

**Agriculture Enterprise Development Centre
Feasibility Study
South Cariboo and Surrounding Region**

A Place for the 100 Mile Diet and Beyond

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Executive Summary

The agriculture sector is in turmoil and communities are feeling insecure about food quantity and quality. A significant fall down of economic activity will follow the impacts of the Mountain Pine Beetle devastation in the forest economy.

The idea of an Agriculture Enterprise Development Centre grew out of the Agriculture Strategy sponsored by the Cariboo Chilcotin Beetle Action Coalition over the past two years. Agriculture and its support is seen as important in the Economic Diversification Strategy which was the culmination of multisectoral planning for the post-beetle era.

Uncertainty in the structure of the traditional agriculture sector speaks to the need for innovation and collaboration. The District of 100 Mile House has taken the initiative to place the Centre in 100 Mile House and link it to activities in the rest of the region.

A large majority (70% support) of the producers surveyed favour the creation of a Centre to serve their needs and those of the community. They said they need the following services: Business Development, Education, Extension Services and Distribution and Marketing Services. Of the three general functions of running a business only production was within their comfort zone, while business management and marketing were outside.

At least 260 farms in the South Cariboo and 900 more in the greater Cariboo-Chilcotin could be served by the Centre. Half the farms and ranches produce beef, followed by horses, forage and a surprising range of other crops, particularly vegetables. The average age of farmers has not increased over the past three decades, yet there are many who need to work out succession plans to make room for a new generation. By proving viability, farm enterprises can make room for the young people already on the land and other who will migrate there.

There are local and global (outside BC) market opportunities. Success in meeting the potential of the local market will position producers well for the need to export out of the region. This is particularly true for cattle. To be positioned for a more strategic entry into local and niche markets, some of which are very large considering that the Lower Mainland is in the 'local' market range, producers will need to collaborate through strategic alliances (co-ops etc) to get their product to consumers.

A number of existing models provide examples of other communities' approaches to securing services needed to survive and thrive. Partnerships with institutions of higher learning help to develop product. Marketing and distribution collaboratives are part of most of them. Support for businesses in transition is also part of the service mix.

Many of these functions have in the past been provided by government extension services, but no longer. Other western provinces have recently reinstated and augmented extension services. There is also a real need here in British Columbia, as identified through consultations with local producers.

A number of activities and partnerships have been identified to fill the local needs. Producers want a place to go to in town to obtain services. Represented in this report is the flow which a producer follows upon entering the Centre.

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A critical mass of activities is required, creating a need for at least two full time equivalents. Minimal capital will be required, beyond possible video conferencing facilities, as there are options for locating in several of the facilities belonging to partner organizations and businesses.

Several dozen potential and committed partners have been identified. Specific partnerships will be formulated around activities and projects as resources materialize. Identified partners are local, regional, and provincial.

The first employment impact will be the stabilization of the sector (hundreds of jobs), followed by the growth of certain enterprises. A further measure of success will be the amount of increased consumption of local food and product.

The Centre's program development will be phased, depending in part on the development of the partnerships. Initially a video conferencing facility will be developed along with business support activities including marketing /distribution developments as well as general education / awareness programs. In the second year, agriculture production and innovation projects will be established, along with agritourism products.

The Centre can be initially launched through the 100 Mile Economic Development Corporation with an advisory/steering committee of producers. A dedicated facilitator is crucial to maintain operation and it is recommended that the business support person be hired to fulfill this role.

The Agriculture Enterprise Development Centre will become the heart of the 100 Mile Diet and link with, and coordinate, related initiatives in the rest of the region.

Acknowledgements

We recognize the determination of Helen Horn who encourages many to take hold of the future and create it for succeeding generations on the land.

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We value First Nations who wish to share their land wisdom and their desire to reclaim a healthful existence based on good food.

We are inspired by the ranchers and farmers who are determined to stay settled on the land.

We are thankful for the legacy of the Emissaries community who produced and processed so much of their own food for so many years and who treated the land as a breadbasket to be stewarded respectfully.

