoting the authentic regional food experience for residents and visitors.

3.2 Local Food Facility/Hub Components

Although Kamloops has a long history of agricultural production and processing most present day operations are small, specialized and/or farm-based operations. This section examines the food facility/hub components currently operating in the Kamloops area.

3.2.1 Produce Handling – Grading and Packaging

This project did not identify any commercial food handling, grading or sorting facilities in Kamloops that were set up to handle aggregated local produce. Most of the farmers interviewed or surveyed indicated that produce handling was done independently on their farms and was limited to the washing and sorting of produce for direct marketing. The following are examples of farms with grading, sorting and packaging:

- Thistle Farm sorts and washes their own produce on-farm for sale at the Kamloops Farmers' Market, in their farm box delivery program, and in sales to the TRU Culinary Arts Program and other local restaurants.
- Sun Rivers Organics sorts and washes their own produce on-farm for direct marketing. Some products (e.g. garlic and potatoes) are seasonally sold at local grocery stores.
- Dhaliwal Farms, a large scale operation growing potatoes and onions, market under the Okanagan Grown label. They have specialized large scale product sorting and washing equipment. While the Dhaliwal`s indicated an interest in growing their business and having more land under cultivation.
- Desert Hills Ranch located in Ashcroft, grows over 40 products, primarily peppers, melons and onions. They sell direct to Save On Foods (formerly Overwaitea) and have a greenhouse and farm gate sales.

3.2.2 Produce Storage, Cross-docking and Shipping Facilities

This project did not identify any excess storage, cross-docking or shipping facilities in Kamloops that are set up to handle aggregated local produce. Our research identified several cold storage facilities in Kamloops, summarized in Table 3.1. Typically these facilities were originally built to handle the storage and warehousing needs of large grocery stores or food distribution chains. `Just-in-time delivery` processes moved most commercial storage needs out of the Kamloops area and grocery store chains are no longer associated with these facilities. There has been a gradual conversion of cold storage buildings to other uses, (e.g. office) or storage space is used for non-agricultural products (e.g. appliances and tree seedlings) and there was very little evidence that facility owners are likely to return their focus to the storage of agricultural products.

Heartland Foods has both a large walk-in freezer and refrigerator with some capacity to handle a small amount of extra storage but their small scale retail footprint does not include space to handle any significant volumes of produce for washing, packing, storing, or shipping.

Overall the Kamloops area has limited commercial scale produce handling, packaging, storage or shipping facilities and virtually no excess capacity.

Table 3.1: Commercial Cold Storage Facilities in Kamloops

Address	Comments	Total Size	Area Vacant
1795 Kelly Douglas Road	• Former grocery store warehouse. Now leased as separate spaces.	• 20,000 sq. ft.	• 8 – 10,000 sq. ft.
996 Laval Cres.	• Former site of High Country storage. • Used for the Storage of tree seedlings – held cold over winter and planted in spring	• Total building is 16,000 sq. feet • Refrigerated space is 13000 sq. ft.	• About 8,000 sq. ft. is in a pending lease • High Country has contracted 5000 sq. ft.
Dene Drive	• High Country Cold Storage. • Used for the storage of seedlings. • Also use some space for the storage of appliances.	• 5000 sq. ft.	• 0.0
West Victoria at Overlander Bridge	• Formerly the Cooper's cold storage and warehouse. • Now occupied by Versa Cold. • Very poor access.	• 8000 sq. ft.	• 0.0
Heartland Quality Foods Tranquille Road	• Walk-in freezer and cold storage units	• 200 – 400 sq. feet	• A portion of the space could be available
Other retail	• Most large grocery store chains have small onsite cold storage areas but these are unavailable for private use.	• various	• 0.0

3.2.3 Commercial Food Processing

There is a small inventory of food processing operations in Kamloops. Two of the larger existing processing businesses are the Fresh Is Best Salsa & Company and Blackwell Dairy.

Fresh Is Best Salsa & Company started in May of 1999 first debuting at the Kamloops Farmers' Market. The company partners started making fresh salsa without any additives or preservatives. They prepare salsa year round and use fresh tomatoes, cucumbers, onions (sweet and green), peppers (sweet), garlic, parsley, cilantro, lemons, and limes and dried peppers (chilli, jalapeno, habanero). Fresh is Best Salsa & Company would “love to get their hands on fresh local product, even if it is only during the growing season” (Pers. Com. McGaffin Dec, 2012). In the early years Fresh is Best Salsa & Company used to buy local fresh produce, but they found most local farmers expected to be paid retail pricing (similar to prices received through direct marketing) and were not able to produce the volume Fresh Is Best Salsa & Company needed. Fresh Is Best Salsa & Company has established a price point for produce inputs, typically at or near wholesale prices that would have to be met. They also require guaranteed quantities. Fresh Is Best Salsa & Company is looking for a local source of 2,500-3,000 lbs. of pre-peeled garlic and is also interested in dried local peppers.

During the summer season, Fresh Is Best Salsa & Company uses some local produce but for most of the year they rely on ingredients that are grown elsewhere. Fresh is Best products include salsa, chips, and a variety of other dips. Fresh Is Best Salsa & Company has two independent retail outlets, one in Kamloops and one in Vancouver and they distribute to retail outlets across western Canada. The Kamloops store is part of the food processing operations located in the Southgate Industrial Park. The store focuses on “Fresh Is Best” products but it also sells non-local spices and hot sauces. This company demonstrates a successful food processing business, but it does not represent a significant processing opportunity for local farmers.

The Blackwell’s have been selling cream and butter at the Farmer’s Market in Kamloops since 1914. In 1983, the Blackwell’s built their own processing plant on their farm. From that point onwards they began to produce a full line of fluid milk products, and value added products including sour cream and cheeses. In addition to the milk produced by their own cows, Blackwell Dairy also receives milk from dairy farmers in the North Thompson and Shuswap Okanagan and distributes milk back to those regions. Blackwell products are sold in many commercial outlets and although their prices may be slightly higher, they have a strong following of committed local purchasers. The Blackwell farm produces its own supply of hay and corn for silage. Grain for the cows is purchased. Blackwell Dairy has 65-70 cows and has recently added fully automated milking equipment. Blackwell Dairy has its own fleet of trucks used for shipping milk products to retail outlets (www.blackwelldairy.com).

3.2.4 Small Scale Local Food Processing in Commercial Kitchens

There are a few examples of small scale food processing taking place in commercial kitchens:

- Thistle Farm has recently expanded their processing capacity with the construction of a new on-farm kitchen where they plan add value to farm produce (e.g. canned vegetables and sauces).
- The First Nations Agricultural Association (FNAA) operates a commercial kitchen in Tk'emlups Indian Band facilities through the Agricultural Education Society of British Columbia (AAESBC) for culinary education that supports the First Nations agricultural sector. FNAA representatives indicated that kitchen facilities are also used for Band events but could be made available to others. This kitchen produces packaged foods that are delivered directly to Band members or sold through Heartland Quality Foods.
- Sun Rivers Organics reported using a mobile kitchen from Conscientious Catering for on-farm processing.
- Local foods are used within the TRU Culinary Arts Program, particularly for the Accolades Restaurant menu. Local farmers do not have access to the kitchen for processing.

The challenge of developing a commercial processing facility is costly, as facilities must include specialized equipment and meet stringent regulatory standards. Overall, farmers wishing to add value to their products through food processing in Kamloops have limited access to processing opportunities.

3.2.5 Direct Sales – Residents and Tourists

The food facility/hub case studies in Section 3.1 consistently included a venue for direct sales to residents and tourists as a foundational component. In Kamloops, the principal sales venue for local produce and products is the Kamloops Farmers' Market. An overview of participation rates at the Kamloops Farmers' Market is provided in Section 2.3.2.

The Kamloops Farmers' Market has been an effective venue for Kamloops farmers for decades and it continues to be crucial to the success of market participants. On an ongoing basis, the market organizers explore new initiatives (e.g. 2012 Winter Market) and consider such topics as increasing vendor numbers, exploring partnership opportunities, moving indoors, assessing the competition, and seeking alternative locations.

As reported in Phase I, the Kamloops Regional Farmer's Market Society is open to making space for new produce vendors and would like to increase the number of produce vendors (Pers. Comm., Kamloops Regional Farmers Market Society 2012). However, not all farmers have produce for the entire season, and not all farmers are interested in participating at the market.

Heartland Quality Foods (Heartland) is a second venue for direct sales that connects local farmers to residents and tourists. Heartland operates a retail store at #6-177 Tranquille Road and is also engaged in the wholesale distribution of grass fed beef under the label of Black Creek. Their retail space is small (est. 500 to 2000 sq. ft.) and they carry only a single shelf of local fresh produce. Heartland could increase the amount of retail space devoted to fresh produce but seasonality and cost were cited as the main obstacles to increasing local produce content. (Pers. Comm., Heartland Quality Foods October, 2012)

Local farmers also rely on farm gate sales and direct sales to a loyal customer base. Thistle Farms has developed a successful home delivery food box program. A few farmers have negotiated arrangements with some of the small local grocery stores in Kamloops to sell their produce. For example, Market Fresh Foods was selling potatoes, squash and onions from Sun Rivers Organics in the fall and the Juniper Store and Market Fresh carries seasonal corn from Chase. Nu Leaf Produce also tries to connect with local farmers and sell local produce.

In summary, the retail venues for the direct sales of local produce in Kamloops are very limited although the Kamloops Farmers' Market and Heartland offer potential for expansion.

3.2.6 Direct Sales – Institutions

The food facility/hub case studies did not demonstrate any strong purchasing relationships between food facilities and local institutions.

In our Phase I research we noted that TRU is the only regular, institutional purchaser of a variety of local food products. The success of local food purchasing at TRU is largely dependent on the Director of the Culinary Arts program who maintains a long list of local producers and regularly orders local produce to provide a local food component in the high-end menu for the campus Accolades Restaurant (Pers. Comm.,Walker, 2012).

The Phase I study provides an in-depth review of the institutional purchasing arrangements and provides recommendations regarding improving the volume of local food content in institutional menus. These topics will also be revisited in Section 4.

3.2.7 Education and Research

The Grassland Applied Technology Centre has no plans for any research linked to direct sales or purchasing arrangements regarding the volume of local food.

Thompson Rivers University presently has a number of research and education initiatives linked to the issue of direct sales and/or purchasing arrangements of local food. TRU is also working on expanding their development of specialty food production (i.e. Bees on the Roof) to advance TRU's position as a leader in the production of specialty foods in a university setting.

TRU has key food hub components (e.g. commercial kitchen and storage facilities) and these facilities are dedicated for the culinary Arts Program but there is limited capacity for research.

