

Local Food Distribution

What's moving local food?

*Sharon Faye
Alberta Agriculture and Rural Development
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Canada 

**Government
of Alberta** 

Growing Forward 
A federal-provincial-territorial initiative

Overview

- Background
- Focus of the study
- Participants
- Summary
- Current projects

Background

- Local food demand is growing
- More information needed (feasibility, models)
- Distribution system is needed to handle smaller units of product (vs large units of product, large distances)

“Distribution of Local Food: Best Practices”

A pilot project in Alberta’s Central Region

Focus of the study (2010-2011)

- Motivators
- Barriers
- Current practices
- Solutions to barriers

Local:
“Food that is
produced or
processed in Alberta”

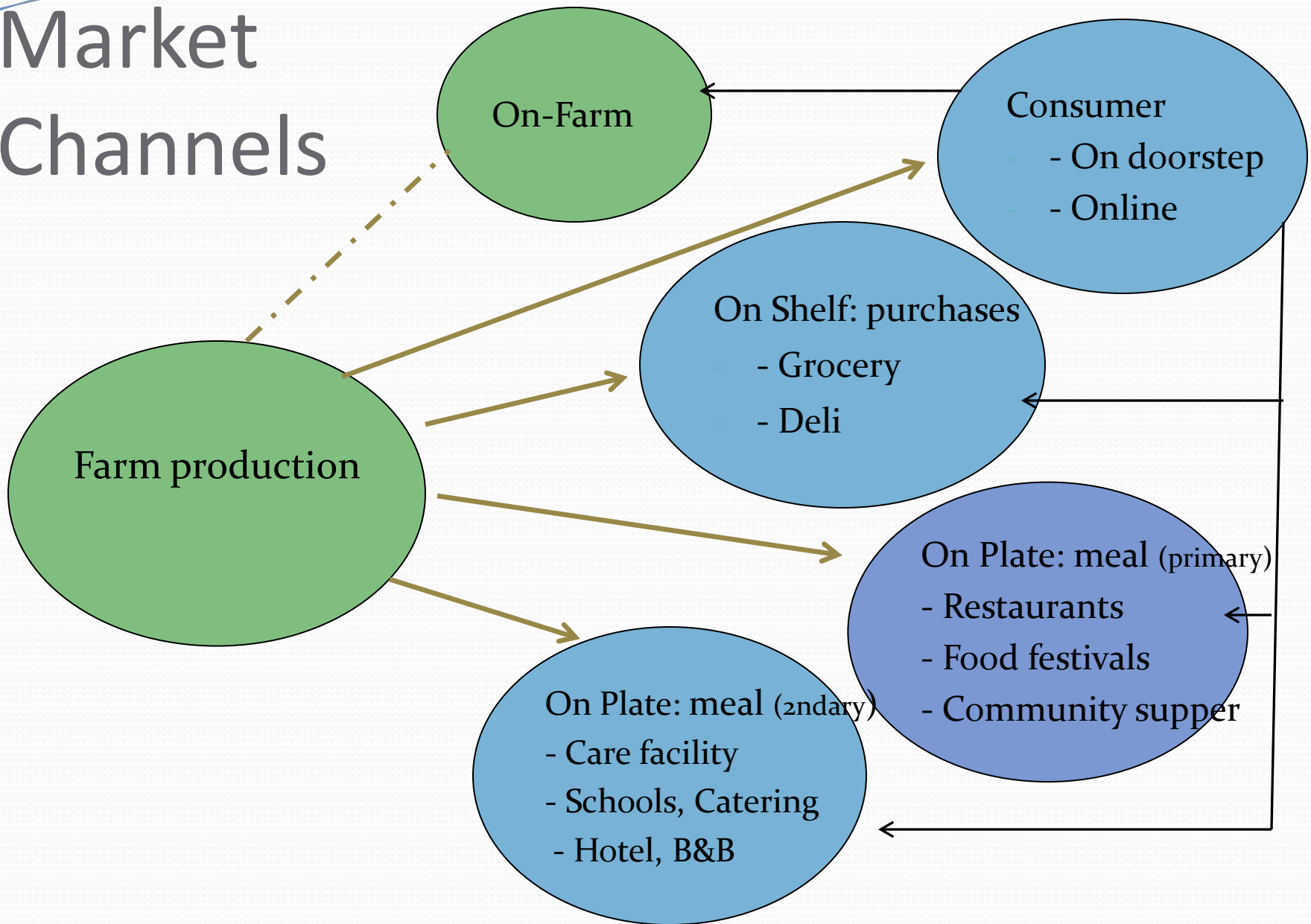
Distribution:
“The movement of products from the producer or
processor to the buyer”