Contributors

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1 Introduction

Agriculture has long been an important industry in the South Cariboo region of British Columbia, providing a large part of the region's character and lore, in addition to the employment and economic benefits it provides.

It is an industry, however, that has been buffeted by a range of factors and events; global, national and regional, that have created major challenges to the profitability and viability of many of the agricultural operations within the region. These challenges include:

- Livestock diseases;
- Global warming and weather;
- Rapid oil price fluctuations;
- Increased potential of biofuels;
- Global financial crisis and recession;
- Supply chain / distribution / processing changes and challenges; and,
- Market pricing and an inadequate return on investment.

Despite the above challenges, there have emerged two significant opportunities in recent years, namely growing consumer awareness and demand for healthy foods, as well as the developing local food movement. The challenge for agricultural producers is to respond effectively to these opportunities.

In addition to the challenges the agriculture industry faces, the South Cariboo (as well as much of the Interior of the province) has been ravaged by the Mountain Pine Beetle epidemic that is wreaking havoc on the forest industry.

In response, the regional community came together to form the Cariboo-Chilcotin Beetle Action Coalition (CCBAC) with a mandate to investigate and develop strategies to minimize the impacts on, and maximize the opportunities for, the people living in the region. The *Cariboo-Chilcotin Agriculture Sector Strategy* was the result of their investigation of agriculture in the region.

Within this context, and following on from the work initiated by CCBAC, the District of 100 Mile House commissioned a feasibility study for an Agriculture Enterprise Development Centre.

This report presents a plan for such a Centre. It recognises the growing strength of the local food movement and acknowledges the need to find balance between large land based cattle ranching and small / medium sized enterprises producing food for local sale. The concept around the proposed Agriculture Enterprise Development Centre is designed to address the needs of both large and small as efficiently as possible.

The local agriculture producers realise the importance of working with the local community to promote local food production and consumption. In addition, they feel that the Centre should contribute to public education about what can be grown and raised in the South Cariboo as well as what local products can be purchased.

The format of the report is outlined as follows:

- Section 2 reports on the service needs as identified by the producers;
- Section 3 profiles the existing agricultural industry;
- Section 4 highlights trends and market opportunities;
- Section 5 reviews models which the proposed Centre could learn from;
- Section 6 outlines proposed activities of the Agriculture Enterprise Development Centre;
- Section 7 looks at possible governance structures for the Centre;
- Section 8 reviews the role and involvement of potential partners;
- Section 9 projects some of the employment / business development impacts; and,
- Section 10 details the next steps required towards establishing the Agriculture Enterprise Development Centre.

The feasibility study is designed to examine how an Agriculture Enterprise Development Centre can best address the needs and challenges facing the South Cariboo agriculture industry. The services developed by such a centre will no doubt provide a benefit to the larger surrounding region.

2 Producer Input: Needs of the South Cariboo Agricultural Community

2.1 Vision for the Centre

The vision that has emerged is of a place within a cluster of facilities touching the centre of town where rural neighbours can meet each other and their town neighbours; they will learn, share knowledge and build collaborative enterprises that will result in food security for all and modest prosperity for producers.

The Agriculture Enterprise Development Centre must be designed to meet the needs of South Cariboo producers. In doing so it can serve other in the region. To this end, a survey and focus groups comprised of producers were held to provide insight into local industry needs. From this consultation grew the Agriculture Enterprise Development Centre concept and programs to support area farmers and ranchers.

2.2 Survey Results

Using the Ministry of Agriculture and Lands' mailing list for South Cariboo producers as well as local Cattlemen's Associations, a total of 150 surveys were mailed out. In addition, another 50 surveys were distributed to stakeholders at meetings and at the local Ministry of Forests and Range offices.

Forty producers with a variety of different sized farms responded to the survey by indicating that their greatest operating challenges are low prices and high production costs. Marketing, labour and time available and processing were also considered major challenges that operators are facing. Similarly, with respect to marketing and distribution, operators are being impacted by low prices, trucking/distribution challenges and labour requirements. Appendix 1 presents the survey as well as detailed survey results.