3.3 Summary

The review of case studies covered in this section revealed that food facilities and hubs are using a broad multi-layered approach to food security and production and fostering connections between many diverse players. There are examples of regions that have well developed agri-food policies that support local food hubs. The case studies reflect the complex and intertwined challenges and opportunities of local food entrepreneurship. Of particular note for the Kamloops region is that even areas with geographically defined markets (e.g. Salt Spring Island) or access to regions with large and diverse agricultural production (e.g. Hope, Comox) were struggling to support the operation of food facilities or hubs(e.g. Hope, Comox, the Food Innovation Centre).

After reflecting on these case studies (section 3.1) and our research into local food facility/hub components (Section 3.2) we have little confidence in the viability of a centralized local food facility/hub for the Kamloops region. The case studies revealed that facilities required big construction and operating budgets and access to large markets and high volume producers. There are few commercial food hub components currently in the region and the region will likely require significantly more local production and investment to support a solid business case for a local food facility.

Our initial plan for the Phase II research was to proceed directly into a traditional feasibility study where we would assess the economic viability of a food facility in terms of site, building, market issues and financial planning. Upon accepting the position that the Kamloops region was not ripe for a full centralized food facility, we shifted our focus to examine existing food hub components, options for improving their use and function to better support the existing agri-food network, and opportunities to improve conditions for local food production. The results of this work are covered in Section 4 and represent a shift in focus from a centralized food facility feasibility study to a study of options for strengthening a de-centralized food hub system.

> After reflecting on the case studies and the existing inventory of food facility components, we had little confidence in the viability of a centralized local food facility for the Kamloops region.

The case study research demonstrated that the tourism sector is intersecting with the agri-food system in many ways that promote sustainability and strengthen the local food system. Successful tourism strategies include the development of on-farm agri-food venues, large scale farmers markets and a variety of local food events. Recognizing these case study successes, our Phase II research shifted to consider the regional capacity of farms and agri-food activities that are well positioned from a tourism market-readiness perspective to take advantage of tourism markets to strengthen their position (Section 5).

Section 4 Regional Opportunities

4.1 Issue Identification

The food facility market analysis (Section 2) and food facility/hub product analysis (Section 3) indicated that agricultural conditions in the region have the potential to grow and develop. The following table summarizes the positive conditions and highlights examples of local successes.

Table 4.1: Local Agri-Food Industry Successes

Conditions:	Examples:
• Strong supportive local food policy framework	• Kamloops Food Policy Council • Kamloops Agricultural Plan in progress • Kamloops Sustainability Plan commitment to agriculture.
• Growing residential and visitor markets.	- Continued growth of the Kamloops Farmers' Market and plans for its expansion to serve both residential and visitor demand - Increase in direct market / farm gates sales particularly for eggs, broilers, turkeys - Continued growing demand for farm gate sales of lamb and beef products - Continued demand for CSA / box type produce and produce+ programs
• Local products that have wide out of region brand name recognition	• Blackwell Dairy products • Okanagan Grown produce • Fresh is Best Salsa & Company products
• Local products that have regionalized brand name recognition	• www.lookkamloops.ca hosts local product references such as: - Heartland frozen meat products aka Black Creek Ranch - Made with Love Delectable Edibles - Hill Top Honey - A Dog's Life Bakery - Country Garden Greenhouse - Erwin's Fine Bakery & Delicatessen (supports local) - The Smorgasbord – Northern European Deli (supports local) - Red Tree Roasting - The Magic Bean

Table 4.1: Local Agri-Food Industry Successes	
Conditions:	Examples:
• Confirmed Interest in expanding local capacity	• Thistle Farm • Okanagan Grown (Dhaliwal farm) onions and potatoes
• Partnerships that promote local food	• Farm to Chef Collaborative • Eatkamloops.org • Lookkamloops.ca • Kamloops Farmers Market
• Diversification of Farm experiences	• Thistle Farm events (e.g. Christmas, Symphony and Harvest events)
• Successful direct marketing networks.	• Desert Hills Ranch • Heartland Foods • Thistle Farm Food Box Delivery
• Successful tourism development	• Refer to Section 5 for a more in-depth assessment.

While there is strong evidence of success in the region there are also significant gaps and challenges that are limiting agri-food industry expansion (Table 4.2).

Table 4.2: Local Agri-Food Industry Gaps and Challenges	
Conditions:	Examples:
• Lack of surplus produce to support the development of value added ventures	• The only current surplus food production identified in Phase 1 was a supply of cull potatoes.
• Most farms satisfied with their current level of production	• Expansion would require an influx of cash, labour, plus greater infrastructure.
• Aging farmer population	• With the average age of a farmer in the region well over 60 it is unlikely that many are interested in undertaking new ventures.
• Cost of farmland	• Limits the number of new farmers starting up farms in the region.
• Supply management regulations	• Quota requirements restrict the capacity to develop dairy, eggs and poultry products.
• Lack of institutional and commercial purchasing commitments	• Institutional partnerships tended to be with well-established, hand selected individuals, rather than through structured purchasing agreements.
• Quality and consistency	• Most local operators are either not capable or interested in producing the quality and quantity consistently necessary for institutional volumes at the price institutions are willing to pay.

Table 4.2: Local Agri-Food Industry Gaps and Challenges	
Conditions:	Examples:
• Convenience products	• Local producers are not set up to generate prepared products (e.g. frozen diced carrots etc.) that are in demand by institutions that see them as more cost effective.
• Limited availability of infrastructure to support farmers (e.g. storage, handling, processing, marketing)	• Key infrastructure components for shared aggregated produce handling, value-added processing and wholesale marketing are limited, but if networked, could support some development.
• Lack of aggregators	• Without aggregators many small-scale producers cannot access the supply chain.
• Institutions demand year round supply of the same produce	• Farming is seasonal. Some season extension is possible through greenhouses or hoop houses and improvements in storage, but a local operator cannot guarantee year round supply at prices that are competitive with imported products.
• Labour costs	• Impossible to compete with countries that pay a fraction of a Canadian living wage.
• Produce farmers have a dependency on local direct marketing	• Simultaneously listed as a success, this factor could eventually be a challenge if consumer demand peaks anytime soon.
• Limited regional branding	• The area has a food map but lacks an overall branded image that promotes locally grown or produced.
• Limited staff training and professional development for the agri-food sector	• Provincial government programs are sometimes available locally such as food safety programs or special educational seminars.
• Limited access to research and product development opportunities	• There is no food research centre or food incubator in the region.
• Education on market and production economies	• Necessary to help farmers to jump into something new. • Help with knowledge on how to produce and what is the profit margin.

The topics covered in this section focus on the gaps and challenges listed above and provide suggestions and options for moving forward to improve the positioning of the regional agri-food network.

4.2 Growing More Food

The research conducted for this project has shown that growth in the local agri-food sector is hampered by a limited quantity and variety of food products. Despite the region's suitability for agriculture, changing market forces and shifts in patterns of production contribute to declining agricultural production and processing. In the Phase I research, we concluded that even with the large buying capacity of local institutions (e.g. Royal Inland Hospital, Kamloops Regional Corrections Facility, Thompson Rivers University) there were many obstacles restricting local access into these food markets. Despite these challenges, we have observed a number of potential opportunities that could give local farmers a competitive advantage to support higher production levels.

As shown in Table 4.3, 62% of the farms in the Thompson Nicola Regional District in 2011 were engaged in cattle ranching and farming (incl. beef and dairy) and other animal production (incl. equine production). Although 20% of the farms grow crops (including hay), only 0.3% (3 farms) report oil seed and grain farming. These statistics indicate feed imports (e.g. grain) for regional livestock operations may be an agricultural opportunity for the area.

Table 4.3 - Thompson Nicola Regional District Farm Types In Recent Censuses

	2011		2006		2001	
Farm Type (North American Farm Classification System)	No. of Farms	%	No. of Farms	%	No. of Farms	%
cattle ranching and farming (incl. beef & dairy)	359	31	467	39	544	45
hog and pig farming	8	1	3	0	5	0
poultry and egg production	37	3	32	3	34	3
sheep and goat farming	47	4	35	3	35	3
other animal production (incl. equine production)	369	31	407	34	303	25
oil seed and grain farming	3	0.3	1	0	1	0
vegetable and melon farming	49	4	41	3	17	1
fruit and tree nut farming	32	3	35	3	35	3
greenhouse nursery and floriculture production	37	3	42	3	40	3
other crop farming (incl. hay production)	236	20	148	12	161	13
Total	1,177		1,211		1175	

Source: Statistics Canada, 2001, 2006, 2011

To discuss the feasibility of locally grown grain production we contacted a local feed supplier (Pers. Comm. Purity Feed, December, 2012). Purity Feed has a long history of serving the regional market and understands the farm industry and their farming practices. In their opinion, the region was unlikely to support new local grain farms because grain farming requires large scale production practices with large investments in land and equipment and Kamloops does not have sufficient suitable land to compete with other existing, successful large scale grain producing regions. Also, the beef market recovery has created a strong demand for hay production and farmers are unlikely to switch to grains in this market even if they did have the land sizes required. As well, the few grain farmers who are in the market are either established businesses with a long history of production and equipment or new farmers with an interest in the specific type of production (Purity also reported one farmer who chose grain for the convenience of the harvesting schedule).

Benefits of smaller farms*:

- interact with the public through farmers' markets, etc.
- provide a buffer zone between residential property and ALR
- create a place for families
- use land more intensively (higher yield)
- use less agro-chemicals (typically more evident on larger operations)
- are resilient/adaptable to change
- retain money in the local community
- create satisfying employment
- connect consumers to their food
- foster diversity
- benefit the environment
- emphasize quality over quantity

*Please note that these statements are generalized and exceptions may be common

www.southfraser.com/includes/documents/SupportingNewFarmersinAbbotsford.pdf

Recommendations to Support Small Farms:

- Incubator farms to host new farm businesses who share equipment and resources as they test out their business plan. Ontario has a farm start project
- Community supported farms – customers buy shares for a season and in exchange receive a weekly box of food
- Rent-a-Row / U-Pick
- Apprentice & Mentor Programs

www.southfraser.com/includes/documents/SupportingNewFarmersinAbbotsford.pdf

A look at revenues generated from hay production in the Kamloops region further supports the argument that grain production will struggle in Kamloops without a niche market. In Kamloops, where long hot days are characteristic, a farmer with access to irrigation can yield 3 crops of high content alfalfa hay which is ideal for dairy cows and provides returns at 6 tons/acre and $125.00/ton. In comparison, grains will only yield one crop/year and can only compete with the hay prices if it is sold into a specialized market (e.g. organic feeds). There is no specific monetary advantage to irrigation as similar grain crop yields can be grown without irrigation in moisture climates (e.g. Salmon Arm).