Participants

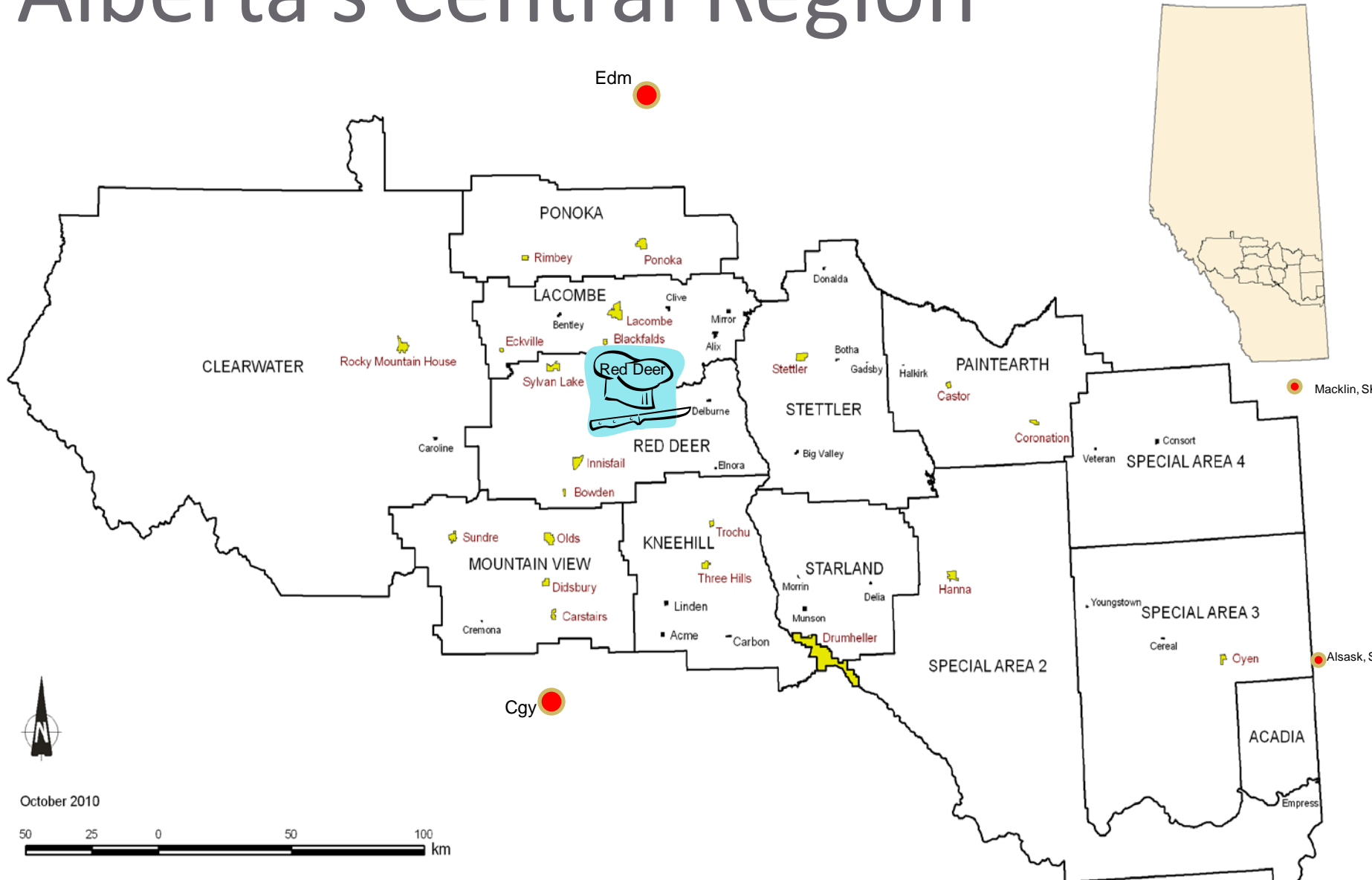
- Buyers – interviews (*restaurants*)
- Logistic companies – interviews (*transportation & storage*)
- Producers – focus groups

