

*Local Food – A Rural Opportunity*



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## **EXECUTIVE SUMMARY**

This research provides a literature-review-based overview of the emergence of modern local food systems, and the associated benefits. The report also reviews initiatives in Canada and other countries and looks at the barriers to developing of localized food systems. Finally, the report looks at potential strategies to develop a local food system and what role government might play.

Over the last 60 years, Canada's overall food system has become more geared to large-scale systems of production, distribution and retail. There is now a growing interest in the production, processing, and buying of local food. New "local food systems" are being set up to organize the various components that will meet the needs of all the stakeholders in the community or region.

Farmers markets have been working since pre-industrial times and have gained increased interest in the production, processing, and buying of local food. Local foods systems provide several advantages over conventional and global markets including socio-economic and environmental benefits. Buying locally strengthens regional economies, supports family farms, provides delicious, "fresh-from-the-field" foods for consumers, preserves the local landscape, and fosters a sense of community.

Farmers' Markets, Community Supported Agriculture, Local Food within Grocery Stores and Food Co-ops are among some of successful initiatives of Canada. Other similar initiatives include restaurant and chef initiatives, culinary tourism and regional cuisine initiatives, food security or policy groups, food box programs (door to door delivery) and regional value chains.

Local food systems have been implemented successfully in other countries around the globe. USA's Food and Nutrition programs, "Know Your Farmer, Know Your Food" initiative, The Farm-to-School and Farm-to-Institutions are good examples of local food systems. The similar programs in the UK include Food for Life partnership, Making Local Food Work, Office-based buying groups, Look for Local Food, Local food initiative and New Community Shops Network.

There are a number of barriers to the development of localized food systems. These include lack of financing, a limited growing season and a lack local processing infrastructure. In addition, the people working on developing local food systems are fewer and far between. More important perhaps are the lack of information on the consumer and the social and environmental consequences of the conventional food system.

Potential strategies to develop a local food system include promotional programs focused on local consumers, institutional purchasing programs that create direct links between local growers and local institutions, low interest small loan programs for young farmers. Establishing a cost share program may also help farmers transition to local food production. Other important steps include increased processing capacity, increased market access,

improved links between local producers and area distributors, increased private sector involvement and improved agriculture education, etc.

Governments can play a very important role in the development of local food systems by providing system-wide support for food grown using sustainable methods and appropriate technology for small-scale farms, improving labeling laws and supporting research and extension programs to disseminate information and research findings. Outdated municipal bylaws may also stand in the way of urban agriculture. There is a need to make planning for food part of the municipal planning process.

## 1. INTRODUCTION

Rural economy is depending more and more on the use of local assets and the ability to offer unique products or services matched to regional assets<sup>1</sup>. There are growing opportunities in both foods that have a regional appellation and in the production of food for local consumption. The first provides an opportunity to market a region's food products to a global audience, while the latter connects local farmers to the community in which they reside. Both provide an opportunity for increased value-added and can increase farm viability. Shorter, more localized food supply chains have been proposed as a vehicle for sustainable development<sup>2</sup>.

In the last few years there has been not only a multiplication of studies and position papers on local food by non-governmental organizations (NGOs) and different networks, but also a growing interest by the public sector for local food, such as the 'buy local' campaigns and labels in many Canadian provinces and territories. Over the last 60 years, Canada's overall food system has become more geared to large-scale systems of production, distribution and retail. There is now a growing interest in the production, processing, and buying of local food. New "local food systems" are being set up to organize the various components that will meet the needs of all the stakeholders in the community or region.

The Soil Association defines a sustainable local food economy as “*a system of producing, processing, and trading, primarily of organic and sustainable forms of food production, where the physical and economic activity is largely contained and controlled within the locality or region where it was produced, which delivers health, economic, environmental and social benefits to the communities in those areas*”.<sup>3</sup>

## 2. SCOPE OF RESEARCH

Local food production is being promoted as a potential opportunity for rural development. This research provides literature-review-based overview of the current understanding of local food systems, brief history of local food systems, impacts and benefits of local food, options for local food systems, initiatives of Canada and other countries and the barriers to the development of localized food systems. It also provides some potential approaches, ideas and strategies to establish a local food industry.

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<sup>1</sup> OECD 7th Annual Rural Development Conference “Developing rural policies to meet the needs of a changing world” 13-15 OCTOBER, 2009 Québec City Convention Centre QUÉBEC, CANADA

<sup>2</sup> Lyson 2004; Halweil & Worldwatch Institute 2002; Rosset & Land Research Action Network. 2006; Desmarais 2007; Vía Campesina n.d.

<sup>3</sup> FLAIR, 2002, *The Local Food Sector: Its Size and Potential*. Food and Local Agriculture Information Resource FLAIR: UK)

### 3. BACKGROUND

#### Defining 'Local'

The term 'local' is still contested and its definition varies from one local market development organization to the next. Literally, the term 'local' indicates a relation to a particular place, a geographic entity. A report by Agriculture and Agri-Food Canada<sup>4</sup> distinguishes four ways of delimiting a 'local' area:

*Geographic distance:* calculated in units of distance, usually with a defined maximum distance but in some cases a minimum distance;

*Temporal distance:* calculated in units of time, e.g. the food can be trucked to the point of consumption in 24 hours or less;

*Political and administrative boundaries:* based on municipal, regional, or national borders; and

*Bio-regions:* natural boundaries of an ecosystem. Such proximity criteria can often be arbitrary. While Smith & MacKinnon<sup>5</sup> popularized the idea of the '100-mile diet,' the geographical limits set by various initiatives are quite diverse: 74km in Iowa, 250km in Washington D.C<sup>6</sup>, 30-40 miles in most of the UK, and 100 miles in London<sup>7</sup>. This is even more explicit in Friends of the Earth UK's definition<sup>8</sup> which stipulates that local food should deliver:

- economic welfare benefits to producers and local communities;
- food security (feeding the 'food deserts') and health benefits ('fresh food');
- environmental benefits through diversification of agriculture;
- environmental and health benefits by minimizing the carbon footprint;
- environmental and health benefits through sustainable farming practices; and
- social benefits through closer contact between producers, consumers, and the land.

According to the definition of U.S. Congress (2008<sup>9</sup>) the total distance that a product can be transported and still be considered a "locally or regionally produced agricultural food product" is less than 400 miles from its origin, or within the State in which it is produced.

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<sup>4</sup> Chinnakonda & Telford 2007

<sup>5</sup> Smith & MacKinnon (2007)

<sup>6</sup> Halweil & Worldwatch Institute 2002: 11, 19

<sup>7</sup> La Trobe & Friends of the Earth 2002:16

<sup>8</sup> La Trobe & Friends of the Earth 2002: 13

<sup>9</sup> U.S. Congress in the 2008 Food, Conservation, and Energy Act (2008 Farm Act)

#### 4. EMERGENCE OF LOCAL FOOD SYSTEMS (LFS)

Direct selling through local markets is not a new concept. Farmers' markets have been around since pre-industrial times when they were the primary source of income for farmers selling excess produce, and in many rural areas across the globe they have retained this function<sup>10</sup>. However, those markets virtually disappeared in Northern countries during the 20<sup>th</sup> century due to urbanization and intensive farming. With the advent of hydroponics, new refrigeration equipment, and the spread of supermarkets, seasonality ceased to become a factor in people's diets as it became possible to ship food across the globe in record time. However, as concerns about health and the loss of tradition and culture began to take hold in post-modern society, farmers' markets and other mechanisms intended to re-connect urban consumers with the land have grown in popularity.

The modern movement for LFS as an alternative to the conventional agricultural system started in Japan in the 1970s with the *teikei*, which means 'putting the producer's face on the product'<sup>11</sup>. The *teikei* were organized around consumer cooperatives, whose members would link up with producers and even helped with the work on the farm. Similar innovations in alternative marketing soon appeared in several European countries, including Switzerland, whose communitarian farming model was eventually exported to the state of Massachusetts in the US in 1985 to become 'community supported agriculture' or CSA<sup>12</sup>.