The assessment of opportunities for local grain production by Purity Feeds is based on a large scale farm business model. This perspective is justified since the average size of Canadian farms in 2011 is 315 ha, an increase of 6.9% over 2006 (http://www29.statcan.gc.ca). There are however, also arguments supporting small scale farm operations. Studies on small lot agriculture in Abbotsford (www.southfraser.com/includes/documents/SupportingNewFarmersinAbbotsford.pdf) and the South Coastal Region identify the importance of small scale farms and suggest many ways to help this sector (see insets).

Our research identified several crops with suitability for small scale agriculture. The recent resurgence in hops production throughout the province is a signal that niche production is a robust and viable business model. The success of this venture is based on the increasing demand by the craft breweries seeking specialty hops which were lost when beer production went large scale. The rebuilding of the micro-brewery industry has created a grower opportunity. As expressed by Rebecca Kneen co-owner of Crannóg Ales and identified as the key instigator of this North America hops-growing revival "What I'm seeing across Canada is where there are clusters of breweries there are clusters of hops growers to supply those breweries."[23]

Rebecca and her husband were motivated to grow hops and encouraged others to grow hops as the only specialty hops they could find in 1999 when they started their commercial operation. They could not ecologically rationalize importing their hops from New Zealand when their focus was on creating a local product. Similar opportunities might exist for grain in the Kamloops region to support such local industries as dairies, the sport horse industry and the beef cattle producers provided that it can be produced at a superior quality and/or at a competitive price.

One particular grain variety that could be grown in the Kamloops area is spelt. Known also as Dinkel in German, and Farro in Northern Italy, spelt is categorized as an ancient grain, a precursor to modern wheat. Consumer demand for spelt is on the rise since it is easier to digest than wheat as it is more water soluble. It also has merit as a livestock feed particularly for finishing. As a crop it does not require as much nitrogen as other grains. Spelt is a fall or spring seeded crop but harsh winters can lead to winter kill, making it important to select fields protected by windbreaks or areas that will have snow cover. On the prairies, spelt is winterkilled on average 7 out of 8 years but in the Kamloops area, where winters are more moderate, odds of success are higher. Spelt yields are greater on poor soils than other grains, but it is no more drought tolerant than wheat and will, therefore, benefit from irrigation for optimal production. A

[23] http://www.bcliving.ca/food/beer-with-a-taste-of-home?page=3&#featurelist

further advantage to local production of this crop is that there is a regional distributor - Fieldstone Organics in Armstrong that is currently looking for locally grown spelt[24].

Two grain Community Supported Agriculture (CSA) organizations have evolved over the past decade. Inspired by the 100 mile diet concept and rising fuel prices in BC, the Kootenay Grain CSA was formed in 2007 in the Creston / Nelson region to fill the grain gap in the local food system. Even though the area used to produce grain and milled products, that knowledge was lost and needed to be regained. In 2012 the Kootenay Grain CSA had a number of growers selling grain shares to consumers.

Inspired by the Kootenay initiative and keen interest in local grain after the 100-Mile Diet challenge, Vancouverites Martin Twigg and Ayla Harker coordinated the formation of Urban Grains CSA, designed to supply local organic grain directly to shareholders. With start-up assistance from FarmFolk/CityFolk and VanCity, administrative help from the Sugiyama family, Cedar Isle Farm in Agassiz now produces 2-3 tonnes of certified organic grain, which is milled into flour at Anita's Organic Mill in Chilliwack, for direct distribution to 80-150 enthusiastic members. The security and encouragement provided by the Urban Grains CSA has allowed Jim, Diane and the family at Cedar Isle Farm to: restore small-scale, heritage on-farm grain handling equipment; multiply heritage grain seed varieties; obtain Organic and Salmon Safe certification; expand production to supply local bakeries; and enhance the farm's education and wetland protection and restoration efforts. In 2012, Jim began exploring production partnerships with hazelnut farmers who are participating in a replant program. Many of these farmers have idle land between the new tree plantings that would be ideal for grain growing.

The production of medicinal and culinary herbs for niche markets is also well suited for small scale farm operations. Even though Canada is not a significant player in the global herb/botanical industry as it cannot compete with low-priced commodity volumes available from China, Eastern Europe and South America, there are opportunities for local BC producers. A recent report prepared for the Naturally Grown Herb and Spice Producers Cooperative (HerbPro) outlines how they are capturing new opportunities for value added botanical products. HerbPro's primary business is the production, marketing and sales of raw primary processed botanicals (medicinals) to natural health product manufacturers. They have expended significant energy in cost/benefit and market analysis, and building relationship with these buyers – they know how to deliver what the market wants and which crops can be produced cost effectively. HerbPro works with its members to determine which crops are best suited for each member's land and management style. They work cooperatively supporting each other with growing, harvesting and post harvesting handling and are innovative in their thinking. Growers in the Kamloops region should be encouraged to explore membership in this cooperative. http://www.naturallygrownherbs.com/index.html.

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[24] http://www.dpi.nsw.gov.au/__data/assets/pdf_file/0003/380784/Organic-spelt-production.pdf
http://www.agf.gov.bc.ca/busmgmt/budgets/budget_pdf/specialty_organic/transitional_organic_spelt.pdf

Another niche market opportunity that has been identified for Kamloops is parent seed production. Bayer CropScience has selected Kamloops to grow parent seed stock as the region supports crop production which can be undertaken on relatively small lots with controlled irrigation and growing conditions.

4.3 Linking New Farm Businesses to a Land Inventory

The Agricultural Land Reserve (ALR) plays a crucial role in the protection of land for agriculture in BC and any land use in the ALR must be consistent with the policies and regulations of the Agricultural Land Commission (ALC). Although farmers still consider the high price of land and the limited supply of suitable land as major constraints to local farm production, this project has identified some opportunities for new agricultural food production including the following:

- existing farms requiring break or rotational crops;
- vacant land associated with the Kamloops Regional Corrections Centre (KRCC) (either part of KRCC or adjoining crown land). KRCC requires a farmer to grow the crops and develop a program for locally grown produce to be integrated into the KRCC diet/menu;
- Skeetchestn, Adams River, and Tk'emlups Indian Bands have vacant ALR;
- aging farmers, particularly those without succession planning, have vacant and underdeveloped land;
- irrigated lands currently used for hay production could support a wide variety of food production.

One strategy to facilitate the expansion of agricultural production is to provide assistance to farmers with lease negotiations, succession planning and business planning. While the Ministry of Agriculture does offer assistance with these services, the need for more local specialized assistance has been recognized as a service that can also be supported by local government and agencies such as Community Futures. For example, an outcome of the Central Okanagan Regional District's (CORD) Agricultural Plan was the hiring of an Agricultural Support Officer tasked with the responsibility of "offering one-on-one support to agriculture-related businesses; providing responsive, focused assistance to the agricultural sector, and connecting businesses with promotion and marketing opportunities". The Agricultural Support Officer needs to have a thorough understanding of the agricultural land base, particularly in terms of vacant or underdeveloped land, and know who the older farmers are in order to connect them with new farmers. The Agricultural Support Officer is tasked with building strong relationships with local farmers, potential new farmers and the agencies that support farming. As an advocate for local farming and a contact point for specialized services, the Agricultural Support Officer can have an important role in strengthening the local farm sector and making more efficient use of the land base.

It is important to note that an Agricultural Support Officer is not intended to replace or compete with services provided by other agencies. For example, the BC Farm Business Advisory

Services Program (http://www.agf.gov.bc.ca/busmgmt/FB_Advisory_Services.html) is an important provincial resource for farmers, but currently is oversubscribed, and waiting for additional federal funding to come into effect April 2013. The provincial government launched Smart Farm BC (http://www.smartfarmbc.ca/) an online farm business management resource in fall 2012 to assist new, and current farmers in "taking stock" of their business management and helping them to determine what if any consulting services are needed. Smart Farm BC also serves as a conduit to the BC Farm Business Advisory Services. Qualified consultants can also be found through the Canadian Association of Farm Advisors (http://www.cafanet.com/Home.aspx). Currently there are none listed for the interior of the province. The Agricultural Support Officer, particularly one with local knowledge and expertise could serve as facilitator, connecting famers to the appropriate agency services and/or working to enhance these services on a local basis. The Agricultural Support Officer in CORD, for example, has the support of the Ministry of Agriculture and the two agencies work collaboratively.

Terms of Reference for an Agricultural Support Officer position in the Thompson Shuswap region could be as follows:

Agricultural Support Officer – Job Description Framework

Position Requirements:

- technically trained in the agricultural sector.
- familiar with regional agriculture including agricultural businesses and resources (including land).
- knowledge of the tools and techniques of business planning.
- understanding of the agricultural policy and agency structures that support agriculture.

Position Responsibilities:

Information and Contact on Agriculture

- provide resource for persons seeking agricultural opportunities in the region (e.g. access to land, farmer expertise, farm products).
- develop a mentorship program for new farmers.
- maintain awareness of current programs (e.g. Growing Forward 2).
- track case studies (e.g. new niche market ventures).
- conduct regional research activities (e.g. TRU and Grassland Applied Technology Centre).
- liaise with industry
- research exports.
- liaise with relevant agencies on resource allocation strategies for agriculture (e.g. water, energy).

Business Planning

- provide assistance accessing program funding.
- provide assistance with business planning for farm upgrade or feasibility projects.

Advocacy for Agriculture:

- help raise the profile and understanding of the role of agriculture in the region.
- represent regional agriculture on relevant regional committees (e.g. Venture Kamloops, Agriculture Advisory Committees).

Funding

The proposed position would have a wide ranging influence and it is proposed that funding could come from a variety of sources.

- local government
- regional government
- provincial government agencies
- other local agencies with a focus on economic development

A review of agricultural land in the region shows the existence of large tracks of class 1 to 3 farmland on undeveloped First Nations' land in river valleys with access to irrigation water. This undeveloped land has significant agricultural potential The FNAA is working with local Bands to increase local food production on suitable lands. The FNAA priority is to increase Band food production and increase their consumption of local food. Given the large size of the on-reserve vacant land inventory there is potential to meet this objective while also benefiting the broader agricultural sector. It is suggested that FNAA could take the lead in establishing a task force with representation from the local Bands, government and the farm sector to identify potential partnerships and initiatives to generate more agricultural production on lands with high agricultural value. The Osoyoos Indian Band (OIB) has successfully implemented a number of strategies to develop agriculture on their lands that could be potential models for local farm development. One of these strategies is the leasing of land for agricultural production which has resulted in direct benefits to the OIB through job creation, increased employment in the agriculture sector and in Band owned enterprises that use locally grown products. A good example of a successful enterprise is the Nk'Mip Cellars in Osoyoos which is North Americas first Aboriginally owned winery (http://www.nkmipcellars.com). In Kamloops, this model could be used to create a specialized potato processing enterprise by having FNAA work with Tk'emlúps Indian Band and local potato farmers to increase crop production to sufficient levels to support new farm and processing business. It should be noted that a provincial study of the potato industry identified the small scale of the province's potato farming sector as a barrier to future processing industries. Given this observation it is likely that a local potato processing enterprise would need to be a niche market product or able to produce product that compete competitively with the products produced in other regions such as Washington State (http://www.al.gov.bc.ca/potatoes/potatoe_profile.pdf).