The producers who responded, most of whom produce beef and hay, represent 15% of the farms in the South Cariboo. Perhaps surprisingly, these operators indicated that the main

method of selling product is through reputation / word of mouth. Farm gate receipts and the BC Livestock Co-op are used by most of the producers responding to the survey.

Interestingly, the number of operators citing sales through reputation and word of mouth was three times greater than those utilizing farmers markets. One producer indicated that they sold products directly to packing plants.

Thirty-five percent of the respondents to the survey supported the idea of a commercial kitchen to assist small operators to process their products. Respondents were split on their desire to pursue agri-tourism.

Most of the producers responding to the survey (70%) indicated that they are supportive of the Agriculture Enterprise Development Centre, while 22.5% were opposed and 7.5% expressed no opinion. Of those who were supportive of the Centre, it was suggested that the marketing, distribution, new product development, and strategic planning are services of greatest need.

2.3 Focus Group Results

Two meetings with groups of South Cariboo producers and processors and one meeting with the Canim Lake First Nation were held in February 2009 to gather information on their needs in the industry and the value of an Agriculture Enterprise Development Centre. A second round of focus groups was held in March 2009 to review a draft concept paper and assess whether the activities outlined in the concept paper met the needs of the producers. Appendix 2 presents the full notes arising out of the five focus groups.

2.3.1 Initial Focus Group Consultation

During the February focus group sessions, the three focus groups identified a number of themes in common with each other.

Constraints faced by the South Cariboo agricultural sector, as identified by focus group participants, included:

- Lack of marketing skills and distribution networks;
- Storage of products (cold storage for both organic and conventional produce);
- Limited time available to devote to farm management and business development;
- Access to training and the internet; and,
- Uncertainty regarding the future of slaughter facilities in the South Cariboo.

Secondary constraints identified by focus group participants included:

- Irrigation and water management, should drying trends continue;
- Viability of operations to afford salaries for workers, and access to labour; and
- Access to agriculture programs, including difficulties completing the required paperwork.

Useful activities for the Agriculture Enterprise Development Centre would be in the areas of:

- Provision of virtual internet-based training;
- Marketing and distribution support, with a retail venture for revenue generation;
- Assistance with development new high-quality products;
- Business planning, business mentoring and after-care support;
- Management training;
- Initiating product trials and research;

- Pathfinding and support with respect to accessing financial programs;
- Providing storage space; and,
- Arranging workshops and sponsoring conferences.

The initial session of the focus groups felt that an Agriculture Enterprise Development Centre should:

- Aim to be sustainable;
- Become self-sufficient in the long term;
- Represent and be a central focal point for South Cariboo agriculture; and,
- Provide opportunities for training, marketing, networking and partnership building.

Further advice from the focus groups suggested that the Agriculture Enterprise Development Centre should start small in terms of types of the services offered and the geographic area that it will support. The Centre would then be in a position to expand after building success in different program areas.

The focus group also believed that funding should come from fees for services as well as different partners including government agencies, economic development organizations, educational institutions and retail and agri-tourism companies.

2.3.2 Follow-up Focus Group Consultation

Two focus groups were held in the second session. Three participants from the first Canim Lake focus group attended Focus Group #1.

In the second set of consultations, the focus groups identified strengths and weaknesses of the concept paper that was presented at the end of February. The lack of focus on the local food movement was acknowledged, with a commitment to bring local food to the forefront. Related to this was a discussion revolving around the Centre's desired role in strengthening local food systems in order to reduce leakage out of the community.

Further, it was pointed out that the concept paper did not give sufficient attention to the virtual aspects of the Centre, as these were identified by producers to be critical components of the Centre. Necessary virtual aspects include:

- A database of local producers and processors;
- A retail ordering system for products;
- A database of available internet training courses; and,
- Links to information relevant to production and marketing in the area.

Video conferencing facilities are essential to provide networking and learning opportunities throughout the region. Video conferencing facilities are available at Community Futures in Williams Lake and Quesnel. In 100 Mile House, facilities are located at Interior Health; further investigation is needed to determine whether they are available for wider use.