FORUM - meeting of all three stakeholder groups; networking; presentations (100-Mile Market, panel: producer, caterer, logistics)

Market Channels



Alberta's Central Region



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Buyer Profile *(restaurants)*



- Mostly local purchasers within past 3-5 years
- Some seasonal purchasing; other products year-round
- Most use a major food service distributor as main supplier
- Budget for local purchases varied amongst buyers
 - 10% or less of food budget
 - 20% or less
 - Others: produce – ranges from 25% (*winter*) to 75% (*growing season*), and meat – 100%

Buyers' Survey *(all participants)*

Motivators *(Restaurants)*

- Quality – tastier, fresher, or less processed
- Economic/Ethical – support local economy; how product was produced
- Product uniqueness
- Customers asking for local



Challenges *(Restaurants)*

- Not aware of product
- Price
- Incentives offered by food service (bulk buying)
- Convenience
- Availability/supply
- Time required – coordination of deliveries, billing

Buyers *(purchasing local)*

Challenges in Purchasing Alberta's Local Food



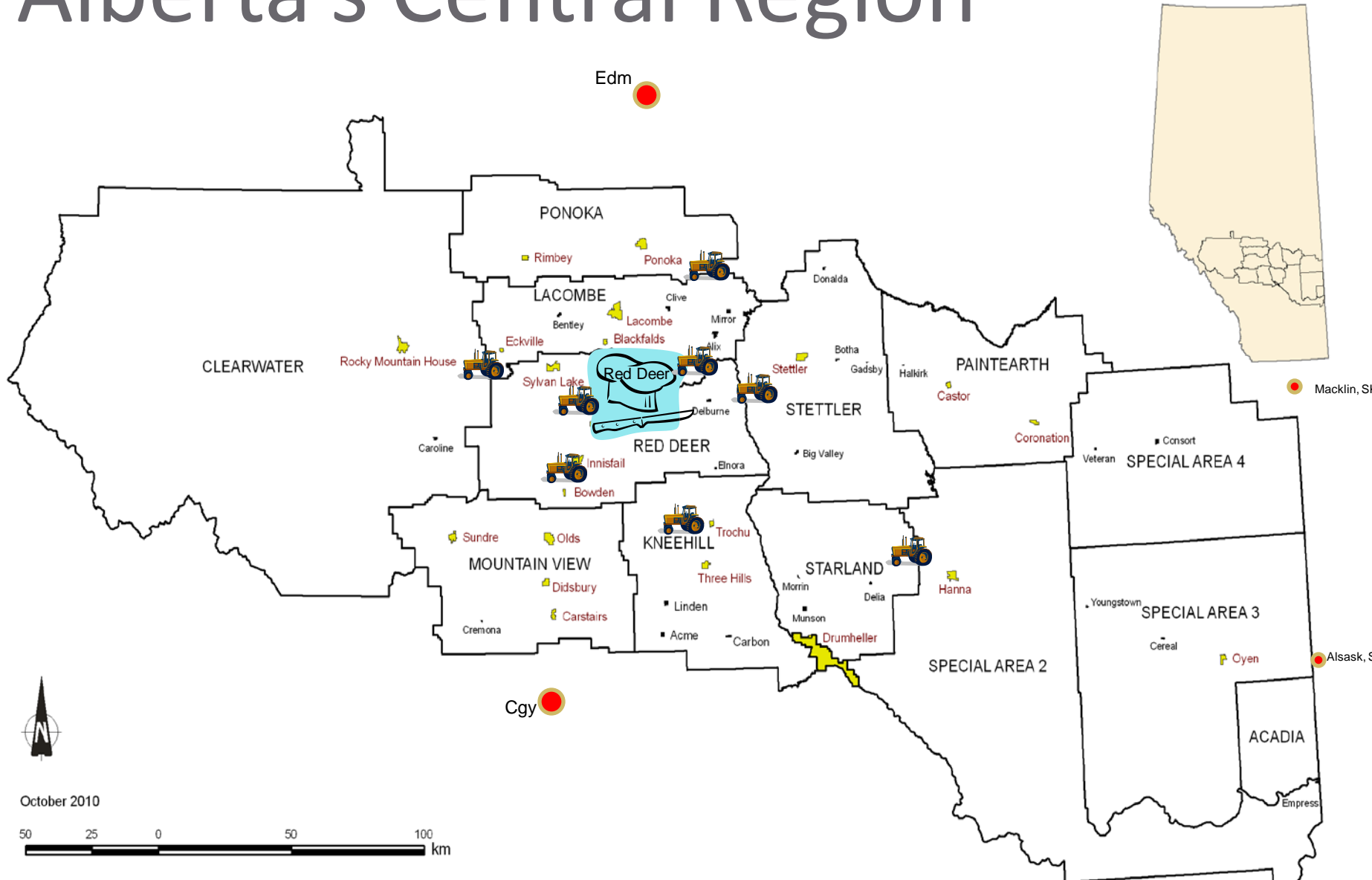
Quality
Quantity Product-uniqueness
Delivery-when-required Business-like Buying-process
Lack-of-awareness
Small-delivery-coordination **Price**
Delivery