A lack of capital is another challenge for farmers wishing to expand or enter the market. In some areas of the province the establishment of a local food micro-loan fund has been used to help farmers expand production. For example, FarmFolk CityFolk (FFCF), the Island Chef's Collaborative (ICC), and VanCity have partnered to offer zero interest micro loans to local food producers. The aim of the fund is to provide capital for farmers, fishers, ranchers, harvesters and processors to invest in equipment and materials that allows them to increase the supply of local food in their region. Together they have leveraged funds raised from their respective fundraising events (FFCF Metro Vancouver and Vancouver Island Feast of Fields, and the ICC Island Chefs' Food Fest) to administer a $250,000 capital pool, provided and managed by VanCity, for loans in Metro Vancouver, the Sunshine Coast, the Fraser Valley, Vancouver Island and the Gulf Islands. Loans are brought forward by FFCF and the ICC and awarded in amounts between $1000 to $10,000 for a maximum 24 month term. During the term of the loan, payments including interest (prime +4%) are made via a VanCity account. Once the loan is successfully repaid, the interest paid is rebated through a fund established by FFCF and the ICC.

Micro-Loan Requirements

- Open to farmers, fishers, ranchers, harvesters and processors.
- Open to individuals, businesses, cooperatives and organizations.
- Applicants must demonstrate how the funds will increase local food production.
- Funds must be used for equipment or materials; not for travel, education or wages.
- Must provide written quotes for materials.
- Must have been involved in either FFCF's Feast of Fields or the ICC's Island Chef Food Fest (or must commit to doing so during the time the loan remains unpaid).
- Must include a repayment plan.
- Must provide project information and images for use on funders' websites for program promotion.
- Open a VanCity Credit Union Branch account through which the loan and repayment will be administered.

Selection Criteria

- Impact on the supply of local food.
- Ability to repay the loan.
- Ability to create a greater impact on the local economy beyond the loan itself.
- Ability to fill an area of food production that is not currently being fulfilled.[25]

[25] http://www.farmfolkcityfolk.ca/projects/farm-projects/microloan/

In Thompson-Shuswap Chef-Farmer Collaborative is gaining strength and has started a similar grant program that is administered annually for new farmers. (http://tscfc.org/wp-content/uploads/2011/03/Collaborative-Microloan-Doc.pdf)

Community farmland trusts can be used as a tool to assist both retiring farmers and new farm start-ups. Land trusts have traditionally been geared towards the utilization of land for those who could not otherwise afford it through a lease or transfer to new farmers.

In a recent Abbotsford Study, it is argued that a BC Trust or Foundation should be established for large scale farmland trusts in the public interest. The trust would be developed so that a percentage of the billions of dollars of intergenerational wealth in the province could be put to good use as a support for "beginning" farmers and for innovation.[26] The mission of such a proposed Trust and Foundation would be to "bring to the public and private sectors one agenda for the preservation and conservation of valued settlement and natural assets of lands in BC".[27] Land or money that might flow under the agriculture umbrella could be used to support new farmers by allowing a land leasing arrangement and a stipend to get started. This process could begin with the leasing of existing crown land in the ALR. The ALR lands next to KRCC represent an ideal example of this opportunity.

This fund should also be available to people who have ideas about new projects or better ways to do something that might benefit agriculture. This could involve a variety of partners (private, non-profit and governmental) who might come together with a project. These funds would be targeted to people who are extending the business of agriculture through connecting it to other resource uses or business or entrepreneurial opportunities (www.agf.gov.bc.ca/polleg/quayle/stakes.htim).

4.4 Strengthening the Existing Decentralized Food Hub Network

As noted in Section 3.3 Summary, the Phase II research concluded that the Kamloops region is not currently ready for a centralized food hub but there are initiatives to strengthen the various existing food hub components and thereby develop and enhance a decentralized food hub network. Key components of this network are the outlets for retail sales such as the Heartland Quality Foods (Heartland) outlet and grocery stores that stock local food. Heartland was originally modeled to be a local farm product aggregator. Products were collected, stored and distributed through Heartland. Residents could get produce directly from Heartland facilities or via a food box program. This business model faced several challenges including the seasonal nature of produce and slim profit margins. Farmers priced their produce based on direct

[26] http://growingnewfarmers,org/uploads/Files/Access_to_Land_TNF_article.pdf
[27] For more information, see http://www/cedworks.com/files/pdf/free/P203FSS01.pdf *Concept Paper, Trust for BC Lands and Trust for the BC Lands Foundation, Draft Two*. 1994. Prepared by Tim Pringle for the Minister of Environment, Lands and Parks.

marketing prices (e.g. prices obtained at the Kamloops Farmers' Market) while Heartland needed to pay farmers lower or wholesale prices to allow for overhead. Over time Heartland canceled the food box program. It currently has limited retail sales of local produce and has become more involved in the sale of grass fed beef. Heartland has evolved with an innovative business strategy and there are reasons to build upon Heartland successes.

One option for Heartland is to expand into frozen products. Freezing provides farmers with new opportunities to make local foods available year-round. Heartland Quality Foods and FNAA have freezers and packaging equipment for their grass fed beef and packaged meal programs. Heartland staff has confirmed that they often have space available in their freezer that could be used to store other products. Given the availability of this infrastructure and their success with the grass fed beef program, Heartland could be a candidate to market new products such as frozen vegetables and fruit. A challenge for this operation would be their limited space for product handling and washing. Heartland would also need to identify markets for its products. In our Phase I research, the surveyed institutions reported using high volumes of frozen products, particularly potatoes, but in order to enter this market the produce would need to be unique and competitively priced.

Opportunities to strengthen a decentralized Food Hub:

- support existing food hub components (e.g. Heartland)
- support farm gate sales
- explore options for frozen produce
- monitor institutional opportunities
- protect water affordability
- support farmers market change
- support aggregators

The institutional market for frozen local food is attracting attention in many regions. For example, the Institute for Agriculture and Trade Policy (IATP) in Minneapolis has released research on innovative strategies for freezing locally and regionally grown produce for farm to school programs that could provide lessons for the Kamloops area. The IATP research illustrated the importance of focusing strategically on suitable crops, finished products that are tailored effectively to the marketplace and efficient processing methods. This research also showed that business models that rely solely on processing smaller quantities of seasonal product may struggle with cash-flow, but ventures that complement freezing with other types of processing activity are showing promise. The pairing of frozen beef products with fruits and vegetables at Heartland Quality Foods may be such a successful combination.

The IATP study showed that benefits for farmers selling to entities that will freeze their product, included reduced marketing requirements, the potential for sales contracts in advance of the growing season, repeat business, and a market for surplus produce and "seconds" that may otherwise be hard to sell. IATP concluded that freezing partnerships present a mixed picture and one that reflects the intertwined challenges and opportunities of food entrepreneurship.

(www.iatp.org).It will also be important for local farmers to watch the progress of changes in institutional markets. For example, the media has been reporting on a regular basis that hospital food is changing, with institutions focusing on improving food quality and integrating more local produce in their hospital menus. (http://www.theglobeandmail.com/news/british-columbia/a-true-medical-marvel-good-hospital-food/article6614376/, retrieved Dec 21, 2012). Our assessment of the local food hub infrastructure has indicated that we have limited capacity to serve this emerging market, however the farm sector is advised to seize this opportunity and take the initiative to work with potential institutional partners. With dedicated institutional markets, farmers may be more willing to grow more produce, and the demand for food hub infrastructure will also increase.

Other aspects of a decentralized food hub network that need to be supported in the community include farm gate sales, the farmers' market and on farm storage facilities. The project research has demonstrated the importance of direct marketing for the local farm industry. Direct marketing can take many forms from the U-Pick operation, Farmers' Market table, to the fruit or vegetable stand at the end of the driveway. In the South Okanagan for example, where fruit growers are constructing on-farm warehouse structures to meet their storage requirements, farm-gate sales have blossomed into small on-farm retail facilities within permanent buildings. Since these farms are generally located within the ALR, the ALC regulates these uses (storage and retail). Local government also has zoning regulations governing use, buildings, parking and signage. Given the importance of direct marketing to local farmers, it is recommended that local governments work with farmers and the ALC to ensure that the regulatory framework protects farmland but is also responsive to the farmers' direct marketing needs. Direct marketing may also be part of a tourism product (Section 5) and have specific land use and marketing needs that will also require specific policy recognition on farmland.

Water used for irrigation is a critical resource for area farmers and is an important aspect of a strong food hub network. Farm production in this region depends on irrigation that is provided via a municipal water system within the City of Kamloops service area; direct by farmers with independent systems and irrigation licenses; and as municipally operated systems (e.g. Noble Creek Irrigation Area system).

The City plays an important role in setting the price of water for many farmers. With the recent installation of water meters, farmers using City-supplied water may be faced with new financial burdens. The City should work with these farmers to support sustainable farming practices and ensure farm viability. There are several farms in Westsyde and Barnhartvale where the price of irrigation water will be an issue for farmers when metered billing starts in 2013. There is concern that domestically priced water will negatively impact the viability of small urban farms and discouraged the entry of new farmers. Given the limited number of urban farms in Kamloops, the City is encouraged to re-evaluate its pricing policy for water used for crop irrigation. As part of this discussion, it is also important to acknowledge that the City will need to carefully structure this policy to ensure it is supporting farm production and not just a farm lifestyle (e.g. farm sets on irrigated pastures). It may be necessary to work with the BC Assessment Authority to build the policy structure.

The Kamloops Farmers' Market also plays a vital role in the success of the decentralized food network. The recent reports on economic benefits of the Kamloops Farmers' Markets clearly point to the success of the venue. In a recent article in Country Life in BC (Dec 2012, `Social and Economic Value of Farmers' Market Charted in New Reports, Elizabeth Nolan) it is stated that $170.5 million dollars is generated across the province from farmers' markets based on direct sales and by the multiplier effect when market customers spend additional money at neighbouring businesses. For every dollar spent at a farmers' market another 50 cents goes back into the local economy. For example Salt Spring's July 18 2012 Tuesday market generated $638,000 between direct and spinoff sales. This total is nearly double the 2006 value, up from $15 per customer to $26 per customer in 2012. Other values for Kamloops Markets are highlighted in Section 2. As identified in Phase I, support to tackle some emerging issues would be beneficial for the Kamloops Farmers' Market. Upcoming issues include the following:

Emerging Issues for Farmers Market:

- extending the market season
- maximizing event character
- flexibility on farmers participation
- collaboration with other food hub activities
- consumer education

- supporting local farmers who may not be able to justify season long participation at the market
- extending the market season (e.g. temporary structures that can provide shelter in the shoulder season)
- maximizing the "event" character of the market (e.g. block closure for Wednesday market)

The food hub component analysis identified that there are no aggregators accessible to local farmers. An aggregator is a party that gathers and consolidates goods received from primary producers in a manner that facilitates business with larger wholesalers and distributors.