A similar model was also adopted in Québec by Équiterre in 1995 where consumers, organized into groups, pay up front at the beginning of the season and receive deliveries of food baskets each week, thereby sharing the risk inherent in agricultural production<sup>13</sup>. France jumped into the fray in 2001 as 'Associations pour le maintien de l'agriculture paysanne'<sup>14</sup> in the province of Toulon<sup>15</sup>. These initiatives are based on a 'direct' link between the producers and the consumers, and various related initiatives emerged around these projects, such as institutional purchasing, farmers' markets, and others.

#### 5. THE BENEFITS OF LFS

LFS offer three broad categories of benefits:

- environmental benefits through more sustainable production systems and reduced transport externalities;
- economic benefits through greater incomes for farmers and more financial contributions to local economies;
- social benefits through greater trust and connectedness between and within consumers and producer groups.

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<sup>10</sup> Sanderson et al. 2005: 2

<sup>11</sup> Mundler 2007: 2

<sup>12</sup> Mundler 2007; Groh & McFadden 1997

<sup>13</sup> see [www.equiterre.org](http://www.equiterre.org)

<sup>14</sup> (AMAP, or Association for the Conservation of Peasant Agriculture in English)

<sup>15</sup> Mundler 2007: 2

## a) **Environmental Benefits**

Agriculture and food systems are significant energy users and contributors to greenhouse gas emissions, which in turn are driving climate change. Local food initiatives decrease “food miles” – the distance that food travels from the location where it is grown to the location where it is consumed. A study done by the region of Waterloo in Ontario in 2005, examined the distance that 58 commonly purchased foods travelled to get to the Waterloo region<sup>16</sup>. On average, the food travelled 4,497 kilometers. The energy used to get the food to its destination accounted for 51,709 tones of greenhouse gas emissions annually, contributing to climate change and poor air quality. By replacing items in the food basket with products grown in South-western Ontario, green house gas emission reductions of 49,485 tonnes could be realized - equivalent to taking 16,191 cars off the road.

Another study by the Region of Waterloo has shown that many of these “food miles” are unnecessary, since the food trade is “redundant” – that is, we are importing exactly the same foods that we are exporting<sup>17</sup>. The example provided was that of tomato imports and exports in Ontario during the growing season. Between July and September of 2005, Ontario exported \$69 million in fresh tomatoes. During the same period, the province imported \$17 million in fresh tomatoes. A different study produced a much smaller yet still very large difference in carbon footprints: air-freighted fruit and vegetables emit 33 times more carbon than locally-sourced produce<sup>18</sup>. However, it is not always the case that food that travels shorter distances will have a lower impact on the environment. For example, Redlingshofer (2006) shows that, in Germany, it is the production of food that accounts for more than half of energy consumption, with transportation, processing and packaging accounting for the rest. Dietary habits were also very significant as livestock production was far more energy intensive than growing crops. Thus, adopting organic production can reduce energy consumption by 30% compared to conventional agriculture and a lacto-vegetarian diet reduces it by an additional 30% compared to a meat-eating diet. This also means that foods imported from areas where production is more energy efficient can have lower carbon emissions than locally-produced foods, as is the case with out-of-season foods in Northern Europe<sup>19</sup>.

## b) ***Environmental Fuel Use and CO2 Emissions Reduction***

A large portion of this energy is used to move food products to their final destinations. Transportation relies on burning fossil fuels, which releases gases, including carbon dioxide (CO<sub>2</sub>). CO<sub>2</sub> is naturally found in Earth’s atmosphere, where it traps some of the Earth’s heat and keeps the planet a livable temperature. However, modern human activities are releasing more CO<sub>2</sub> into the atmosphere than ever before. As CO<sub>2</sub> levels in the atmosphere increase, the potential for global climate change increases. Calculations from a Leopold Center model show that by purchasing 10 percent of 28 fruits and vegetables from local sources, 5-17 times less CO<sub>2</sub> would be emitted than if they were purchased from the global

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<sup>16</sup> Xuereb, M. Food Miles: Environmental Implications of Food Imports to Waterloo Region, 2005

<sup>17</sup> Maan Miedema, J. A Study of Redundant Trade in Waterloo Region, 2006

<sup>18</sup> East Anglia Food Link 2008

<sup>19</sup> Carlsson-Kanyama 1997

system. Sourcing just this small portion of produce from regional or local food systems saves 280-436 thousand gallons of fuel and reduces CO2 emissions by 6.7-7.9 million pounds annually<sup>20</sup>.

### c) **Economic Benefits**

LFS involve farmers, input providers, processors, distributors, retailers, consumers and food preparers in keeping food dollars closer to home. A thriving local food system can support farmers who practice environmentally beneficial agriculture, local feedmills, hatcheries, and seed houses, local processors, distributors, retailers and restaurateurs. It can create jobs and circulate money within communities, improve food programs at institutions like schools and hospitals, and improve access to nutritious food.

The effects of globalization on farmers have been felt across the globe: UK farm incomes remain at 1930 levels, having dropped 75% in three years during the 1990s; over half of China's rural population withdrew from farming in the two decades that followed the 1979 reforms. GRAIN, a global not-for-profit research network recently started a website, [farmlandgrab.org](http://farmlandgrab.org), to capture as much information as possible on what is perceived as an attack on the global countryside. The economic effects of the agro-industrial model are also being felt in Canada. Between 2001 and 2006, 67.5 farms, on average, have disappeared each week while the number of farms earning over a million dollars in annual revenue has increased by 33% between 2001 and 2006<sup>21</sup>. Overall, farm incomes have fallen by 24% between 1988 and 2002<sup>22</sup>. Local food initiatives have been economically viable and have generated much-needed income for producers.

Some Canadian studies also have attempted to quantify the impact of local food production systems on the regional economy. Alberta Agriculture and Rural Development estimated the total value of the province's alternative agricultural markets, including farmers' markets (excluding crafts), farm retail and farm activities, to be \$623 million in 2008<sup>23</sup>. In British Columbia, farmers' markets generated sales of \$65.3 million and an additional \$53 million in spin-off sales in neighboring businesses in 2006. Ten cooperative farmers markets in Nova Scotia contribute \$62 million dollars a year to the provincial economy<sup>24</sup>, while in Ontario, 130 farmers' markets generated an estimated \$645 million in total farmers' market sales across Ontario in 2006<sup>25</sup>.

In the US, 85% of farmers' markets are economically self-sustaining<sup>26</sup>. A survey of 54 local food schemes in the UK revealed that 43% of surveyed initiatives have a turnover of less

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<sup>20</sup> Pirog, Rich, Timothy Van Pelt, Kamyar Enshayan, and Ellen Cook. 2001. *Food, Fuel, and Freeways: An Iowa Perspective on How Far Food Travels, Fuel Usage, and Greenhouse Gas Emissions*. The Leopold Center for Sustainable Agriculture. Available at [http://www.leopold.iastate.edu/pubs/staff/ppp/food\\_mil.pdf](http://www.leopold.iastate.edu/pubs/staff/ppp/food_mil.pdf).

<sup>21</sup> Statistique Canada 2007

<sup>22</sup> Dietitians of Canada 2008, cited in Epp 2009: 6

<sup>23</sup> Alternative Agricultural Markets in Alberta, 2008 Alberta Agriculture and Rural Development at [www.agritourism.com](http://www.agritourism.com) November 2008

<sup>24</sup> Farmers' Markets Association of Nova Scotia Cooperative

[http://nsfarmersmarkets.ca/index.php?option=com\\_content&task=view&id=13&Itemid=28](http://nsfarmersmarkets.ca/index.php?option=com_content&task=view&id=13&Itemid=28)

<sup>25</sup> Meter, K., A Brief History of the 'Finding Food in Farm Country' Studies, Minnesota: Crossroads Center, 2005

<sup>26</sup> Bullock2000

than GBP 100,000 while the top three earn GBP 2.8 million, GBP 1 million and GBP 750,000 respectively<sup>27</sup>.

