

# *DISTRIBUTION OF LOCAL FOOD - BEST PRACTICES - A pilot project in Alberta's Central Region*

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## **Background**

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The interest in local food has grown in recent years. More and more consumers, large retail chains, schools, universities, and restaurants are interested in purchasing local food products. Local food and food security are linked together and becoming a big topic of discussion. There are more interest groups emerging, creating awareness of local food, conducting research, and in some cases coordinating local food delivery systems.

Over the years, Alberta Agriculture and Rural Development (ARD) has worked with industry to further develop farmers' markets, regional cuisine, agri-tourism, farm direct, and food service, among other markets. Now with heightened interest in local food there is even more demand for information and research into these types of market outlets, and to further develop the local food system.

Greater accessibility to local food will require a shift in the current distribution system. Distribution is about the movement of products from the producer or processor to the buyer. The existing distribution system has evolved over the years to mainly support and handle the movement of large units of products over great distances. In order to meet the demand for local food, there has been an increase in the movement of smaller units of products. However, the current distribution system is not conducive to the movement of these products. Other parts of Canada and the USA, not to mention other parts of the world, have looked at ways to collaborate and create new ways to make local food more accessible, with systems that can successfully manage its network of relationships.

The purpose of this study was to identify the challenges of increasing Alberta's local foods in the current food system. In particular, it looked at challenges related to food distribution along the entire value chain, from the producer to the end user, as well as potential solutions to reduce these barriers.

This study consisted of three main stakeholder groups involved in local food distribution:

- buyers
- logistics companies (i.e., transportation and storage)
- producers

The study was done in an exploratory manner, gathering information from each of the stakeholder groups. The goal was to look for themes that were both common among the groups, as well as specific to each group.

The study was conducted as a pilot project, which focused on the Central Region of Alberta; for some of the stakeholder groups, the focus was on the Red Deer area in particular. This regional study will provide a template and knowledge base, which can be applied to other regions of the province.

The Central Region, with Red Deer at its center, was chosen for many reasons. It has more of an equal distribution of rural-to-urban population, compared with those areas situated closer to Edmonton and Calgary, which have a greater urban-to-rural percentage. The Central Region is also far enough from these large urban centers to have its own regional practices. At the same time it is influenced by these centers, since Red Deer is along the Calgary-Edmonton Corridor (i.e., Highway 2), which allows for additional opportunities. It has a rich agricultural land base and a broad base of products to draw on, including fruit, vegetables, cereals, honey, and various types of livestock. There is a good base of both producers and buyers in this area.

## Goals and Objectives

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The goals of the study were carried out within the context of a pilot project, and focused on the Central Region of Alberta. The primary objectives of the study were:

- To identify the motivators, issues, challenges, and current practices in the distribution of Alberta's local food.
- To explore potential solutions to these barriers, and allow for greater distribution of local foods. In relation to the pilot study area, this could be achieved either through:
  - increased purchases from the Central Region and marketed within the same region, or
  - increased purchases from the Central Region, but marketed to other parts of the province.
- To identify the interest level among stakeholders for greater collaboration in the distribution of local food into Alberta's marketplace.
  - The pilot focused on: smaller producer/processor operations within the Central Region that have product to ship or store, and; transportation or storage companies that could potentially work with producers/processors.

The ultimate goal of this project was to create a better understanding of issues among stakeholder groups, and to facilitate the development of networks.

Another complementary step to this study was to host a forum, where buyers, logistics companies and producers could discuss their mutual interests and challenges in local food distribution, and generate ideas on how to meet the challenges they face. *(See Appendix H for the distribution forum results.*

## Boundaries of the Central Region

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The region includes the City of Red Deer and surrounding area. It also includes various counties to the north and south, as well as stretching to the western and eastern provincial borders, to make up the Central Region of Alberta.

The region includes the Counties of Clearwater, Ponoka, Lacombe, Red Deer, Mountain View, Kneehill, Stettler, Starland, Paintearth, and the Special Areas 2, 3 and 4, along with the M.D of Acadia.

The northern border of this region includes the towns/cities of: Rocky Mountain House, Ponoka, Donalda, and Consort. The southern boundary of the region includes: Caroline, Cremona, Carstairs, Carbon, Drumheller and Empress. (See Appendix A.)

## Definition of Local Food and Distribution

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The term *local food* can have a very different meaning to different people. Consumers may refer to local food as the 100-mile diet, food from their rural community, from a region within the province, or from the province. A buyer on the other hand, may consider local food as coming from the province, a larger region such as Western Canada, from other parts of Canada, or even from North America. Therefore, the term *local* depends on the perspective of the person, their values, their business, and where they can find the closest supply of that particular type of food, some of which may come from a considerable distance (e.g., certain fruit, fish, etc.). For this project, we referred to *local* food as product coming from the province of Alberta.

**Definition of Local:** “Food that is produced or processed in Alberta.”

*Distribution* is about the movement of products from the producer or processor to the buyer. The project focused on the distribution and movement of small units of product within Alberta, where trucking and/or storage were needed to get it to market. The scope of the project included those producers/processors that have product ready to enter markets beyond the Farmers Markets, but may not necessarily be large enough to serve the needs of large retail stores.

**Definition of Distribution:** “The movement of products from the producer or processor to the buyer.”

## Methodology

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The information was gathered in an exploratory manner from each stakeholder group, using various methods, such as: focus groups, face-to-face interviews, and/or phone interviews. The process was not meant to be a representative testing of each stakeholder group, but rather an opportunity to explore on a deeper level, assumptions about the distribution challenges of local foods, and also to identify any other challenges that stakeholders were facing. Each method used both a structured and an informal style, to gather specific detail, as well as to encourage participants to share freely, and expand on challenges or possible solutions to the distribution of Alberta’s local foods.

The following outlines the three stakeholder groups, the focus of the distribution project, as well as the steps for collecting information. The results from each of the three groups were not dependant on one another, therefore the interviews for Groups I, II and III did not need to be conducted in that particular order:

### Group I – Buyers

- Step 1: Preliminary research was conducted with staff from Alberta Agriculture and Rural Development (ARD), to discuss general issues of key buyer groups – food service, retail, convenience stores and others. These buyer groups include a number of categories within, such as restaurants, institutions, national and specialty retail stores, etc.
- Step 2: Phone interviews or face-to-face interviews were conducted with selected buyers. Ideally, the project would include learning from each of these groups of buyers. However, time and resources limited the scope to interviewing only one category within food service (i.e., restaurants).

### Group II – Logistics Companies

- Step 1: Phone interviews were conducted with transportation companies, as well as phone interviews with storage companies.
- Step 2: (Optional) Face-to-face interviews could be conducted with transportation and storage companies as part of the interview process or as a follow-up. *(This step was not part of this project’s timeline, but may be part of subsequent projects.)*

### Group III – Producers

- Focus groups with producers: Two focus groups were held, with six to eight participants per session.

## Reference Tables – See Appendix B

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The tables in Appendix B were developed as a reference guide for the interviews and focus group sessions, as needed:

### Table 1 – Motivators in Support of Local Food

This list was compiled from consumer research studies and from general information from the media. It is not a comprehensive list but highlights the many reasons that people give for why they choose local food; it groups these reasons into five main themes.

During this pilot study, when participants were asked about what motivates them to buy local food, the question was left open ended. Their responses were then categorized, using this table as a guide.

### Table 2 – Alberta Produced Food Categories

This list includes the main food categories and products that are produced or processed in Alberta.