In addition to collection and redistribution, some aggregators also repack bulk goods into retail unit packs. Aggregators also handle quality assurance and assume liability. For example, an aggregator for Sysco sources, consolidates, and transports loads of products. The Sysco aggregator/distributor is especially needed to handle the collection and movement of products that are new, and potentially incongruent (i.e. unconventional packaging, quantities, etc.) with Sysco's systems. Ideally, the aggregator/distributor has established resources and demonstrated ability to aggregate products cost effectively and in a seamless way as demand for specific products ebbs, flows and evolves. The aggregator/distributor's support role is to provide timely delivery and quality maintenance of fresh products, as well as liability management across all the suppliers and products involved. A quality aggregator/distributor thus allows Sysco personnel to focus on the outbound side of increasing sales in the produce category.[28]

As indicated by the Sysco framework, aggregators are an essential component of the food hub network. Skilled aggregators do the sorting, grading and packaging leaving farmers to grow the produce and do what they do best. The Kamloops community is encouraged, through Venture Kamloops or Community Futures to support the creation of a skilled aggregator resource in the community. This task could be accomplished by either inviting skilled aggregators to the area or by developing this skillset within the community as a means of building the supply volumes desirable to distributors.

> Aggregators are an essential component of the food hub network.
>
> The region could benefit from having a skilled aggregator in the community to build the supply volumes needed by distributors.

[28] Wallace Centre Winrock International (2009) *SYSCO's Journey From Supply Chain To Value Chain*, accessed Dec. 15, 2012; www.wallacecentre.org

Section 5 Agri-Tourism Food Network Options

5.1 Issue Identification

This section explores opportunities to support growth and development of our existing farms and agri-food facilities by strengthening the way they do business. In previous sections it was noted that residents and visitors had a strong and growing interest in local food and they represent a potential market for local farmers. The agri-tourism market is successful in the Okanagan and Kamloops has similar potential. This section explores agri-tourism strategies that could provide a unique niche in the Kamloops market.

5.2 Agri-tourism Concepts

5.2.1 The Economusee Network Model

The economusee network concept is presented as an innovative agri-tourism strategy that could have application to Kamloops. In the Economusee food network individual agri-food businesses are supported through research, training, business development and marketing to expand their commercial food venture and agri-tourism opportunities. Such diversification can generate revenue to support farmers. Networks of this type also provide a venue for residents to get to know their agriculture community partners. These networks require working through a local association or non-profit organization to support the needs of the members. There is financial support for business and infrastructure development. A quality assurance program is required to ensure that there is a standard that all members benefit from by participating in the network. These networks are managed by a board and are eligible to receive outside funding from public and private sources.

The mission of the Economusee network (www.economusees.com), a non-profit society, in eastern Canada and northern Europe is to conserve, develop and present traditional trades or agri-food traditions in a distinctive manner and to set-up a network to provide the public with a high quality cultural tourism product. The network provides visitors in Quebec, Atlantic Canada, and northern Europe with an opportunity to visit sites that offer a living museum experience to discover a craft or trade, to experience a workshop, and to encounter a high quality product that has met stringent criteria. The Economusee concept requires all participating artisans to provide a reception/welcoming area, the traditional historic production area, a contemporary gallery, a workshop/demonstration kitchen, information and documentation area, and a retail/boutique area in their shop. Participating businesses must meet ten criteria for eligibility at outlined in Table 5.1.

Table 5.1: Economusee Eligibility Criteria

1. be a private business in operation for more than three years
2. use a traditional technique or know-how to craft one's products
3. make products of recognized quality
4. have the ability and desire to innovate in one's production
5. operate throughout the entire year and be open to the public for at least four month a year
6. generate a turnover of more than $75,000 a year
7. show keen interest in welcoming visitors
8. be located on or near a previously identified tourist route or tourist route under development
9. operate in buildings that have the required space for setting up a Economuseum and welcome visitors, or intend to acquire the required space
10. operate on a site and in buildings of high quality.

Source: www.economusees.com

The participating businesses are promoted through a network website (www.economusees.com) that has a strong, recognisable brand, through promotional brochures, the travel trade and the media. In 2012, there were a total of 60 Economusees scattered across rural regions of eastern Canada and northern Europe. In Quebec and Atlantic Canada, 36% of the participating businesses in the network are offering local agri-food products. In Canada, the network is supported through sponsorships from private corporations. In northern Europe the network is supported by government development agencies and innovation centres.

In Kamloops, the larger successful farm businesses use standard farm practices (e.g. mechanized production and processing) so it will be difficult for them to meet the Economusee eligibility criteria for "using a traditional technique or know-how to craft one's products". There are however businesses such as Blackwell Dairy that have a historical context that they could bring to an agri-tourism experience.

5.2.2 Annual Agri-Tourism Events

Another agri-tourism option is the Annual Farm Event where local producers are linked to a promotional and marketing campaign based on an annual event that increases awareness and knowledge of local agriculture and food production in the region. Members open their farms, ranches, wineries, and distilleries once a year to the public and also work through traditional distribution channels throughout the rest of the year. This option provides promotion and marketing support for local producers, and added revenue generation but does not necessarily expand business and infrastructure development for food production. Management of the event is through the local Chamber of Commerce with support from public and private organizations. Kamloops is developing this type of program including such events as the Farm at Tranquille on the Lake Fall Corn Maze and the Thistle Farm pumpkin tours, Christmas, fall harvest and symphony on the farm events.

Case Study: Pemberton Meadows Slow Food Cycle Sunday

The Pemberton Slow Food Cycle Sunday (www.slowfoodcyclesunday.com/) was founded in 2005. It is a 50k bike ride in rural BC through one of the most fertile areas of the province. The ride provides an opportunity to visit 14 farmers growing everything from potatoes to tomatoes to kale. The annual ride draws nearly 4,000 cyclists annually. Two Pemberton residents, concerned that irreplaceable farmland is under constant pressure from development, started the event. The bike ride is a way to inform people about the importance of farmland, to give townspeople an opportunity to spend the day in the country, and to give farmers and consumers a chance to connect. The event is inspired by the principles of Slow Food, a global grassroots organization with thousands of members around the world linking the pleasure of food with a commitment to community and the environment. The local Chamber of Commerce sponsors the event.

Case Study: The Hood River County Fruit Loop, Oregon, USA

The Hood River County Fruit Loop (www.hoodriverfruitloop.com/index.html) was organized in 1992 and printed its first touring map in 1993. The mission of the thirty farm members is to promote sustainable agricultural diversity in Hood River County through the promotion of products of Fruit Loop members via on-farm sales, organized retail opportunities, marketing and public relations campaigns, and educational forums that create public awareness to ensure the preservation of Hood River County's rich agricultural heritage. Membership includes a collection of farms, vineyards, wineries, and value-added agricultural businesses. Each member must meet specific criteria for membership, including cleanliness, accuracy of information presented to the public, and much more. Members function independently, with each member responsible for the event at their own location. The local Hood River Farmers Market and Fruit Loop map was first funded by Agricultural Development in the 1990s. Subsequent funding has come from the Hood River Chamber of Commerce Visitor Council. In 1995, the first ag-oriented event called Gravenstein Apple Days was organized, followed by

Cherry Days, Pear Days and Wine Celebration. Since that time, a series of agricultural related events are showcased annually.

5.2.3 Farm Tours

According to circlefarmtour.com "A Circle Farm Tour is basically a road map that directs you to a variety of specialty farm-gate vendors, open air markets, charming eateries, heritage sites, fairs, and other special events. There's a brochure and map for each participating community. The tours are self-guided, meaning that you travel in your own car, at your own pace, when it suits you. Each community brochure/map directs you to about twelve venues. All are related in some way to agriculture and the area's farming heritage. Depending on where you live, what your interests are, and how much time you have, you build your own itinerary for a day trip or full vacation. For each community, there's a list of special events, and accommodation options along the route.

Another example of successful agri-circle tours are BC Wineries. Individuals can navigate to all BC Wineries based on readily available brochures, maps and websites in all wine regions of the province. Because of the flow of alcohol on these tours, bus tours are recommended. There are commercial ventures that offer wine tour packages.

For the Kamloops region there is the Farm Fresh Guide published annually as a co-operative venture between the Kamloops Daily News and the BC Ministry of Agriculture. The guide lists farms and other agri-businesses interested in dealing directly with customers, the products and services available, contact information, along with local accommodation. Kamloops has also participated in the development of a Full Circle Farm Tour map that covers Kamloops, Vernon, and the Shuswap (http://www.tourismkamloops.com/UserFiles/Image/FinalGuide.pdf). Farms that are highlighted on the map include the following:

- Thistle Farm
- Three Bar Livestock
- Lone Tree Ranch
- Blackwell Dairy
- The Ranch
- Sun Rivers Organics
- The Farm at Tranquille on the Lake
- Suede Hills Organic Farms
- Kamloops Cattle Company and BBQ Experience

5.2.4 Food Networks

Researchers point out that the sustainable businesses of the future will need to function as part of a larger networked organization. This organization will function as an interdependent coalition of businesses with specialized skills, products and services that operate without hierarchical control. These businesses will agree to work together on projects of mutual interest and through trust and a shared value system, create a membership-based organizational structure that defines roles, responsibilities and quality assurance for participants. This type of opportunity network is recommended as the best choice for supporting the growth and expansion of the agri-food industry and commercial food production in Kamloops. Opportunity networks are organized around customer needs and market opportunities designed to support clusters of businesses providing specialist products and services[29].

Already there are a number of strong food network components in the Kamloops Region as presented in the discussion on local food facility/hub components (Section 3.2); key groups are the Kamloops Food Policy Council, FNAA, Thompson-Shuswap Farmer-Chef Collaborative and the Kamloops Regional Farmers' Market. There are opportunities for producers to intersect with the growing tourism industry and local residents while at the same time increasing their commercial food production but this will require expansion of some components of the food facility network. The next section reviews food facility network components with the objective of identifying and ranking market-ready conditions and operations. While the following lists identify specific business operations, the lists are not exhaustive. They are an initial list of partners to consider.

5.3 Tourism Market Readiness Assessment – Agri-Food Product/Service Elements

This section reviews regional agri-food operations to assess the market-readiness of this sector for tourism markets and products. The review is consistent with the seven agri-food sector components in Section 3.2. This structure reflects the focus of this project on farm produce and does not, therefore, address agri-tourism opportunities associated with the area's large ranching sector. The addition of new and existing agri-tourism businesses associated with the ranching industry could improve the region's tourism market-readiness as there are several existing packaged products such as Jana Dana Ranch, Dreamscape Ranch and Stump Lake Ranch. For each component from Section 3.2 there is a Network Overview, followed by a Market-Readiness Assessment. The market-readiness assessment is a scale of 1 (lowest potential) to 5 (highest potential) for marketable, packageable and quality experience (as discussed in Section 1.1). This is a high level assessment and was done without discussions with the listed operations. The objective is to indicate where tourism might benefit the agri-food sector and where further opportunities might exist. Clearly the decision to pursue any specific initiatives will be up to the identified businesses.