The Greater Edmonton Alliance (2009) conducted a survey to assess the local population's commitment to supporting an LFS. They secured a pledge from 712 Greater Edmonton households, comprising about 2000 individuals, to shift 40% of their current food dollars to local food when the 'important' and 'very important' challenges to buying local—as identified in their survey—food are resolved. This would result in a shift of \$2.3 million dollars annually to purchasing local foods. If 25% of Edmonton Census Metropolitan Area residents responded similarly, this would mean over \$330 million would be shifted to local foods. This would result in a total local food purchasing of \$530 million. The multiplier effect would bring the economic impact to over \$2 billion.

#### **d) Social Benefits**

Farmers' markets and CSAs create new spaces within communities for people to socialize. In fact, sociologists estimate people have 10 times more conversations at farmers' markets than supermarkets<sup>28</sup>. Direct marketing by farmers to consumers builds relationships, creating customers who care deeply about "their" farmers and farmers who work hard to provide the very best food for "their" customers. As local food markets grow, farmer networks will likely form to increase supply by grouping their products together. Several studies pointed out that both producers and consumers view their direct relationship to one another as one of the main reasons why they choose to participate in LFS<sup>29</sup>. In terms of social impact, LFS have positive effects on health and education. Vogt & Kaiser (2008) found that farm-to-school programs supported obesity prevention among school-aged children by providing greater access to healthy meals and an increased appeal for healthy foods. Nutrition in general is cited in several other studies as a benefit of LFS. A study by Pawlick (2006), for example, found that a fresh tomato today contains 61% less calcium than in the 1950s. Second, long transportation and storage times, both unavoidable characteristics of the conventional distribution system, have also been found to reduce the nutritional value of foods<sup>30</sup>.

#### **Other Benefits**

##### **f) Decreased Packaging**

Another benefit of local food is the decreased need for packaging. When food is delivered fresh, there is less need for the individual packaging required for retail sale and the bulk packaging necessary for long-distance transport. Regional and local producers typically reuse packaging materials such as waxed boxes, or deliver products in bulk containers where they are transferred directly into consumers' shopping baskets.

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<sup>27</sup> La Trobe & Friends of the Earth 2002: 21-30

<sup>28</sup> Halweil, Brian. 2003. "The Argument for Local Food." *World Watch*. May/June, Vol 16, Issue 3.

<sup>29</sup> (Lyson et al. 1995; Davis 1978; Chalopin 2007; Soil Association 1999; Sanderson et al. 2005)

<sup>30</sup> Jones 2001

The use of less packaging could have a significant environmental impact by reducing the number of resources used to create the packaging in the first place and by reducing the amount of waste disposal afterwards. According to the U.S. Food and Drug Administration, 55 percent of all packaging made in the U.S. is for food products<sup>31</sup>. In 2005, containers and packaging of all types accounted for 31.7 percent of total municipal solid waste by weight.<sup>32</sup>

#### **g) Increased Diversity in Land Use and Genetics**

Natural ecosystems are diverse in species and genetic variation within each species. Agricultural ecosystems are necessarily managed to reduce diversity, often to a single species per field, and often with very little genetic diversity within the species. While this lack of diversity results in high production, constant inputs of technologies such as fertilizers and pesticides, these agricultural ecosystems quickly become non-productive. One environmental cost of this lack of diversity is increased soil erosion. Another cost is the loss of genetic diversity. As the seed and livestock industries become consolidated, a few highly productive improved varieties become profitable, and interest lessens in older varieties of plant and animal species. A study by the Rural Advancement Foundation International looked at 75 vegetables and found that 97 percent of the varieties of these vegetables available in 1903 – and their unique genes – are now extinct.<sup>33</sup> According to the Food and Agriculture Organization, 30 percent of domestic animal breeds are endangered<sup>34</sup>. Production of food for local and regional consumption could reduce soil erosion and the loss of genetic diversity. Rotations would change and diversify as more types of crops are grown, thus reducing soil erosion. Varieties of crops and livestock valued for taste, nutritional value, pest resistance and suitability for local conditions would be produced rather than those designed to have a long shelf life or uniform appearance.

#### **h) Health**

Local fruits and vegetables usually reach consumers more quickly and more often at the peak of freshness. So it is likely that locally produced fruits and vegetables often have higher nutritional value. One thing certain about locally produced foods is that the farmer or processor can be identified more easily than can the producers of food for the global market. The much shorter distance between consumers and producers of local food allows consumers to find out about their food and helps farmers learn their consumers' needs and concerns.

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<sup>31</sup> Purdue University. No date. *Plastic*. Available <http://www.purdue.edu/dp/envirosoft/housewaste/house/plastic.htm>.

<sup>32</sup> Environmental Protection Agency. 2005. *Municipal Solid Waste Generation, Recycling, and Disposal in the United States*.

<sup>33</sup> Fowler, Cary and Pat Mooney. 1990. *Shattering Food Politics and the Loss of Genetic Diversity*. University of Arizona Press, Tucson, AZ.

<sup>34</sup> Food and Agriculture Organization. 1998. *Farm Animal Genetic Resources*. February. Available at <http://www.fao.org/sd/EPdirect/EPRe0042.htm>.

### **i) Food Quality and Freshness**

Many of the consumers, restaurants and institutions that purchase direct from local farmers are seeking higher quality and fresher food. In all of the market research done on local food systems, taste and freshness appear on the list of attributes that consumers list as motivators for local food purchases. A study of 3500 consumers in the US found that one-third of them believed it is likely that the resource characteristics of a particular region influence the taste and quality of foods such as meat, produce, and dairy.

### **j) More Jobs**

There is some evidence of positive sum gains for jobs. Money remaining in a particular localized economy does more work if it is recycled through the purchase of local goods and services than if it leaks away to external economies. The best research case in the UK comes from Devon<sup>35</sup>. There are 900 food businesses in Devon, including processors, wholesalers, retailers and caterers. About 550 of these are now involved in the local food sector (half have joined in the past five years). Devon Food Links project has set up 15 farmers' markets, 18 box schemes, made 19 links with local shops, helped 150 ha of land be converted to organic production, with the result of a net increase of 113 jobs. The research suggested that if every person, tourist and business switched only 1% of their current spending to local goods and services, an additional £52 million would be put into the local economy annually.

One study of 81 food shops in East Suffolk found that they employed 548 people, of which 317 were part-time. They were also sourcing locally, buying from 295 local producers, ranging from large and small farmers, vegetable growers, wine producers, cheese and jam makers, village small-holders, beekeepers, and housewives making pies, soups and cakes.

### **k) Trust and Connectedness in the Food sheds**

Food sheds have been described by Jack Kloppenberg as “*self-reliant, locally or regionally based food systems comprised of diversified farms using sustainable practices to supply fresher, more nutritious food stuffs to small-scale processors and consumers to whom producers are linked by the bonds of community as well as economy*”<sup>36</sup>.

The basic aims of regionalized food sheds are twofold. They shorten the chain from production to consumption, so eliminating some of the negative transport externalities and helping to build trust between producers and consumers, and ensuring more of the food pound gets back to farmers. They also tend to favor the production of positive environmental, social and health externalities over negative ones through the use of sustainable production systems, leading to the accumulation of renewable assets throughout the food system. We lack, however, the comprehensive evidence to show the benefits.

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<sup>35</sup> 13 Devon County Council. 2001. *Local Food and Farming Briefing*. Policy Unit, Exeter

<sup>36</sup> Kloppenberg J. 1991. Social theory and the de/reconstruction of agricultural science: a new agenda for rural sociology. *Sociologia Ruralis* 32(1), 519-548; McGinnis M V (ed). 1999. *Bioregionalism*. Routledge, London and New York; Dryzek J. 1997. *The Politics of the Earth: Environmental Discourse*. Oxford University Press, New York and Oxford.

## 6. LOCAL FOOD INITIATIVES IN CANADA

A 2006 Ipsos Reid survey found that Canadians have a tendency to ascribe a wide range of attributes to locally produced foods<sup>37</sup>. For instance, given a list of possible benefits of locally grown fruits and vegetables, respondents were most likely to say the top benefit is that local foods help the local economy (71%) and that they support family farmers (70%). Fifty-three percent of respondents believed the top benefit of locally grown fruits and vegetables is that they taste better, while 50% said they are cheaper, 48% said they are not genetically modified, 45% said they were healthier, 45% said such foods are chemical and pesticide free, 44% said they were safer and 43% thought they were more environmentally friendly. Only one in ten Canadians (11%) said there are no real benefits of locally grown fruits and vegetables over other fruits and vegetables.