Buyer Highlights

- Looking for something different, specialty
- Quality-Price-Quantity-Awareness (QPQA)
- Convenience (access, delivery, billing)
- Team of chefs developing a “local” menu
- Some start small/learn as they go



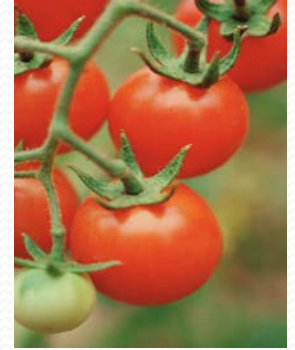
Alberta's Central Region



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Producers



Motivation to Expand

- Growing demand for local
 - Consumers'/Buyers' interest
 - Demand > Supply



Challenges (*logistical*)

- Delivery to restaurants- cost, volume often small
- Distance – farm location/ population size
- Large scale system (retail)
- Carriers – cost, backhauls, awareness, reliability/trust
- Freezer/storage – fees, rules

Challenges *(general)*

- Growth management
- Time constraints
- Volume/Viability
- Lack of value chains
- Purchasing power/scale
- Financing
- Promo costs/Education
- Meat processing issues
- Operations *(i.e., accessing equipment, labour, technology, & appropriate pricing)*



Solutions (*logistical*)

- Create awareness/trial product (*buyers*)
- Manage distance/economies of scale
 - create value chains (collaboration vs competition)
 - have one-point-of-contact, to sell for many
- Distribution center/drop-off points (*volume sales, f.mkt.*)
- Infrastructure– scale-appropriate fees, facilities
- New business structures (*formal/informal*)
- Networking – share knowledge/mentoring
- Check-off system