[29] Cooper, C. and Hall, C.M. (2008) *Contemporary Tourism: An International Approach.* Butterworth Heineman: London.

Table 5.1a – Network Overview: Handling, Grading and Packaging Network Components		
Operation Name	**Activity**	
	Status Quo	**Agri-Tourism Opportunity**
Blackwell Dairy	Fully mechanized dairy producing full range of milk products, grows hay and silage crops on-farm. On-farm tours upon request, supports annual 15km run in neighbourhood.	Potential for expanded onsite tours and services including annual events, retail, tasting and farm tours and historical experiences.
Gardengate	Certified organic farm and horticulture program. A training centre promoting healthy eating and active living for persons with mental health issues.	Potential for tours and onsite visits.
Heartland Quality Foods	Retail outlet, owned by First Nations Agriculture Authority and specializes in aboriginal agriculture products, particularly grass fed beef.	Potential to feature more aboriginal agriculture in the region through retail shop. Website with online store. Potential to expand processing and packaging of other local products.
Okanagan Grown – Dhaliwal Farm	Large farm growing potatoes and onions with on-site storage and packaging facilities. Tours upon request.	Potential for expanded onsite tours and services including annual events, retail, tasting and farm tours and experiences.
Sun Rivers Organics	Home based certified organic producer. No retail space or processing onsite. Products sold at Kamloops Regional Farmers' Market, local grocery stores and to TRU.	Potential development of farm gate sales and partnership for seasonal processing of farm products.

Table 5.1a – Network Overview: Handling, Grading and Packaging Network Components		
Operation Name	Activity	
	Status Quo	Agri-Tourism Opportunity
Thistle Farm	Home based certified organic producer with sales at the Kamloops Regional Farmers' Market, to TRU, and through a food box home delivery service. Well-developed website for promotion and marketing. Has numerous annual events, new outdoor assembly structure and commercial kitchen.	Support and expand existing agri-tourism activities at the farm. May have more farm gate retail sales.
Tranquille on the Lake	Tranquille on the Lake is a planned land development project that hopes to have a food production focus on remaining ALR lands. Currently there is some crop production, a seasonal market and some on-farm activities.	The planned development ultimately offers many opportunities but there is limited spare capacity at this time.

Table 5.1b - Market Readiness Assessment: Handling, Grading and Packaging Network Components					
Existing conditions: • Small local farms are meeting their needs on-farm. • There is some interest in expanding small farm production. • There are a few larger farms that have specialized on-farm facilities to meet their needs. • Evidence of new planned initiatives. • Some well-developed farm production with complimentary services.					
Rating (1 = low market-readiness/5 = high market-readiness):					
Marketable	1	Packageable	1	Quality Experience	1
Needs:					
• Only a few larger operations are well serviced in this regard • Smaller farms need supports to expand. • Need increased production to support more specialized handling, grading and packaging facilities. • Need to standardize produce and value added products for target markets.					

Table 5.2a – Network Overview: Commercial Storage, Cross-docking and Shipping Facilities in Network		
Operation	**Activity**	
	Status Quo	**Agri-Tourism Opportunity**
Grassland Applied Technology Centre	Focuses on research linked to water conveyance and water quality issues, grassland management issues, and general agricultural issues.	A number of buildings onsite that may have potential for development of storage/freezer storage for local agri-food industry.
1795 Kelly Douglas Road	Existing vacancy 8 to 10000 sq.ft.	Opportunity for the farming community to lease space. Potential for collaborative venture.
Sahali Mall	New winter farmer's market site.	Potential opportunities for storage/freezer storage linked to winter market in vacant mall space.
The Farm at Tranquille on the Lake	The Farm at Tranquille on the Lake is being planned to serve the new development in the area as a market center where urban food research, crop production, value added food production, and where culinary skills will be pursued and celebrated. Overall development still in preliminary stages.	Large development area with many buildings that have the potential to be converted for storage/freezer storage for the local agri-food industry.
Heartland Quality Foods	Builds relationships between food producers and consumers. Owned by First Nations Agriculture Authority and specializes in aboriginal agriculture products.	Cold storage facilities that support the retail space have some spare capacity.
Large Scale Farms	Large Scale farms such as Blackwell Dairy and Okanagan Grown (Dhaliwal Farms) have specialized cold storage facilities.	Opportunity for on-farm experience of the scale and nature of farm production. New on-farm cold storage facilities may be built to support local production.
Small Scale Farms	Individual farmers and ranchers have root cellars and other modest storage facilities.	Storage facilities support overall tourism experience related to small scale farm production.

Table 5.2b – Market-Readiness Assessment: Commercial Storage, Cross-docking and Shipping Facilities in Network					
Existing Successes:					
• Well-developed facilities supporting large farm operations. • Application of new technology (e.g. Blackwell Dairy) is marketable tourism product. • Individual smaller farm operations meet storage needs on small scale.					
Rating (1 = low market-readiness/5 = high market-readiness):					
Marketable	1	Packageable	1	Quality Experience	1
Needs :					
• To support expanded production, need a space conveniently located that can support local producers near markets and distributors. • Opportunity to link storage/cold storage to historic building in town and develop the site as an agri-tourism attraction. • Opportunity for more on-farm storage facilities to support production and expand on-farm experience.					

Table 5.3a – Network Overview: Commercial\Food Processing Facilities Network		
Operation	**Activity**	
	Status Quo	**Agri-Tourism Opportunity**
Crannóg Ale	Micro-brewery	Beer production. Potential agri-tourism development opportunity through onsite tours.
Harper's Trail Winery	First estate winery in Kamloops.	Wine production, no tasting room. Potential agri-tourism development opportunity with retail development onsite. Online sales through website and distribution to liquor stores in the region.
Heartland Quality Foods	Builds relationships between food producers and consumers. Retails some local produce but primary focus is frozen meat products. Owned by First Nations Agriculture Authority and specializes in aboriginal agriculture products	Supply a diverse range of locally produced foods. Opportunities to feature aboriginal agriculture in the region and through retail shop website with online store.
Blackwell Dairy	Fully mechanized dairy producing full range of milk products.	Fully developed facility of interest to residents and tourists. No direct retail sales on-site or organized facility tours.
Fresh is Best Salsa & Company	Commercial scale production facility for chips and salsa products with retail sales area.	Potential agri-tourism venue with ties to other facilities and local production.

Table 5.3b – Market-Readiness Assessment: Commercial Food Processing – Facilities in Network					
Existing Successes::					
• some large scale operators with recognized branded products.					
Rating (1 = low market-readiness/5 = high market-readiness):					
Marketable	2	Packageable	2	Quality Experience	2
Needs:					
• Needs structure to assist processors with strategies to connect into agri-tourism market including more on-farm facilities. • Local products could benefit from some standardized regional branding that would build shared identity for regional agri-tourism components. • Identify target markets. • Needs to link more venues to create product.					

Table 5.4a – Network Overview: Small Scale Local Food Processing in Commercial Kitchens		
Operation	**Activity**	
	Status Quo	**Agri-Tourism Opportunity**
The Farm at Tranquille on the Lake	The Farm at Tranquille on the Lake is being planned to serve planned development as a market center with urban food research, crop production, value added food production, culinary opportunities. Overall development still in preliminary stages	Many buildings that could accommodate processing opportunities but development still in preliminary stages.
Thompson Rivers University	Culinary Arts Program with Accolades Restaurant that specializes in fresh local foods.	Opportunity to use commercial kitchen to process more local food. Partner education and production as agri-tourism experience.
Sun Rivers Organics	Certified organic producer. Small amount of processing done in mobile kitchen.	Potential for small scale on-farm processing and retail. Continued presence at Kamloops Farmers' Market.
Thistle Farm	Organic farm specializing in delivering fresh organic vegetables. Food box home delivery, Christmas markets, tours, events and commercial kitchen under development.	Well-developed website for promotion and marketing. Development of a commercial kitchen in progress and annual tourism events hosted on-site.
Conscientious Catering Mobile Kitchen	Catering company specializing in local foods has mobile kitchen that is used by local farmers.	Opportunity for mobile operations to support local farm production and diversify farm products.

Table 5.4b – Market-Readiness Assessment: Small Scale Local Food Processing in Commercial Kitchens					
Existing Successes:					
• Kamloops Region has over 120 farmers and ranchers specializing in organic and natural farming within 150 kilometers of the city. • Food production, processing and commercial kitchens are limited in number but there is increasing interest in expanding processing/commercial kitchen capabilities. • TRU, Thistle Farms and The Farm at Tranquille on the Lake have all identified that they would like to expand facilities at their onsite locations within the next three years.					
Rating (1 = low market-readiness/5 = high market-readiness):					
Marketable	3	Packageable	3	Quality Experience	3
Needs:					
• Small-scale production onsite by farmers, ranchers and institutions is expanding and there is greater need in the near future. • Network would need to standardize value added products for target markets.					

Table 5.5a – Network Overview Direct Sales to Residents and Tourists		
Partner	**Activity**	
	Status Quo	**Agri-Tourism Opportunity**
Crannóg Ale	Certified organic micro-brewery. Tours upon request.	Potential agri-tourism development opportunity through expanded onsite tours and services.
Kamloops Regional Farmer's Market	Well-established farmer's market with stable number of producers and vendors offering fresh produce and local foods for sale in the summer months on Wednesdays and Saturdays.	Can accommodate more farmers. Has potential to expand services.
Harper's Trail Winery	First estate winery in Kamloops. Currently no tasting room. Online sales through website and distribution to liquor stores in the region.	Potential agri-tourism development opportunity with retail development onsite.
Heartland Quality Foods	Builds relationships between food producers and consumers. Owned by First Nations Agriculture Authority and specializes in aboriginal agriculture products.	Opportunities to feature more aboriginal agriculture in the region through retail shop. Opportunity to increase product line. Website with online store.
Terra Restaurant	Downtown Kamloops restaurant specializing in healthy meals using local seasonal ingredients.	Restaurant is building a loyal client base and is popular with Rocky Mountaineer guests. Actively involved in Thompson-Shuswap Chef-Farmer Collaborative.
Thistle Farm	Organic farm specializing in delivering fresh organic vegetables from our farm to your door. Food box home delivery, Christmas markets, farm tours, seasonal events and commercial kitchen under development. Participants in the Chef Farmer Collaborative.	Recent infrastructure upgrades onsite include new kitchen and covered event area. Onsite activities and events throughout the year attract residents and visitors interested in learning about, purchasing, and sampling local food.