A 2006 survey of shoppers at Ontario farmers markets revealed 95% of shoppers felt that "buying products produced in your community" is either very important (77%) or moderately important (18%)<sup>38</sup>. More recently, a poll of Ontario consumers conducted by Environics in partnership with the Greenbelt Foundation in October 2007, found that 88% of respondents read origin labels on the foods they buy<sup>39</sup>. Eighty percent preferred to buy locally-grown produce and over half reported purchasing local products at least once a week. 91% of the Ontarians polled said would buy locally grown food if they could find it in their grocery stores. When asked about farmers' markets, respondents said it was important to them that farmers' markets sell locally-grown food (86%) and that they be able to meet the farmer (63%). Respondents cited taste and freshness as being important attributes of local food, but the vast majority of respondents agreed strongly that locally-grown food supports local farmers (85%), the local economy (82%), and preserves farmland (70%).

A study by Corporate Research Associates Inc. in Atlantic Canada for the Council of Atlantic Premiers in March 2005 explored the perception of local food and local food purchasing behavior in that region. More than 70% of the people surveyed said that they would choose local food over their favorite brand<sup>40</sup>.

A wide variety of local food initiatives led by farmers, consumers and non-profit organizations are springing up across the country. Following are the most common of these initiatives.

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<sup>37</sup> IPSOS Reid, Canadians see many benefits of locally grown food. 2006: at [www.naacnsa.ca/downloads/documentloader.aspx?id=1440](http://www.naacnsa.ca/downloads/documentloader.aspx?id=1440)

<sup>38</sup> Cummings, H., Kora, G, and Murray, D., Farmers Market in Ontario and their Economic Impact, School of Rural Planning & Development, University of Guelph, 1998  
[www.ofa.on.ca/site/PDFs/EconomicImpactStudies/FarmersMarket/FarmersMarketsOntario.pdf](http://www.ofa.on.ca/site/PDFs/EconomicImpactStudies/FarmersMarket/FarmersMarketsOntario.pdf), and Taking the Pulse of Ontario's Farmers' Markets. Market Shopper Profile Study 2006, Farmers' Markets Ontario, 2006

<sup>39</sup> Environics Greenbelt Foundation 2007 Awareness Research, 2007

<sup>40</sup> Corporate Research Associates Inc. Atlantic Canada Food Consumer Study, 2005

## **6.1. Farmers' Markets**

The number of Canadian markets has doubled since the late 1980's, with urban centres such as Toronto adding six new markets in 2007. British Columbia added 40 new farmers markets between 2000 and 2006, while Ontario farmers' markets increased from 60 in 1991 to 132 in 2007<sup>41</sup>. Using one example, Local Farmers Market in Vancouver grew from \$1.2 million in sales in 2005 and is projected to sell well over \$3 million in the 2008 season. According to Farmers Markets Canada, there are currently about 500 farmers markets in this country. Not all of the food distributed through these markets is locally grown, but there is a movement to ensure that the by-laws of markets, especially of new markets, forbid the practice of reselling. A new trend is a requirement for third party audits to verify that the products sold at farmers' market are indeed locally grown.

## **6.2. Community Supported Agriculture (CSAs)**

A CSA is an alternative food distribution system that engages eaters as equal partners in the growing of food. Consumers take on some of the risk of the farm by paying up front for a share of the season's produce grown by a local farmer or a group of farmers. The food is delivered direct to consumers or to nearby drop off points on a weekly basis throughout the growing season. Most CSAs have between 35 and 200 members and most are based close to large urban centres. This model is particularly prevalent in Québec due to the efforts of the non-profit group Équiterre which has linked up more than 100 small-scale producers with urban consumers. The CSA model is also gaining popularity in British Columbia and Ontario. Some larger CSAs, such as Plan B Organic Farm near Toronto, purchase food from other farms.

## **6.3. Local Food within Grocery Stores and Food Co-ops**

For consumers who find direct sales inconvenient and prefer to do all their shopping in a single locality, there are now a number of retail options. Some retailers are beginning to show an interest in locally grown foods, despite the fact that such foods represent a significant challenge to their centralized procurement and distribution systems.

In 2007, Fiesta Farms, the largest independently owned supermarket in Toronto, signed on with Local Food Plus (LFP) to profile and make available food products certified by LFP in their retail store<sup>42</sup>. LFP members are certified to standards that seek to improve environmental sustainability, provide safe and fair working conditions for farm laborers, and provide humane care for livestock and lower greenhouse gas emissions through reduced transportation and packaging, conservation and recycling.

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<sup>41</sup> Cummings, H., Kora, G, and Murray, D, op cit

<sup>42</sup> Local Food Plus (LFP) is non-profit organization that brings farmers and consumers together to share in the benefits of environmentally and socially responsible food production. It is committed to building and fostering local sustainable food systems by certifying farmers and processors and linking them with local purchasers.

In Atlantic Canada, Co-op Atlantic is the only grocery store chain to partner with local farmers and producers to market products from the region. Their website features an innovative “meet the producer” database that profiles the farmers who grow the food<sup>43</sup>. Co-op stores use point of sale materials that focus on food producers in an attempt to put the farmers’ face on the food. The co-op works with farmers at every stage of the food cycle, providing the feed, seed and other supplies farmers needed to grow their food. When it is ready for sale, Co-op Atlantic purchases the food through its wholesale arm and the 100 co-operative grocery stores across Atlantic Canada then purchase these food products for sale in their community-owned stores.

These co-ops serve over 200,000 families and employ over 5,000 people. Co-op Atlantic also co-owns a bakery and meat processing plant. Some co-ops are adapting more local buying policies. For example, in Nelson BC, the Kootenay Country Store Co-op assures its supply of locally and sustainable grown food by working directly with a group of local organic farmers. Each winter the co-op meets with local producers to share their buying list to ensure that the farmers grow the volumes and varieties of crops that co-op members want to purchase.

#### **6.4. Restaurant and Chef Initiatives**

Restaurants and chefs are playing an active role in promoting local food systems. Many restaurants have identified local farmers and set their menus based on the produce that is available on a given day in their region. Other chefs take this a step further and work on a contractual basis with local growers to grow the ingredients that the chef requires. Of particular note in this category is a group of chefs in Victoria who have formed the Islands Chef Collaborative. The collaborative works directly with farmers to help farmers gain access to land and farm equipment. The collaborative also hosts a farmers’ market on behalf of farmers and purchases any food that is not sold.

#### **6.5. Culinary Tourism and Regional Cuisine Initiatives**

With help from the Slow Food movement, culinary or agro-tourism initiatives are growing. These initiatives bring tourists to rural communities with driving routes, farm stays, and other activities linked to the consumption of locally produced food. Most provinces have developed, or are in the planning stages to develop, such initiatives. For instance, Québec has a number of scenic rural driving tours through parts of the province that have developed their own Terroir (regional cuisine).

#### **6.6. Food Security or Policy Groups**

Food security groups across Canada work to assure that all Canadians have access to sustainably grown, nutritious and affordable foods. Often they are sources of information and undertake public education on local food. Other activities include community gardens, urban agriculture (including intensive backyard and rooftop market gardening) and gleaning initiatives, where citizens collect unsold crops from farmers’ fields. These groups often take

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<sup>43</sup> [www.atlanticproduced.coop](http://www.atlanticproduced.coop)

stands on the preservation of local agricultural land. A strong example is the Toronto Food Policy Council which partners with business and community groups to develop policies and programs promoting food security. Their aim is a food system that fosters equitable food access, nutrition, community development and environmental health. The Council has been instrumental in putting Food Security and Food Policy development on the municipal agenda in Toronto for ten years.