Other recurring themes that were discussed by the second session of the focus groups included:

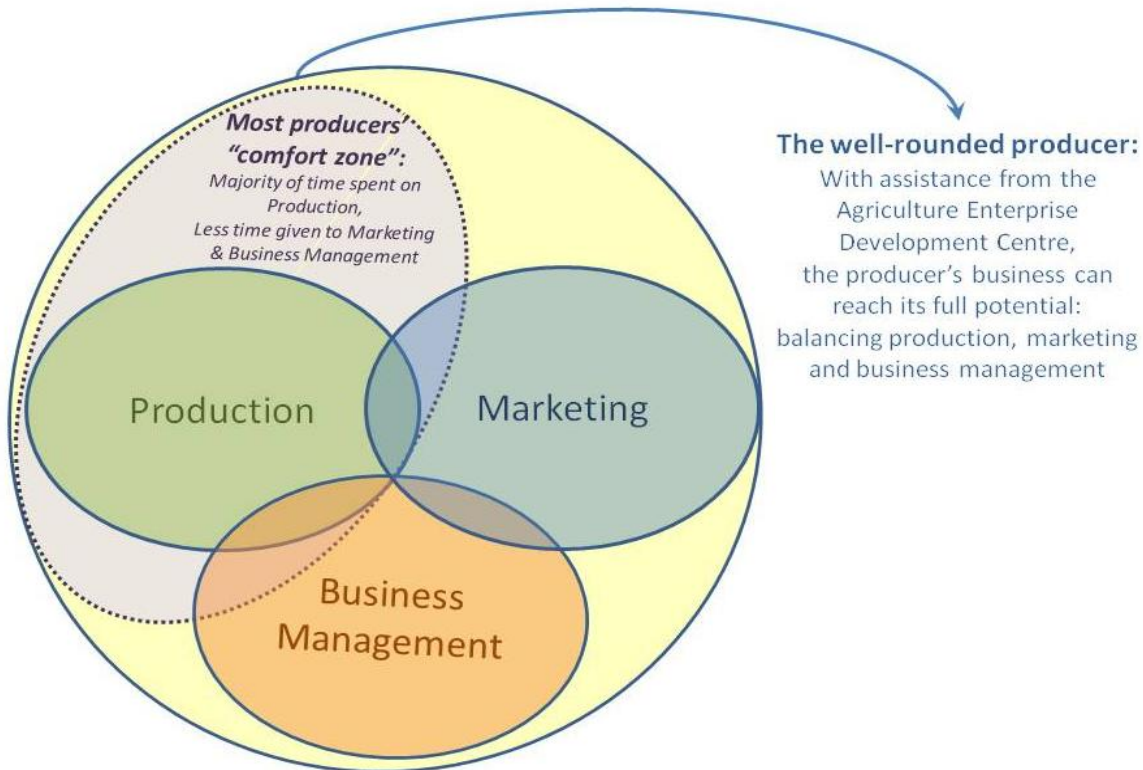
- The need for a fully-functioning abattoir in the South Cariboo;
- The desire for equal weight to be given to other livestock/crops versus beef production;
- The need for marketing and business development assistance; and,

- The importance of the Centre offering education / training / research, including in the areas of quality, food safety, and even grading inspection.

The overall conclusion of the focus groups was that the momentum needed to be maintained and that a steering committee be formed to oversee the establishment of the Centre. Further, in terms of governance, the focus group participants saw the Centre as a non-profit society, with revenue generating functions through the operation of a distribution and marketing business. Membership could be left open to individuals and businesses, with each member having one vote.

Finally, out of one of the focus groups grew a pictorial representation of what the Agriculture Enterprise Development Centre should aim to accomplish (see Figure 2.2.2.1). When running a business, there are three skill sets which will make it successful: production, business management and marketing. Most agricultural producers are good at the production side of business but weaker in marketing and business management. The Agriculture Enterprise Development Centre would assist agri-business to realise their potential by balance out their strengths, improving both marketing and business management skills.