Table 5.5a – Network Overview Direct Sales to Residents and Tourists		
Partner	**Activity**	
	Status Quo	**Agri-Tourism Opportunity**
Thompson Rivers University	Culinary Arts Programme and Retail Meat Store	The Accolades Dining Room and the Cafeteria provide opportunities for retail sales on campus linked to the culinary arts training facility. A new production kitchen and bistro with aboriginal foods is planned for future development onsite. The retail meat shop on campus provides a variety of meat products from local farms and ranches.
Tranquille on the Lake	Tranquille on the Lake is being planned to serve the new development in the area as a market center where urban food research, crop production, value added food production, and where culinary skills will be pursued and celebrated.	Chef direct program, farmer's market, farm and events offer numerous opportunities for agri-tourism activities. Well-developed website with online e-newsletter, social media.

Table 5.5b - Market-Readiness Assessment: Direct Sales Residents and Tourists					
Existing Successes:					
• The retail facilities in the Kamloops Region specializing in local produce, food for purchase are experiencing consistent market growth. • The Kamloops Regional Farmers' Market, Terra Restaurant, TRU, Tranquille on the Lake are all performing well with opportunity for expansion.					
Rating (1 = low market-readiness/5 = high market-readiness):					
Marketable	2	Packageable	2	Quality Experience	2
Needs:					
• Need for more coordinated marketing and business support. • Local branding could better connect elements. • Recognition and support for importance of Kamloops Farmers' Market. • Business development. • Policy support for agri-tourism facilities.					

Table 5.6a – Network Overview: Direct Sales – Institutions		
Operation	**Activity**	
	Status Quo	**Agri-Tourism Opportunity**
Thompson Rivers University	Culinary Arts Program and Retail Meat Store – see full discussion in Phase I Report.	Potential agri-tourism development opportunity through marketing of Accolades restaurant and micro-processing in commercial kitchen. Combine experiences with educational tours and services.
Interior Health Authority	Support of local food initiatives but remains dependent on existing large scale purchasing structures.	Institutional purchasing will bolster local farm production.

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Table 5.6b - Market-Readiness Assessment: Direct Sales Institutions					
Existing Successes:					
• Local food used in the menu at TRU Accolades Restaurant.					
Rating (1 = low market-readiness/5 = high market-readiness):					
Marketable	2	Packageable	2	Quality Experience	2
Needs:					
• Financing to support infrastructure development, small-scale value added agri-food development and marketing efforts. • More promotion and branding of Accolades Restaurant. • Local produce processed in TRU kitchen.					

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Table 5.7a – Network Overview Education and Research		
Operation	**Activity**	
	Status Quo	**Agri-Tourism Opportunity**
Grassland Applied Technology Centre	Focuses on research linked to water conveyance and water quality issues, grassland management issues, and general agricultural issues Government agency that has have expressed interest in partnership with TRU Research and with other agricultural businesses to support research.	Potential to develop demonstration site for visitors on water quantity, quality the importance of grassland.
Thompson Rivers University	A provincially funded University involved in research linked to taste, urban agriculture, retail meat, grasslands research and agri-tourism	Various faculty expressed interest in supporting agri-food research needs in the Kamloops Region from the Science Department and the Faculty of Adventure, Culinary Arts & Tourism.

Table 5.7a – Network Overview Education and Research		
Operation	Activity	
	Status Quo	Agri-Tourism Opportunity
The Farm at Tranquille on the Lake	The Farm at Tranquille on the Lake is being planned to serve planned development as a market center with urban food research, crop production, value added food production, culinary opportunities. Overall development still in preliminary stages	Potential to support public research efforts.

Table 5.7b -Market-Readiness Assessment: Research and Education					
Existing Successes:					
• Federal Grassland Applied Technology Centre located in Kamloops. • Local University has strong interest in sustainability, local food and culinary education.					
Rating (1 = low market-readiness/5 = high market-readiness):					
Marketable	2	Packageable	2	Quality Experience	2
Needs:					
• Increase connection of Grassland Applied Technology Centre and Local Food. • Develop more local partnerships at TRU.					

Tables 5.1a to 5.7b present a picture of an agri-food network that has significant gaps but also huge potential to develop agri-tourism products. While the market-readiness assessments were typically 2-3 on a scale of 1-5, showing relatively low market-readiness potential, there are highlights in the network that show tremendous opportunity and high market-readiness potential. In particular, the region's larger operations (e.g. Blackwell Dairy, Desert Hills Ranch and Dhaliwal Farms) meet many of the criteria for a destination farm while the Kamloops Regional Farmers' Market, TRU and the Grassland Applied Technology Centre present unique and highly successful operations that can become the cornerstones of a future network. As well new

initiatives such as The Farm at Tranquille on the Lake could become network components that would allow the region to stand out with the delivery of a unique agri-tourism product.

5.4 Next Steps

The agri-tourism potential for Kamloops has not yet been fully realized but there is tremendous potential, including:

- development of structure for industry advocacy, funding and leadership;
- a promotions/marketing plan for food network components;
- development of a regional agri-tourism network structure to support local operations;
- regulatory support for agri-tourism development opportunities.

5.4.1 Agri-tourism Advocacy, Leadership and Funding

The regional agri-tourism industry is still in its infancy with limited champions who are able to nurture and assist local farmers and other network businesses with their development plans. Venture Kamloops and Tourism Kamloops include agri-tourism within their broad mandates however a local champion would be able to provide more energy to the implementation of agri-specific initiatives outlined in this report. A local champion could be one of the following:

- agri-specialized staff at Venture Kamloops or Tourism Kamloops;
- a Task Force/Advisory Group of interested stakeholders;
- Venture Kamloops and/or Tourism Kamloops Director position reserved for an agri-food industry representative;
- an Agricultural Support Officer position as discussed in Section 4.

In order to operationalize the network, core funding is required to support the outputs and key objectives of the Kamloops Agri-tourism Network. There are a number of potential sources of funding from federal and provincial programs. The Western Diversification Program (WDP) provides an opportunity for supporting projects such as the agri-tourism network proposed for Kamloops. Projects funded under this program must tangibly demonstrate 'economic' deliverables (i.e., increased business sector sales, business growth, job creation, increased export revenues) that directly result from project activities. WDP does not fund studies but are more focused on supporting the implementation of plan elements directly with or in the business community. Support can include capital investments that are priority needs to a given business sector that demonstrate commercial viability, to grow/enhance productivity, diversification and prosperity. WDP support relating to the tourism sector is currently directed towards projects that clearly identify foreign tourists as the target of funded initiatives and the investment dollars they bring as a result of the project. (http://www.wd.gc.ca/eng/home.asp)

The Southern Interior Beetle Action Coalition (SIBAC) is committed to helping communities understand the probable effects of the mountain pine beetle epidemic and to develop and implement appropriate mitigation measures in the southern interior of BC. In April 2011, SIBAC received from the province funding of $1 million per year for each of the next three years to support the continued efforts of SIBAC to implement projects to reduce the impact of the mountain pine beetle epidemic. In 2011, 20 projects totalling $404, 868.00 were approved with a total value of approximately $2.3 million. The project criteria require demonstration of partnership participation, project sustainability, reach of project, regional inclusion, expert involvement, and timing of the project. (http://www.sibacs.com/)

Both of these funding agencies provide opportunities for securing core funding to support the implementation of the Kamloops Agri-tourism Network outputs and key objectives.

5.4.2 Promotion/Marketing Plan

A preliminary marketing plan for the regional agri-food production network is important to develop a unique brand and image for the region. Initial tasks would require identification of the regional brand and establishing network membership. The following membership criteria are provided as a basis for discussion:

- Knowledgable and a leader in the agri-food industry in the Thompson-Shuswap Region
- Business offers products for wholesalers, residents and visitors
- Senior manager/owner participates
- Business has year round accessibility
- Business has participated in a training/professional development course linked to agri-tourism industry
- In business for over 5 years
- Business meets all regulatory requirements
- Business abides by environmental standards
- Business promotes sustainable practices.
- Current members must agree to addition of new members.

Once the network membership is finalised, the promotion/marketing plan can be developed to include the following elements:

- Development of a portal website that is optimized.
- Links to social media – Facebook, Twitter, blog, online retail store capability
- Domain name for the network.
- A network logo/brand and touring route for residents and visitors.
- Potential target markets to be finalized – Regional BC/Alberta as primary target markets.
- Development of product development packages for target markets.
- Social media and print collateral to drive clients to website.
- Media program with identification of travel writers to document agri-tourism development
- Travel trade program in partnership with regional and provincial partners.

5.4.3 Establishing a Regional Agri-Tourism Framework

There are several farm opportunities in the Kamloops region that have many of the key elements for a destination tourism experience. Blackwell Dairy, Crannóg Ale, Desert Hills Ranch, Thistle Farm and Dhaliwal Farms stand out as operations with high market-readiness however, some of these operations may not be interested in pursuing new initiatives. As part of this growing agri-tourism network, Tourism Kamloops has launched the year round Full Circle Farm Tour brochure, providing opportunities for visitors to visit local farms, see firsthand how food is produced, learn about what farmers do, and why. This growing network provides an opportunity for the region's farmers and agri-food producers to develop, in partnership, quality agri-food products and services aimed at the resident and visitor markets.

The management/organisational structure of an agri-tourism network would require the establishment of a not-for-profit society or cooperative. The network would be comprised of a number of market ready businesses that would identify a key mission and list of business objectives. This society/cooperative would be comprised of committed businesses interested in working together. The network would hire a programme officer responsible for coordinating product development and marketing activities. The Thompson-Shuswap Chef-Farmer Collaborative (TSCFC) has identified an interest in supporting these activities through its membership. There is therefore a potential opportunity to have this new network exist within the structure of the TSCFC. The following are suggested as key elements of a strategic plan for the proposed agri-tourism network for consideration by interested businesses:

Draft Kamloops Agritourism Network Vision

The Kamloops Agritourism Network is a diverse group of businesses, farmers, and ranchers, all with established, high quality agri-food products and services, who recognize and promote the region's unique agricultural assets and strive to enhance the Kamloops region as a thriving agri-rood business centre and agri-tourism destination.

Draft Kamloops Agritourism Network Mission

The mission of the Kamloops Agritourism Network is to collaborate to increase market share for its members through marketing, packaging, and educational programs to promote sustainability for agri-food businesses in the Kamloops region.