### **6.7. Food Box Programs (door to door delivery)**

Most large urban centres have a number of delivery options that feature both organic and locally produced food. These include the delivery of a box of food on a regular basis. The boxes usually include a mix of fresh and packaged foods and for some business, such as Small Potatoes Urban Delivery (SPUD) based in Vancouver, a high percentage of the fresh food is sourced from local organic farmers. In Toronto each month, Food Share's Good Food Box program distributes 4,000 boxes of fresh produce through 180 volunteer-run neighborhood drop-offs; about 60% is locally produced.

### **6.8. Regional Value Chains**

The ultimate goal of the local food movement is to develop self-sufficiency through complete local food systems that include all the pieces of the food value chain (production, processing, packaging, and distribution) within a single region. The part of the chain that often proves most elusive to local food initiatives is local processing infrastructure. A group on Vancouver Island called Vancouver Island Heritage Food Service Co-operative is developing a pilot project to demonstrate that complete regional value chains are possible. The co-op is a multi-stakeholder group that includes farmers, workers, co-packing businesses, alternative food distributors, and community organizations. Their goal is to produce "primarily organic" foodservice ingredients for restaurants, hospitals and institutions. Currently the coop is developing a local labour pool to be trained in organic production, greenhouse and manufacturing. Community investment is being sought for two co-packing kitchens and refrigerated delivery trucks, as well as for a fund to help local farmers purchase season extension equipment and carbon footprint reduction technologies to grow winter crops on the islands and measure more than just food miles.

### **6.9. Other Local Food Initiatives**

- *Dine Alberta: Savour the Regional Flavour* is an initiative of the Ministry of Agriculture and Rural Development that promotes provincially-grown food by connecting over a hundred restaurants with provincial producers. The "*Dine Alberta: Savour the Regional Flavour*" is a stimulating way to showcase local agriculture products, family owned farms, and value added processing. Alberta's best chefs, at restaurants, bistros, catered food events, B&B's and meal preparation establishments are using Alberta's best homegrown foods to create unforgettable meals all year round. Dine Alberta Encourage chefs to use local ingredients. AAFRD estimates \$3 million was injected into the economy as a result of the program Local Market Expansion Program Increase the

demand for local foods: enhance business skills, build alliances between small farmers, facilitate consumer awareness, and remove regulatory barriers.

- *Explore Local* is a new initiative set up by Alberta Agriculture and Rural Development (ARD) to help producers and others build on the success to date and further capture growth opportunities in the local food market. It involves a multi-disciplinary team with a range of knowledge and experience in the local food area, aimed toward connecting people and facilitating sustainable businesses by providing information, learning opportunities, coaching, mentoring and advocacy<sup>44</sup>.
- *Alberta Farm Fresh Producers Association* (AFFPA) is supporting the production of farm direct market vegetable crops, berry and fruit crops, bedding plants, perennials, herbs, flowers, meats, poultry, eggs and other specialty items in Alberta<sup>45</sup>. AFFPA is a voluntary membership, non-profit organization representing direct market growers across the province of Alberta. Most AFFPA members market directly to consumers via U-Pick farms, farm gate sales and/or through Farmers' Markets.
- *Alberta 100 Mile Diet's* website trying to promote local food suppliers: those who grow their food in the Albertan eco-system<sup>46</sup>. It includes groups that grow and sell agricultural product in Alberta and within 500-ish miles of Alberta's borders. It has extended the range beyond the "100 mile diet" range to allow for fruit production, which is just not that present in Alberta. It also provides opportunity to producers and visitors to send their recipes, favoring local products.
- *Find a pick your own farm near you!* This website ([www.pickyourown.org](http://www.pickyourown.org)) provides local listings of pick your own (also called U-pick or PYO) farms in the United States, Canada, Britain, Australia, New Zealand, South Africa and other countries<sup>47</sup>. There are crop calendars for each local area to tell what is available to pick throughout the year, local weather forecasts and really easy illustrated directions to show you how to make jam, jelly, salsa, pickles, spaghetti sauce, applesauce, apple butter and 150 other recipes with step-by-step directions to can, freeze, dry or preserve the harvest.
- ThinkLocal.ca provides information and resources for individuals interested in living sustainable, environmentally friendly lifestyles<sup>48</sup>. It offers information and resources relating to food, fashion, home and garden, transportation, local jobs, greenhouse gases, carbon emissions and related topics.
- Travel Alberta [www.chomparoundalberta.com](http://www.chomparoundalberta.com) Provides info on farmers' markets, buy direct locations, and crops that are in season.

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<sup>44</sup> [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/explore12959](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/explore12959)

<sup>45</sup> <http://www.albertafarmfresh.com>

<sup>46</sup> [alberta100milediet.com](http://alberta100milediet.com)

<sup>47</sup> <http://www.pickyourown.org>

<sup>48</sup> <http://thinklocal.ca>

- *The Alberta Farmers' Market Association* provides direction and support to their member markets, vendors, managers, boards and sponsors through advocacy, education, promotion and innovation<sup>49</sup>. The Association has been involved in the following:
  - Funding and establishing the survey and development of the research report “Analysis of Direct Marketing of Cottage and Market Garden Products at Alberta Approved Farmers' Markets”.
  - An advisory capacity for the provincial health review of the Public Health Act as it applies to Farmers' Markets and the review of the Market Program Guidelines.
  - Market and Vendor Group Liability Insurance
  - Co-host of the Step It Up Conference
  - Promotional items for vendors and markets that feature “Sunny Girl” the official logo of Alberta Approved Farmers' Markets.
  
- *Slow Food Edmonton* is a non-profit educational organization dedicated to supporting and celebrating the food traditions of Edmonton and Northern Alberta<sup>50</sup>. From animal breeds and heirloom varieties of seeds, fruits and vegetables to handcrafted wine and beer, farmhouse cheeses and other artisanal products; these foods are a part of cultural identity. The main goal is to put the carriers of this heritage on center stage and educate our membership on the importance of these principles.
  
- *Slow Food Calgary* Slow Food seeks to protect cuisines, regional dishes and ingredients from the deluge of industrialization and to restore pleasures to fast-paced and hectic lives<sup>51</sup>. The mandate of Slow Food Calgary is to make connections between consumers, chefs, food processors and producers of sustainable agricultural products and building public awareness of local farmers' products and acknowledging the restaurants and processors who support them.
  
- In Elmira, Ontario, a group of Mennonite farmers started a produce auction to assure a stable market for their products. The Elmira Produce Auction Cooperative (EPAC) supports over 300 local growers. Preference is given to food grown within 75 km of Elmira. There is an auctioneer and produce is sold to the highest bidder.
  
- In all other provinces, health departments also promote healthy eating through public awareness campaigns or school meal programs but, save for Nova Scotia, they don't make any explicit reference to supply-side issues such as food miles, environmental sustainability, local economic development, or the agricultural production process in general.
  
- Beyond the provincial level, municipalities have authority over certain zoning laws and bylaws that can facilitate or inhibit the development of LFS, particularly regulations concerning the use of agricultural zones for commercial purposes. Though aimed at protecting agricultural zones from industrial development and other forms of

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<sup>49</sup> <http://www.albertamarkets.com>

<sup>50</sup> <http://www.slowfoodedmonton.ca>

<sup>51</sup> <http://slowfoodcalgary.ca>

encroachment, such by-laws effectively prevent on farm direct sales or the use of farmland for farmers' markets or farm shops<sup>52</sup> and organizers of such initiatives typically have to negotiate with municipal authorities for special permits or designated spaces<sup>53</sup>.

- Various programs offer training, including business planning, for new farmers. Often agricultural coops provide expertise to help members learn new growing techniques and gain information on new products.
- Incubator kitchens are organized by local community economic development groups to provide small food businesses with licensed kitchen space to process food. Space is shared with others and often there is some business support as well.