**2.3.2.1 The Potential of the Agriculture Enterprise Development Centre:
Helping Producers Achieve Balance in Business**



3 Agriculture in the South Cariboo, and the wider Cariboo Region

There are 1160 farms and ranches¹ in the Cariboo Regional District and 259 of these are located in the South Cariboo. While the farms and ranches within the region are larger than the provincial average (274 ha versus 142 ha), those located in the South Cariboo are about one-third smaller than the regional average. Nearly 50% of farms located in the South Cariboo are less than 73 hectares in size.

Gross farm receipts for 2005 for Cariboo farms were as follows:

- the vast majority, over 76% earned less than \$50,000;
- 10.8% earned between \$50,000 and \$100,000;
- 11.4% reported gross receipts between \$100,000 and \$500,000;
- and, only 1.6% reported gross receipts over \$500,000.

The above are not net income figures; rather they are gross sales from which expenses must be deducted.

Beef cattle ranching is the predominant form of agriculture in the Cariboo. Total cattle and calves (on Census Day 2006) were 127,914 in the Cariboo Regional District, with 13,494 (11.1%) in the South Cariboo.

The top three farming categories (beef ranching at 47.6%, equine production at 19.4%, and hay farming at 13.7%) represent over 80% of all farms in the Cariboo. The only other category with significant numbers is *Livestock combination farming*, with 8.3% of the total number of farms. Poultry numbers were not readily available.

The dominance of the cattle and equine industries is reflected in the agricultural land (486,182 ha) use within the Cariboo Regional District: 65.8% (319,908 ha) of agricultural land is used as *natural land for pasture*. Of the agricultural land seeded to crops (54,123 ha), nearly 50% is used for tame hay and fodder crops, and an additional 44% is seeded to alfalfa and alfalfa mixtures - livestock feed. Oats, barley and mixed grains are present but comprise only a very small portion agricultural land seeded.

In terms of livestock processing facilities, there is one red meat abattoir in the South Cariboo, currently operating under a Class C license which will expire the end of 2009. This uncertain future for red meat processing in the local area is of considerable concern to producers. There are at least three fully licensed slaughter facilities in surrounding areas, one to North near Williams Lake and two to the South near Kamloops.

With regards to white meat processing (poultry), there is a mobile abattoir based in Kamloops which travels up to the South Cariboo as needed. In addition, there is another planned mobile unit to be based in Quesnel which may also serve the South Cariboo in the near future.

¹ Most statistics for the South Cariboo area of the Cariboo Regional District are either not available, information is suppressed due to the small sample size or require custom tabulations. Hence most statistical data reported will be at the Regional District level. Statistics are derived from Statistics Canada's 2006 Census of Agriculture. Appendix 3 presents some additional detail on agricultural statistics for the Cariboo Region.

A diverse range of vegetable production is reported by 35 farms in the Cariboo region. The diversity of vegetable production for most of the South Cariboo is more limited due to its higher elevation and shorter growing season. This presents challenges to meeting the needs of the local population and food security.

While the growing season in the South Cariboo is more limited and offers less diversity, there is significant potential in crops, such as root vegetables, herbs, and perennial berries (including sea buckthorn, Saskatoon and raspberries). At present, the total area under cultivation is extremely small.

4 Trends and Market Opportunities

South Cariboo agriculture producers operate in a global environment that creates both new challenges and opportunities. A complete overview of global agricultural trends, and their impacts on Canadian agriculture, is presented in Appendix 4. Some of the major trends facing the industry are briefly summarised in the following sections.

4.1 Global Agriculture Trends

Canada is the fourth largest food exporter in the world. Agriculture products, excluding fish products, make up 4.8% of the international exports from British Columbia. The majority of these products are shipped to the United States. In 2007, the value of these provincial agricultural exports was \$1.462 billion. Across Canada during the same year, over \$30 billion worth of agricultural products were exported.

In recent years, there have been three notable disease outbreaks that have had an enormous impact on Canadian producers: bovine spongiform encephalopathy (BSE), avian flu and porcine circovirus type 2 (PCV2). The BSE outbreak led to trade restrictions by some countries on Canadian beef products. These restrictions are now being lifted but they have had an enormous impact on the beef and cattle sector.