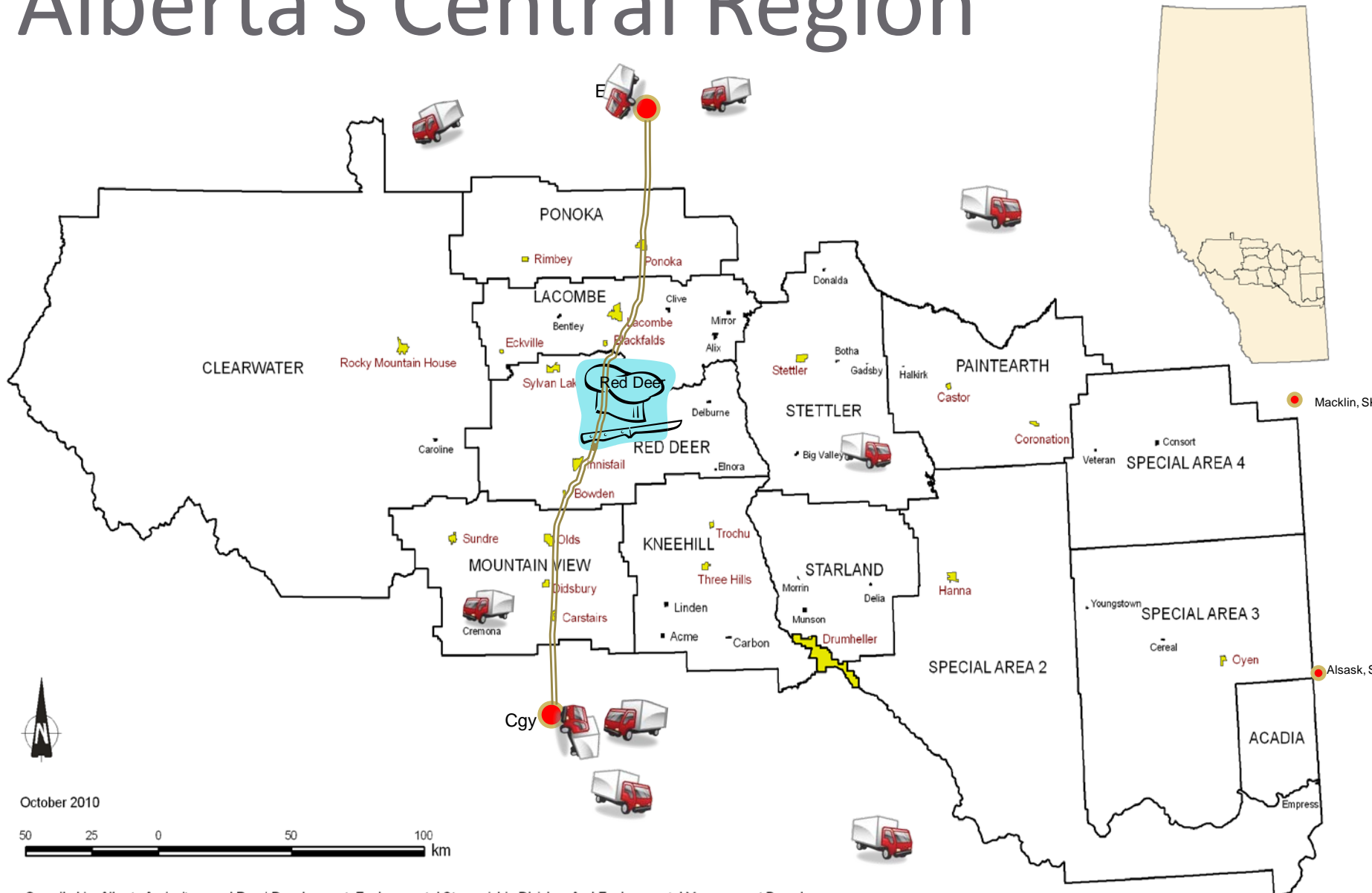


Solutions *(general)*

- Create a win-win for all stakeholders
(producer-to-retailer)
- Equipment – easier access, partnerships
(within Canada/US to custom build, offshore purchasing)
- Marketing/branding – create further demand,
brand local products *(Foodland ON)*
- Business financing
- Technology *(marketing)* – design/maintain web, social
media, toolkit, mentoring on advertising
- Government – gathering information, support
- Industry – leadership, collaboration, create
networks, share knowledge