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<sup>52</sup> Wormsbecker 2007

<sup>53</sup> Connell et al. 2007

## **7. SOME EXAMPLES FROM OTHER COUNTRIES**

### **1. USA**

#### **1.1. Food and Nutrition Service Programs**

USDA's Food and Nutrition Service administers two important programs that promote the use of farmers' markets, and are available in most States; the Farmers' Market Nutrition Program (FMNP) and the Senior Farmers' Market Nutrition Program (SFMNP)<sup>54</sup>. The FMNP was established by Congress in 1992 to provide Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) participants with coupons, in addition to their regular WIC benefits, that can be exchanged for eligible foods from farmers, farmers' markets, and roadside stands.

#### **1.2. Agricultural Marketing Service Programs**

USDA's Agricultural Marketing Service administers several grant programs supporting local food initiatives across the country. The Federal State Marketing Improvement Program (FSMIP) provides matching funds to State agencies to assist in exploring new market opportunities for food and agricultural products, and encourage research to improve the performance of the food marketing system. In 2009, 8 out of 23 grants awarded went to projects supporting local foods, such as funding to improve the effectiveness of Colorado MarketMaker<sup>55</sup>.

MarketMaker is a national partnership of land grant institutions and State departments of agriculture dedicated to building an electronic infrastructure that would more easily connect farmers with economically viable new markets. It provides an interactive mapping system that locates buyers (e.g., retailers, wholesalers, processors) and sources of agricultural products (e.g., farmers, farmers' markets).

#### **1.3. Community Supported Agriculture (CSA)**

In the USA, there are 1000 CSAs with 77000 member and \$36 million of income. The basic model is simple: consumers pay growers for a share of the total farm produce, and growers provide a weekly share of food of a guaranteed quality and quantity. Consumers typically pay two to five hundred dollars for a season's share. It has been established that members would on average have to pay a third more for the same food at a supermarket. One study in Massachusetts indicted that a \$470 share was equivalent to \$700 worth of produce if bought conventionally<sup>3</sup>. CSAs also encourage social responsibility, increase understanding of farming amongst consumers, and increase the diversity of crops grown by farmers in response to consumer demand. The central principle is that they produce what people want, instead of concentrating on crops that could give the greatest returns. In addition to

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<sup>54</sup> Hamilton, 2005

<sup>55</sup> Develop a centralized State wholesale distribution system for locally grown foods; and develop an analytical model for more efficiently allocating State resources to promote locally grown food.

receiving a weekly share of produce, CSA members often take part in life on the farm through workdays. Many CSA farms give out newsletters with the weekly food share, so that members stay in touch and know what crops are expected. Some 60% of CSA farmers say that the most successful aspect of their operations is the strengthened bonds with food consumers.

#### **1.4. “Know Your Farmer, Know Your Food” Initiative**

In 2009, USDA launched the “Know Your Farmer, Know Your Food” initiative, an agency wide effort to create new economic opportunities by better connecting consumers with local producers. As part of the initiative, several funding efforts and programs were announced to assist farmers, help consumer’s access nutritious foods, and support rural community development<sup>56</sup>

#### **1.5. Bringing local food to local institutions**

The Farm-to-School salad bar at Malcolm X Middle School in Berkeley, CA, proves that the fresh taste of locally-purchased foods appeals to kids of all ages. Consumers overall are disconnected from one of the most important components for their own health and happiness—the food they eat. Rarely do they have contact with or personal knowledge about the farms and farmers who grow their food. As a result, most consumers have very limited control over the quality and safety of their food. When small-scale farmers are able to sell their products to local stores and institutions, they gain new and reliable markets, consumers gain access to what is often higher-quality, more healthful food, and more food dollars are invested in the local economy. This publication provides farmers, school administrators, and institutional food-service planners with contact information and descriptions of existing programs that have made these connections between local farmers and local school lunchrooms, college dining halls, or cafeterias in other institutions<sup>57</sup>.

#### **1.6. New North Florida Cooperative of Small Farmers and University of Wisconsin campus diner service program**

A non-profit organization acts as distributor and broker. A community-based nonprofit organization serves as a liaison between growers and institutional buyers. The organization receives food orders from institutions and coordinates with the cooperating farmers to fill and deliver the order.

#### **1.7. All-Iowa Meals project with Iowa State University**

A local wholesaler acts as distributor and broker. A local food wholesaler picks up, processes, and delivers produce to schools and/ or institutions.

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<sup>56</sup> The U.S. Census Bureau provides information on animal slaughtering and processing plants with paid labor, and 19 or fewer employees. In 2007, States with the highest number of these plants included Texas (130), California (113), and Missouri (101) (U.S. Census Bureau, 2009).

<sup>57</sup> By Barbara C. Bellows, Rex Dufour, and Janet Bachmann NCAT Agriculture Specialists October 2003

## **1.8. America Fresh Distribution System**

Farmers' markets serve as the central location where schools pick up farm products. Schools or institutions purchase produce at a local farmers' market. To ensure that institutional buyers get the type and quantity of produce they desire, orders are placed in advance with specific vendors. A coordinator is required to order, pick up, and deliver produce from the market to the schools.

## **1.9. Fresh Produce Program**

*Fresh Produce Program* purchases food from farmers and then serves as vendor to the schools. North Carolina, Florida, Tennessee, Kentucky, and Washington State are working with the U.S. Department of Defense in coordination with the USDA's Small Farms/School Meals Initiative. California and Illinois also have pilot programs underway.

Food service companies as intermediaries in farm-to-campus programs. Private food service companies that contract with colleges and universities to procure, process, and deliver food to cafeterias procure some of their meat and produce from local farmers rather than through institutional brokers<sup>58</sup>.

## **2. UK**

### **2.1. Food Vision**

Food Vision started in 2000 as a project to promote local initiatives that increase access to safe, sustainable and nutritious food and so improve community health and wellbeing. The Food Vision website acts as an information portal for local authorities, health professionals, community groups and others interested in food and health. It aims to promote the good work being done on healthy food initiatives and raise the profile of the contribution of various local authority services to the food agenda. It also provides useful case studies and guidance enabling organizations to save time and resources by following successful models and learning from others<sup>59</sup>.

### **2.2. Consumer Groups and Cooperatives**

Consumer groups are an important way to get good food to urban groups with no direct access to farms and the countryside. The Glasgow Healthy Castlemill co-operative serves 3000 tenants in estates with high unemployment and high levels of heart disease, buying wholesale and selling to local people with a 1% mark-up. Direct links between consumers and farmers have had spectacular success in Japan, with the rapid growth of the consumer co-operatives, *sanchoku* groups (direct from the place of production) and *teikei* schemes (tie-up or mutual compromise between consumers and producers). This extraordinary movement has been driven by consumers rather than farmers, and mainly by women. There

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<sup>58</sup> MARTIN PETRICK, GERTRUD BUCHENRIEDER (eds., 2007) *Studies on the Agricultural and Food Sector in Central & Eastern Europe*, Vol. 39, Halle (Saale), IAMO, pp. 183-199.

<sup>59</sup><http://www.foodvision.gov.uk/>

are now some 800-1000 groups in Japan, with a total membership of 11 million people and an annual turnover of more than US \$15 billion. These consumer-producer groups are based on relations of trust, and put a high value on face-to-face contact. Some of these have had a remarkable effect on farming, as well as on other environmental matters.

### **2.3. Box Schemes**

In the UK, there are 20 large schemes and another 280 small ones are supplying some 60,000 households weekly. These schemes have brought back trust, human scale and a local identity to food. It is the linkage between farmer and consumer that guarantees the quality of the food. Farmers also employ more people per hectare, and provide livelihoods for farm families on a much smaller area than conventional farming. Prices are comparable to those in supermarkets for conventional vegetables, so consumers do not end up paying premiums. A central rationale for both CSAs and box schemes is that they emphasize that payment is not just for the food, but for support of the farm as a whole. This encourages social responsibility, increases the understanding of farming issues amongst consumers, and results in greater diversity in the farmed landscape.

### **2.4. Farmers' Markets**

Farmers' markets are a simple idea, already spreading rapidly in both North America and the UK. In the USA, there were nearly 2900 farmers' markets registered with the US Department of Agriculture in the year 2000. In the UK, there were 200 established Farmers' Markets trading on some 3000 market days per year in early 2001. In all, it is estimated that the five million customers at these markets each spent £10-15 per visit, so putting £50-78 million pounds directly into the pockets of farmers. Importantly, too, these markets are a direct connection between producer and consumer. Where there are direct links between producers and consumers, then farmers are better able to respond to the concerns of consumers, and consumers in turn understand better the challenges and vagaries of food production.