Although its specific impacts are not yet well understood, global warming has and will continue to impact agriculture by reducing crop yields in some areas while increasing yields in others. In addition, global warming is leading to changing weather patterns, increasing water shortages and impacting input costs such as fuel, sometimes significantly.

Oil price fluctuations impact significantly on the agricultural sector. The recent decline in crude oil prices has provided some relief to Canadian producers. However, the instability of crude oil prices has also become a greater source of risk for agriculture producers, particularly those that are looking to transition to new products or expand their markets.

Other global trends which affect the Canadian agriculture industry include:

- The growing trade opportunities with Asian markets,
- The increased demand for biofuel production; and,
- The increasing demand for organic products.

Finally, the full effects of the current financial crisis and recession will no doubt have impacts on the Canadian agriculture industry. Some of these impacts could involve lower demand for high-priced Canadian agricultural products and less investment funds available for farm expansions.

Alternatively, the recession may well lead people to place greater value on local food systems and local food security. Further, it will encourage increased interest in producing ones' own food.

4.2 Canadian Agriculture Trends

The growing size of the agriculture industry in British Columbia is in contrast to the rest of Canada and suggests that the industry in this province is able to take advantage of new market opportunities. Provincial trends suggest that farms are growing in size, indicating that farmers are forced to capture economies of scale and improve profitability or to address larger scale market needs.

Livestock production is a significant component of the South Cariboo agriculture industry. While the overall inventory of major types of livestock in Canada remained relatively stable between 2001 and 2006; the numbers of bison increased significantly (34%), pigs increased (7.8%), beef cattle numbers increased (5.8%) while dairy cattle numbers declined (6.2%). Heifers for slaughter and feeding increased by 15.8% across Canada while heifers raised for beef herd replacement declined by -22.8%.

Between 2001 and 2006, there was a trend towards dedicating more land for the production of alfalfa. In part, the increase of 12.7% reflected increased feed prices and demand for grass fed beef.

With Canadian consumers demanding year-round fresh produce, there has been a significant increase in demand for greenhouse vegetables. From 2001 to 2006, the area devoted to greenhouse vegetables expanded by 36.7%,

The number of organic farms also increased dramatically between 2001 and 2006. The total number of certified organic farms increased by 59.4%, led by organic animal farms which increased by 76.6%. Farms producing organic hay or field crops increased by 70.7%, organic fruit and vegetable farms increased in number by 49.2%, while the number of other organic farms increased by 43.8%.

4.3 Provincial Market Trends

The population of British Columbia is projected to grow by 30% from 2001 to 2025². Food consumption will keep pace, raising the question whether BC farmers can meet the increase in demand for food.

The answer is not necessarily a foregone conclusion and depends on:

- the availability of suitable farmland;
- sufficient moisture, including water for irrigation;
- the level of production technology employed;
- consumer tastes and demand:
 - trend towards healthier foods;
 - increased adoption of the 100 mile diet.
- the impact of the global market (imports and exports);

² Lower Mainland Employment Study; Coriolis Consulting, 1999 as quoted in *B.C.'s Food Self-Reliance*, BC Ministry of Agriculture and Lands, 2006, page 4.

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- the costs of farming inputs (particularly energy);
- the price farmers receive for their products;
- the ability of the industry to attract new entrants; and,
- access to processing, storage and distribution systems to effectively get the products to market.

The table on the following page illustrates that there is ample market demand to support the introduction of additional foodstuffs into the provincial marketplace. The challenge for producers in the South Cariboo is to find the crops that can be profitably grown and distributed considering the region's climate, moisture and soil conditions.

Given all that is being produced in the province, it may be surprising to know that at this time British Columbia is not self-sufficient in foodstuffs³. This presents an opportunity to move significantly towards regional self-sufficiency.