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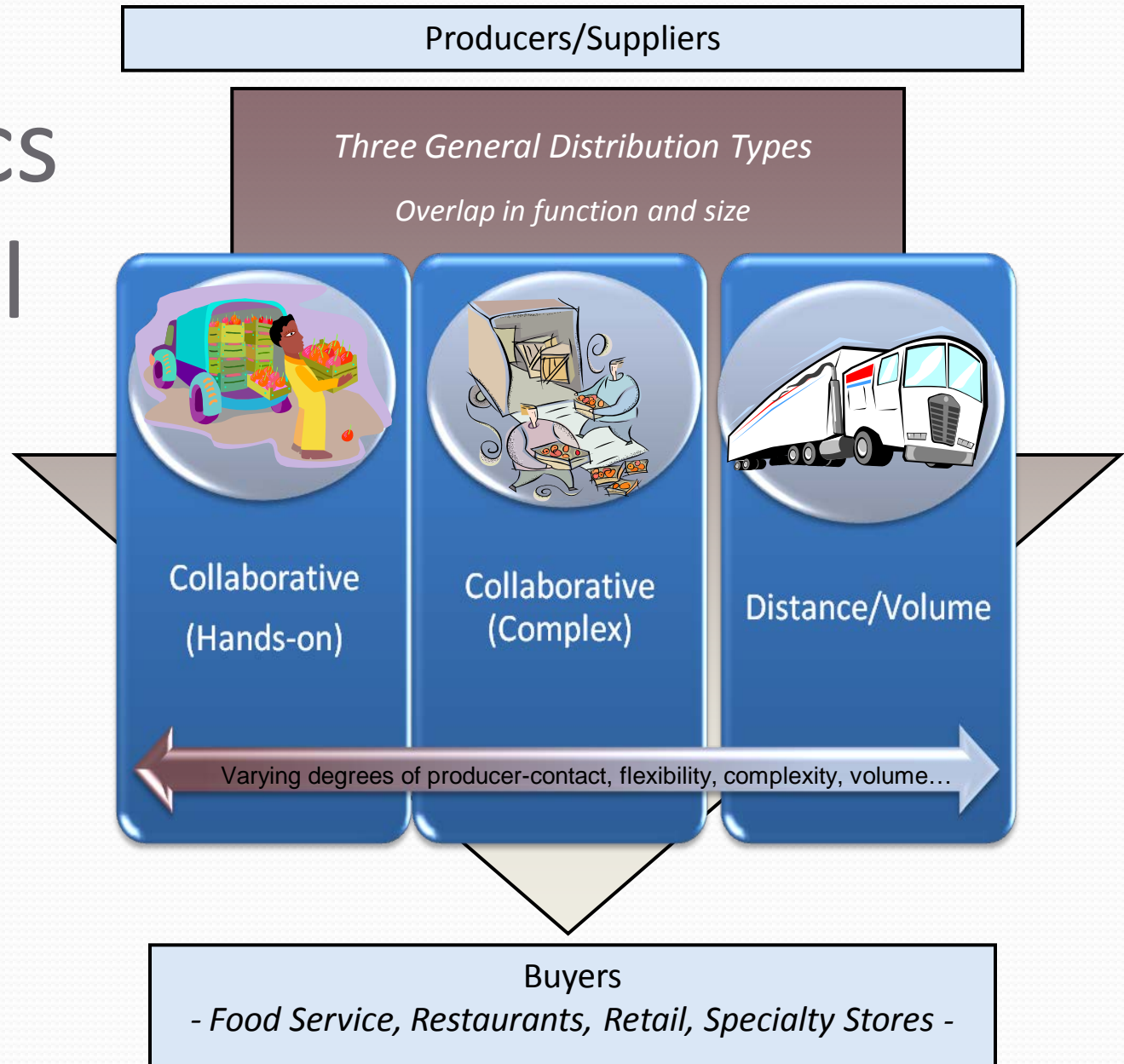
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Logistics Survey *(transportation, storage)*



- Participants from:
 - Central Region...
 - Cgy-Edm Corridor...
 - And beyond...
- Categorized according to function or role (vs size)
 1. Collaborative/Hands-On
 2. Collaborative/Complex
 3. Distance/Volume