Draft Kamloops Agritourism Network Outputs/Key Objectives

The outputs and key objectives of the network will be to:

- Create marketplace awareness of the network
- Link to national, provincial and regional cooperative marketing efforts
- Develop business to business relationships
- Access new markets as part of a larger product offer
- Include wholesale partners in the network

- Develop a website and a touring route for residents and visitors
- Identify brand recognition for the network
- Offer professional training opportunities
- Encourage market readiness
- Develop experience based products
- Promote sustainability (code of ethics/sustainable tourism practices).
- Research and understand agri-tourism market characteristics
- Strengthen Kamloops region's agri-tourism product/integrate agricultural assets into new packaging
- Build partnerships with Tourism Kamloops and Thompson Okanagan Tourism Association (TOTA)
- Identify priorities to promote best practice and small business development.
- Develop a work plan for the duration of the project that is agreed to by all members.

5.4.4 Regulatory Support for Agri-Tourism

Many of the regional agri-tourism initiatives will be on existing farms that are located on land in the ALR and subject to ALR and local government regulations and policies. The ALR regulations recognize agri-tourism opportunities but these uses are carefully managed to ensure agri-tourism does not negatively impact agricultural use. For example:

The Agricultural Land Reserve Use, Subdivision and Procedure Regulation (BC Reg. 171/2002), the "Regulation", addresses agri-tourism as follows:

> Section 2 (2) (e) and Section 1 (1) recognize agri-tourism use as a permitted farm use as follows:
>
> (e) agri-tourism activities, other than accommodation, [is permitted[on land that is classified as a farm under the Assessment Act, if the use is temporary and seasonal, and promotes or markets farm products grown, raised or processed on the farm.
>
> Section 3 (1) "addresses agri-tourism accommodation unless otherwise prohibited by a local government bylaw, as follows:
>
> (a) accommodation for agri-tourism on a farm if
> (i) all or part of the parcel on which the accommodation is located is classified as a farm under the Assessment Act,
> (ii) the accommodation is limited to 10 sleeping units in total of seasonal campsites, seasonal cabins or short term use of bedrooms including bed and breakfast bedrooms under paragraph (d), and
> (iii) the total developed area for buildings, landscaping and access for the accommodation is less than 5% of the parcel;

Section 2 (2) permits farm retain sales unless otherwise regulated by any local government if:

(a) farm retail sales if
  (i) all of the farm product offered for sale is produced on the farm on which the retail sales are taking place, or
  (ii) at least 50% of the retail sales area is limited to the sale of farm products produced on the farm on which the retail sales are taking place and the total area, both indoors and outdoors, used for the retail sales of all products does not exceed 300 m^2;

The ALR regulations are designed to support agri-tourism initiatives while minimizing impacts on agricultural land and supporting the long-term viability of farm operations. Generally, the window that is opened in the ALR for agri-tourism initiatives is for small retail operations (<300m^2) with a maximum of 10 accommodation units under specific conditions; and other activities with limited or temporary building or structural footprints.

Local government bylaws may further restrict development agri-tourism initiatives. For example, Kamloops only permits a single residential building on a farm site and the "agricultural use" definition excludes "the retail sale of garden or nursery stock". In Kamloops, farmers are required to apply for a site specific rezoning to permit agri-tourism uses unless there is a very broad interpretation of "the agricultural use" definition.

In the review of the tourism network we have noted:

- the area needs more product (venues).
- the spectacular geographic context of regional farms can be competitively branded and marketed as a unique agri-tourism product (e.g. Blackwell Dairy on the river bench lands; accommodation as part of riverfront and valley farms; the open ranchland/cattle farm experience).
- there are several local operations that have components of successful agri-tourism products but the experience could be enhanced with additional elements such as food, retail, accommodation and educational venues.
- ALR and local regulations may represent a barrier to new agri-tourism initiatives. It is recommended that local government bylaws be reviewed to support agri-tourism opportunities consistent with the ALR. In particular, the following topics should be considered.
  - retail sales to a maximum floor space of 300m^2
  - on-farm food services as part of retail sales and agri-tourism experiences
  - on-site storage
  - agri-tourism accommodation units

There are many planning considerations that should be addressed when assessing agri-tourism opportunities. These include:

- protection of land with high value for agriculture.
- minimizing impacts on neighbouring properties (e.g. noise, trespass, traffic).
- demonstration of sustainability.
- concentration or clustering of development infrastructure to minimize impacts (e.g. next to a designated home plate foot print).
- enhancing and complimenting farm operations.
- providing a niche product.
- contributing to the success of the larger agri-food network.
- maintaining the integrity and continuity of farm/field operations.

An agri-plex (e.g. facility for Fall Fair and other agricultural events), can also contribute to the region's agri-tourism network. While agri-plex services are not within the scope of this project, agri-tourism services have been raised as a topic of discussion. In Kamloops, the Kamloops Exhibition Association (KXA) has traditionally supported agri-plex activities but a shift in focus caused some activities to search for a new location. The Provincial Winter Fair, for example, moved from the KXA to Barriere in 2011. An agri-plex, like a food hub, is a significant capital investment and the community has been unable to secure development plans for a new facility. However, the community should continue to recognize the important role an agri-plex can have for agri-tourism and farmers. Opportunities such as making land available at minimal or no cost for a future facility should be considered. The contaminated soils at Rayleigh represent a potential opportunity for an agri-plex that could complement other existing recreation uses at the site.

Section 6 Summary and Recommendations

This section highlights topics as key learning points from this project and items for further action.

6.1 Support for Phase 1 Results

The results from Phase I as documented in the Phase I report have been supported in Phase II, particularly with respect to the continued importance of direct marketing opportunities and the need for local food policies.

6.1.1 Direct Marketing

The importance of direct marketing to the regional agricultural sector has been demonstrated throughout this project. Direct marketing through such venues as farmers' markets and farm gate sales will continue to be essential to farm success unless farmers are able to transition to large scale production and are recognized by the aggregators. Owing to the importance of farmers' markets the region should work with market organizations to ensure responsiveness to changing economic, social and environmental conditions. Key areas of focus are as follows:

- the location, timing and scheduling of markets
- consumer education on the role of local food
- strategies to stimulate more local food production and market participation by producers of diverse products
- feasibility of year round markets
- potential combination of markets with other food hub activities (e.g. product aggregation, sorting, storage, processing)
- attracting new (and younger farmers)

6.1.2 Food Policy

The importance of local food policies has been demonstrated through all phases of this project. When large institutions like hospitals, municipalities and universities introduce purchasing policies requiring a percentage of local produce their actions are a significant catalyst for change in the distribution system. There are many examples of policy success stories and these successes are occurring on many levels, not just at the large scale institutional level. Some observations on the difference levels where policy could produce change are as follows:

- regional companies and agencies, although small players in the local food chain, could lead by example with a policy committing to a percentage content (e.g. 90%) of local food to demonstrate their commitment to change.
- regional municipalities could adopt percentage local food content policies at their venues as an expression of support for change.

- in a limited capacity local institutions have demonstrated that policy is an effective driver for change. The 'food-to-cafeteria movement' and the hospital 'food revolt' may help to accelerate policy change.
- policies can bring local food production activities into programming through the supported activities such as school gardens and the inmate gardens at the Kamloops Regional Corrections facility.
- Policies should recognize the potential to reduce carbon emissions associated with food supply connecting near market food production and purchasing.

6.2 Water for Agriculture

It is recommended that an irrigation or agricultural advisory group be established with an objective of supporting the protection of water for agriculture. Potential topics of interest could include the following:

- Understanding new provincial water licensing and permitting initiatives and their impact on agriculture.
- Collecting and disseminating research and other information to farmers on such topics as water conservation, water supply, funding opportunities, working with agencies (e.g. local governments) to provide fair and affordable water service delivery.
- Advocating new research on water supply and water system planning, service delivery and management.

6.3 Niche Markets

This study has identified an agricultural region that has few large scale farm operations and many small scale producers. The large scale producers are successfully positioned in wholesale markets while most of the smaller operators rely on direct markets. There are future opportunities to tap into both the larger wholesale markets and local markets via direct sales but the greatest opportunities rest with farmers who can successfully develop a specialized niche market product. Niche markets (both large and small scale) that have been discussed in this report include the following:

- specialized grains and a supportive grain CSA
- parent seed production
- herbs
- niche products to support existing farm businesses (e.g. specialized or organic hay and grains for sport horse industry or organic farming)
- expansion of potato production and processing

6.4 First Nations Collaboration

The research process has identified that local First Nations people hold significant land resources that have great potential for agriculture. As well, associations like FNAA operate key components of the local food network (Heartland Quality Foods) and can play a significant future role in the development and enhancement of agri-food network components. We recognize that future decisions regarding the use of these operations and resources rest with the Secwepemc people. However, this report has identified opportunities for potential consideration and collaboration including:

- expansion of crop land.
- development of niche market processing facilities (e.g. specialized potato or garlic products).
- expansion of Heartland Quality Foods marketing of frozen produce items.
- linking new niche items and/or high volume items through to local institutional markets.

6.5 Agri-Tourism Network

The region has opportunities for continued expansion of the agri-tourism market and there is potential for a successful and unique regionally branded product that promotes diverse quality experiences. The growth of an agri-tourism network directly benefits the tourism economy and the local agricultural operations as they diversify and strengthen their businesses.

To strengthen the agri-tourism network it is recommended that steps be taken to:

- support agri-tourism industry advocacy, funding and leadership.
- develop a marketing/promotions plan for the regional agri-tourism network.
- develop an agri-tourism network structure to support local operations.
- ensure regulatory support for agri-tourism development.

6.6 Supportive Policy and Regulatory Structure

It has been noted throughout the research process that regional agricultural benefits from and is supported by ALR and local government regulations. Agricultural plans have an important role in ensuring improved conditions for agriculture. Agricultural plans can protect the land base while also supporting new trends in agriculture. Some of the new trends that have been identified that should be addressed through Agricultural plans, policies and regulations include the following:

- growth in agri-tourism consistent with the ALR regulations (e.g. retail sales, restaurants, accommodations, farm tours, farm museums, farm experiences).

- need for on-farm storage, aggregation, packing and shipping and farm help accommodation facilities given the lack of commercial facilities in the region, particularly for large scale operators.
- dependency of small farm operators on direct-farm sales may lead to innovative requests for farm gate sales venues.

6.7 Supporting Farmers

The project has identified a regional farm structure consisting of a few large producers in wholesale marketing chains and a network of small producers primarily relying on direct-marketing. While there were opportunities for market expansion (e.g. willing institutional purchasers – Phase I) there was a shortage of product and a need for specialized quality niche products. We have also noted that the success of farmers (both large and small scale) depends on their own resources as regional farmers have limited access to agri-food network components such as commercial facilities for processing, handling, storage, shipping or packaging. Given these gaps and challenges (and others listed in Table 5.2) it is suggested that regional farm industry expansion is unlikely without both direct and indirect support to farmers. Direct initiatives suggested in this report include the hiring of an Agricultural Support Officer to work with local farmers while indirect strategies include education on local food and the adoption of policies requiring a percentage content of local food purchasing. A job description framework for an Agricultural Support Offices Position is provided in Section 4.3.

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