### **2.5. Community Gardens**

There are now several hundred city farms or community gardens in the UK. They provide food, especially vegetables and fruit, for poorer urban groups, and a range of other natural products such as wood, flowers and herbs. They add some local value to produce before sale. They sometimes mean that derelict or vacant land is transformed into desirable areas for local people to visit and enjoy, resulting in the creation of quiet tranquil places for the community that can increase wildlife. The involvement of schoolchildren can mean a reduction in vandalism, as well providing local children with an educational opportunity to learn about farming and animals. They also provide the opportunity for mental health patients to engage in work that builds self-esteem and confidence, and for unemployed people to use their time productively in their own community.

## **2.6. Food for Life Partnership**

Food for Life Partnership is a national program funded through a grant by the Big Lottery Fund. The network of schools and communities across England is committed to transforming food culture by revolutionizing school meals to be fresh, seasonal, local and organic and reconnecting young people with where their food comes from inspiring families and communities to grow and cook food<sup>60</sup>.

## **2.7. Making Local Food Work**

It helps people to take ownership of their food and where it comes from by providing advice and support to community food enterprises across England<sup>61</sup>. *FARMA* is a co-operative of farmers, producers selling on a local scale, and farmers' markets organisers. This site is the portal for *FARMA*. *FARMA* works throughout the UK and is the largest organization of its type in the world, representing direct sales to customers through farm shops, Pick-Your-Own, farmers' markets, home delivery, on-farm catering, and farm entertainment. *FARMA* inspects farm shops and farmers' markets to ensure that they are 'the real thing'<sup>62</sup>.

## **2.8. Office-based buying groups**

The Soil Association has launched a new initiative to support buying groups based at workplaces "Instead of dragging round the supermarket at the end of a long working day, arrange for local producers to bring their farm produce the office. It helps in finding local farmers, recruit members, and set up an administration system to keep things nice and simple".

**2.9. "Look for Local Food"** Benefits include one-to-one adviser support, a guide to maximizing sales, branded point-of-sale material and marketing support for new ranges.

## **2.10. New Community Shops Network**

The Plunkett Foundation has set up a national website and network for community-owned rural shops. On the website, people can communicate with each other, share ideas and experiences and be inspired by others, learn about setting up and running a community-owned shop, explore the shop directory to learn more about the 220+ communities already running their own shop.

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<sup>60</sup> <http://www.soilassociation.org/Whatwedo/tabid/58/Default.aspx>

<sup>61</sup> <http://www.makinglocalfoodwork.co.uk/>

<sup>62</sup> <http://www.farma.org.uk/>

## **8. BARRIERS TO THE DEVELOPMENT OF LOCALIZED FOOD SYSTEMS**

A number of barriers that stand in the way of growth of local food initiatives are given below:

### **a) Lack of financing**

Local food projects, whether they are small agro ecological farms or the profit/non-profit organizations that organize CSAs tend not to be well endowed financially and thus depend on external financing.

### **b) Retailer Buying Habits**

Large food distributors and retailers prefer year round purchasing contracts, purchasing from larger suppliers, and requiring a guaranteed food supply. The limited growing season represents a considerable challenge for producers to meet retailers' demands.

### **c) Economic power**

The food retail sector is marked by high rates of market concentration and food producers have no other choice but to go through conventional marketing channels such as supermarkets in order to survive. Supermarkets and their subcontractors often impose certain (often superficial) quality standards and minimum quantities that are difficult for local producers to meet. The revenues of large food retail chains also means they have a significantly larger marketing budget and can win price wars with smaller competitors. This is often framed as a question of competitiveness, but from the point of view of local food activists it is not. Supermarkets have been able to achieve economies of scale because they do not have to pay for the social and environmental costs of their business practices. The implication is that this is a case of market failure and that public policy should give more advantages to LFS rather than subsidize the agro-industrial model of production and distribution.

### **d) Knowledge**

On the production and distribution side, it is mostly about LFS developers (from farmers to organizers) having the information they need to make LFS function: where to get funding, where to find physical space, relevant business skills, and also knowledge about each other. Networking is as important in alternative food value chains as it is in the conventional business world but the people working on developing LFS are fewer and far between. More important perhaps are the lack of information on the consumer and the lack of knowledge about the social and environmental consequences of the conventional food system.

## **9. STRATEGY TO ESTABLISH A LOCAL FOOD SYSTEM**

Following are some potential ideas that can promote the localized food system.

### **a) Promotion Programs and Campaigns**

Promotional programs may be designed to market agricultural products to the consumers. For the development of a local food system, these promotion programs must focus on local consumers.

### **b) Institutional Purchasing Programs**

According to Hamilton, two types of purchasing programs exist. The first type is a program that merely encourages public institutions to purchase locally grown food. For example, a Minnesota law entitled “Agricultural Food Products Grown in State,” provides that the state’s Commissioner of Agriculture “shall encourage and make a reasonable attempt to identify and purchase food products grown in this state.”<sup>63</sup> The second type of institutional purchasing program is one that mandates public institutions to purchase locally grown food.<sup>64</sup> These programs make sense from the standpoint of providing local farmers a dependable consumer base and local economy. Another example is US “farm-to-school” program. This program includes school purchase of local food, but also seeks to educate youth about local agriculture and its effects on the everyday lives of those in the community<sup>65</sup>. Institutional purchasing programs create an important direct link between local growers and local institutions.

### **c.) Direct Farm Marketing Policies**

Direct farm marketing is the process of creating opportunities for farmers to have personal contact with consumers for the purpose of selling food and other products on the farm<sup>66</sup>. Direct farm marketing has many benefits both from a producer and consumer standpoint. For producers, direct farm marketing programs successfully develop alternative consumer bases, increase profits and decrease dependence on large retailers (who possess more and more bargaining power.)<sup>67</sup> Direct farm marketing also satisfies consumer demand for fresh and locally grown foods.<sup>68</sup> For these reasons, a strong direct farm marketing programs is a vital part of a successful local food system.

### **d) Food Policy Councils**

A food policy council is “an officially sanctioned body of representatives from various segments of a state and local food system, and selected public officials, asked to examine the operation of a local food system and provide ideas or recommendations for how it can

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<sup>63</sup> Minn. Stat. Ann. § 16B.103(1) (REPEALED)

<sup>64</sup> California Bill, A.B. 801, 2001 Leg. 2001 – 02 Sess. (Cal. 2001)

<sup>65</sup> Hamilton, *supra* note 114 at 426.

<sup>66</sup> Hamilton, *supra* note 114 at 427.

<sup>67</sup> Paul W. Dobson, Exploiting Buyer Power: Lessons from the British Grocery Trade, 72 Antitrust L.J. 529

<sup>68</sup> 128 Hamilton, *supra* note 114 at 431; N.Y. Agric. & Mkts Law § 281 (2005)

be improved.”<sup>69</sup> By bringing together members from all components of the food system—consumers, farmers, grocers, chefs, food processors, distributors, educators, and government—these councils are able to effectively examine how the food system works and how it can be improved. These councils can be created in various ways: through government action, administered by a non-profit or educational institution as an advisory body, or as a hybrid of both<sup>70</sup>.

**e) Increase Financing for Local Producers**

Producing food for local markets allows young farmers to have lower up-front costs for land and equipment and a greater opportunity to capture profits from their products. Relatively small loans with low interest rates made by local banks and supported with solid business plans and financial oversight by mentors may give young farmers the resources they need to produce enough food to affect their local market and make a living.

**f) Establish Cost Share and Loans**

Establishing a cost share program may also help farmers transition to local food production. For example, the Iowa Financial Incentive Program provides cost share for soil conservation and water quality work to landowners on behalf of public good, cost share for the development of local food capacity could go to private individuals or groups to be invested in the infrastructure needed to add value and improve access to local food for all Iowans. *Increase Funding to the Organic and Local Food Programs*

Many farmers are interested in organic production but need information or loans to get them through the transition. Since these farmers are willing to assume the risks associated with a new enterprise, they also may be interested in growing for local markets if assistance is available.