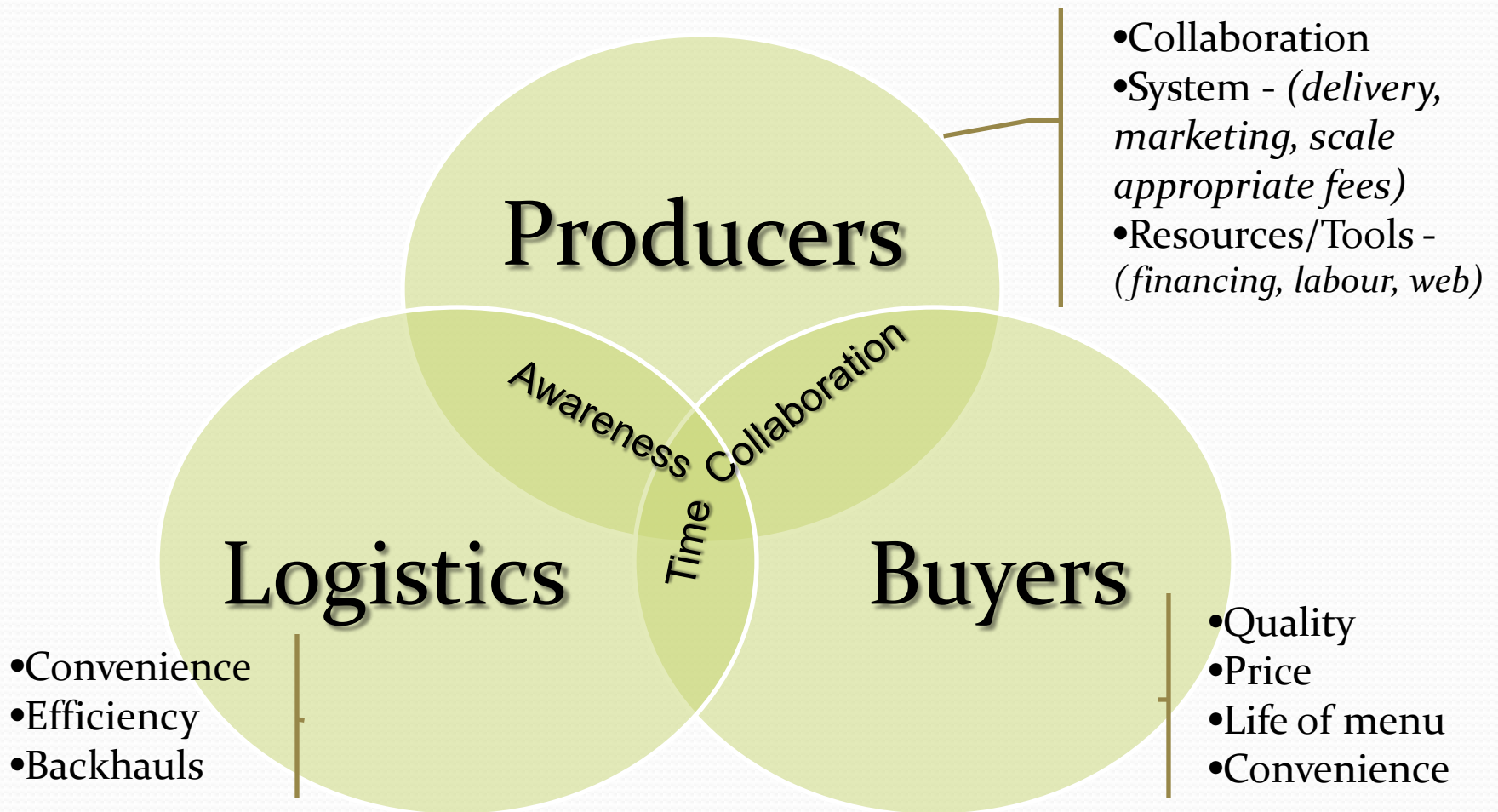
Logistics of Local Food



Summary of Motivators

- Quality – tastier, fresher, or less processed product
- Economic – to support local economy/producers
- Ethical – how product was raised/produced
- Product uniqueness – sets the business apart
- Consumer trends – customers are asking for local;
Demand >Supply - it continues to grow

Summary of Needs/Challenges



Steps to Take

- Create a ***greater awareness*** (*producers, buyers & logistics*)
- ***Network***, share information/Develop ***tools & resources***
- Look for ways to ***collaborate***
- Create ***systems***, which can manage smaller units of product & the network of relationships (*value-chains*)
 - *Market products, Coordinate/Source product, Aggregate, Deliver...*
 - *Meeting quality, convenience & efficiency needs (scheduling, billing)*

Distribution Projects (2011-12)

Collaborate/Create Systems

- Producers' distribution routes – Edm & Central Regions
- Logistics companies – Current role, future possibilities
- Expand local market channels – AB Health Services & local producers

Awareness/Resources

- Distribution Business Models – AB businesses/Others
- Tools
 - Database of logistics companies
 - Factsheets on distribution topics (*terminology, risk management, liability insurance...*)



Questions

[www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/cu13700](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/cu13700)
www.explorelocal.ca/

Sharon Faye
780-422-5326
sharon.faye@gov.ab.ca

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