**g) Increase Processing Capacity**

Facilities are needed for processing fruits and vegetables into frozen and preserved food. Further, minimal processing of fruits and vegetables, such as washing, peeling and cutting, is a requirement of most institutional buyers. Conveniently located facilities allowing multiple farmers to meet the minimal processing needs of their buyers may help alleviate this problem.<sup>71</sup>

**h) Increase Market Access and train Market Network Coordinators**

Producer marketing networks more efficiently allow groups of farmers to work together to meet market demand. Organizing marketing networks includes developing central locations for group activities such as packing, washing and slaughtering; keeping track of each farmer’s production; communicating with distributors and buyers, matching orders to

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<sup>69</sup> Hamilton, *supra* note 114 at 442.

<sup>70</sup> Hamilton, *supra* note 114 at 446 (North Carolina and Utah’s councils function as bodies of the state departments of agriculture.

<sup>71</sup> Fitzgerald, Anne. 2005. “Micro Dairies Rise to the Top.” *The Des Moines Register*. June 5.

farmer supply; and coordinating delivery of products and billing. These are time-consuming and demanding responsibilities and few individuals have the skills to do each one well, while managing production of their own crops and livestock.

**i) Foster Links between Local Producers and Area Distributors**

Usually most distributors buy food in large quantities from the global market, warehouse it, perhaps repackage it, and then distribute it. Because of the ease by which distributors and brokers can buy food from the global market, there is little opportunity for small and mid-size farmers or farmer networks to easily access distributors. For example Sysco, the world's largest food service distributor, has begun working with farmer networks in Minnesota, Alabama and New Mexico. In New Mexico, Sysco is purchasing a variety of fruits, vegetables and meats directly from farms and delivering to food service business in the region<sup>72</sup>.

**j) Create an own... Grown Labels**

Government may launch campaigns to promote locally grown food with thoughtful planning and may create their own grown labels.

**k) Increase Commitment to Sustainable Agriculture Education**

Community colleges may offer programs in sustainable/alternative agriculture. Community College may also offer sustainable agriculture entrepreneurship program to provide students with the necessary skills for starting or expanding a land-based business. The government may assist such community college programs by providing more support for experienced faculty and additional support for recruiting students. Because farming for local markets and sustainable techniques are not commonly practiced, more effort is necessary to explain the opportunities these programs offer potential students<sup>73</sup>.

**l) Improve farmers' access to inputs** by expanding and strengthening rural retail networks, and offering financial services to farmers. Companies can also empower retailers to expand their product and service offerings.

**m) Strengthen farmer capacity** through training and outreach. Input companies can strengthen farmer awareness of new products and techniques. Buyers can work with farmers to improve production and meet quality standards.

**n) Provide market information** through telecommunications applications that help farmer's access information on market prices and good farming practices.

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<sup>72</sup> Robinson-Avila. 2005. "Sysco Breathes New Life into Local Agriculture." New Mexico State University. Available at <http://spectre.nmsu.edu/media/news2.lasso>.

<sup>73</sup> 76 Brown, Linda, Director of the Entrepreneurial and Diversified Agriculture Program at Marshalltown Community College.

## **10. POTENTIAL ROLE FOR GOVERNMENT**

There are important steps that governments may take to support the growth of local food systems. This may include:

- Coordination between the various federal departments and agencies that oversee food production.
- Coordination with provincial governments and funding, similar to that awarded through the US Department of Agriculture's Community Food Projects Competitive Grants Program, to support the development of community based food initiatives.
- Support for the creation of scale-appropriate regional processing infrastructure to facilitate the development of regional value chains.
- Fund networking and educational opportunities for local food initiatives to share knowledge, learning and strategies and develop financing tools for the creation of local food system infrastructure.

### **a) Federal level**

At present, federal agriculture policy in Canada is mainly focused on support for commodity crops, livestock operations, and food processing, as well as food safety standards. Government can play an important role by providing system-wide support for food grown using sustainable methods, research, technology transfer, subsidies, land use, and regulations.

Labeling laws are also an area where change may be needed. If people who are motivated to buy local products cannot be sure that what they are buying is actually local, or even Canadian, then they will quickly become frustrated. Recent changes to United States labeling regulations make the need to review Canadian labeling laws more urgent. Although the food industry opposed the new legislation, in 2007 U.S. Congress passed Country of Origin rules requiring that every ingredient in any foodstuff be identified by country of origin. These rules even require that a food product with multiple origins should be labeled accurately (for example, a cow raised in one country and slaughtered in another). If Canada passed identical legislation, this problem could be avoided, along with the current problems caused by misleading labeling, that allow processors to label foods "product of Canada," if they are processed or packaged in Canada.

### **b) Provincial level**

Current provincial agricultural policy is focused to a large extent on food safety. Some of the required policy reform at this level may involve re-establishing provincial programs that have suffered from cutbacks or that have been eliminated over the past few decades. For example, programs that used to support small-scale start-ups in farming have been phased out, along with income-support programs (such as the Net Income Stabilization Account program) that helped farmers weather price changes and unforeseen downturns. The latter have been replaced with private insurance, which operates differently and does not reward success.

Extension programs used to give farmers access to research on new methods and crops. Today, some farmers hire consultants for advice, some get advice from representatives of the chemical companies that sell fertilizer and pesticides, and others just learn the hard way – from their own mistakes.

Government-supported research is needed into sustainable farming practices, appropriate technology for small-scale farms, the effects of climate change on agricultural regions, the prospects for new kinds of crops, and ways to process and preserve what is grown and the results of this research should be disseminated through re-instituted extension programs.

### **c) Municipal level**

Farmers who sell directly to the public through roadside stands, on-farm shops, pick-your-own operations, farmers' markets, and sales direct to restaurants face a patchwork of different regulations and restrictions, depending on where they live. Research at the University of Guelph offers recommendations based on best practices from various jurisdictions that would help municipalities support their local agricultural producers, while minimizing land use and other conflicts<sup>74</sup>.

Outdated municipal bylaws may also stand in the way of urban agriculture.

There is a need to make planning for food part of the municipal planning process.

### **d) Others**

- Provide technical assistance, grants and loans for capital investments to build distribution, storage and processing facilities.
- Provide technical support and grant funding for capital investments needed to
- Build new Farmers Markets sites and for the marketing of and managing farmers market.
- Funding opportunities to create Community Supported Agriculture (CSA) businesses and to make small farms successful are needed for producers who desire to participate in the “grow and eat locally” movement.
- Expand proven government program as the model for a national initiative.
- Expand regulations to allow more on-farm sales of agricultural products.

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<sup>74</sup> Wayne Caldwell, “Jurisdictional Analysis and Best Practices for Land Use Planning Affecting Direct Marketing and Agri-Tourism Operations in Ontario,” prepared for the Ontario Farm Fresh Marketing Association.

## **11. FINAL THOUGHTS**

Local Food Systems (LFSs) play a vital role in the rural economy and social structure. Farmers markets have been working since pre-industrial times and have gained increased interest in the production, processing, and buying of local food.

There are significant economic, social and environmental advantages allied to LFSs. LFSs are now working in various forms in Canada and in other countries. The main forms include farmers' markets, community supported agriculture, local food within grocery stores, food co-ops.

LFSs encounter a series of barriers that include dependence on external financing, limited growing season, lack of local processing capacity, decreasing number of people working on developing LFSs and lack of knowledge.

However, promotional programs, institutional purchasing programs and direct farm marketing policies, cost sharing programs, enhanced process capacity and market access can be helpful strategies to establish LFSs.

Governments can play a very important role in the development of local food systems by providing system-wide support for food grown using sustainable methods and appropriate technology for small-scale farms, improving labeling laws and supporting research and extension programs to disseminate information and research findings. Outdated municipal bylaws may also stand in the way of urban agriculture. There is a need to make planning for food part of the municipal planning process.