Food Group	B.C. Consumption Million Kg's	B.C Production Million Kg's	% Self-Reliant
Dairy	1080	617	57%
Meat & Alternatives	467	298	64%
Vegetables - Grown in B.C.	764	331	43%
Fruit - Grown in B.C.	172	273	159%
Grain for Food	315	43	14%
Total - Grown in B.C.	2798	1562	56%
Fruit - Not Grown in B.C.	310		
Vegetables- Not Grown in B.C.	1		
Sugar	136		
Total - B.C.	3245	1562	48%

Currently agriculture in BC is quite regionalized, primarily due to soil and climate conditions. The majority of grains and oilseeds are produced in the north, beef ranching in the Interior, tree fruits in the Okanagan, dairy in the Fraser Valley and north Okanagan and small berries and vegetables in the Fraser Valley.

The *B.C.'s Food Self-Reliance* report estimates that in 2001, the province required 2.15 million hectares of farm land to meet its food requirements of which 217,000 hectares needed to be irrigated. By 2025, the demand for farmland for food production will increase to 2.78 million hectares of which 281,000 hectares will need access to irrigation. This is an increase of 92,000 hectares of irrigated land between 2005 and 2025.⁴

Of particular interest to the South Cariboo is the fact that BC produces a surplus of 'forage and feed grains' for the meat and dairy industries which limit some of the more obvious opportunities in the South Cariboo and surrounding region:

³ *B.C.'s Food Self-Reliance*, BC Ministry of Agriculture and Lands, 2006, Executive Summary and pages following.

⁴ Ibid. page 12.

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Food Group	B.C. Consumption Million Kg's	B.C Production Million Kg's	% Self- Reliant
Forage and Feed Grain	3538	3795	107%

While the level of feed and forage production meets the input needs of the industry on a weight basis, it does not meet the needs on a grain/forage ration basis. Currently the horse industry uses over 200 million kilograms of forage per year that is not part of food production and the poultry, dairy and hog sectors use more grain than is produced in B.C.⁵ Grain can be substantially replaced by intensively managed pasture (including irrigated pasture) for the growing of livestock locally. This presents an opportunity for local producers.

Clearly there is a demand for the increased production of food. The challenge is to identify the crops that can be produced in the region; processed, packaged and distributed appropriately in a profitable and timely fashion.

4.4 The Local Food Movement

In recent years, there has been tremendous growth across the continent in the “local food movement”, with the emergence of the 100 mile diet and Community Supported Agriculture (CSA), where farmers presell or forward contract on a small scale to purchasers of their product. Within the South Cariboo itself, a number of initiatives and groups are working towards improving local food security.

The local food movement is driven by both environmental and health issues. Reducing carbon footprint has become integral to many aspects of Canadian life. A growing awareness of how far food is travelling to reach the consumers’ plate is leading people to choose products that are grown closer to home both because of the resulting decline in quality for fresh food as well as because of the concern over the wasteful expenditure of resources.

According to a report commissioned by Agriculture and Agri-Food Canada, *Canadian Food Trends to 2020*, consumers are looking for more health and nutrition benefits from their food. In addition, the report found that consumers now have a better understanding of the link between healthy food choices and their well-being.⁶

Further, the drive towards healthier eating is encouraging people to produce their own food and to buy food to which they feel a direct connection. This is especially true for meat and animal products, particularly in light of the growing awareness of the risks associated with intensive animal production.

A case in point is found with certified and non-certified organic grass-fed beef, which has much less fat and fewer calories while containing higher amounts of Omega 3 acids. Although grass-fed beef is not a new product, the recent trend towards healthy diets has created a strong and growing market demand, despite its higher price.

⁵ Ibid. pages 9-10.

⁶ *Canadian Food Trends to 2020: A Long Range Consumer Outlook*, Agriculture and Agri-Foods Canada, 2005, as quoted in University of Guelph SPARK summary articles (www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1201554109150&lang=eng)

An Ipsos-Reid poll carried out in 2006 showed that Canadians saw many benefits to buying local meat and produce, among them:

- Supporting local economy;
- Supporting family farmers;
- Gaining access to better tasting and healthier products; and
- Environmentally friendly.⁷

The reconnection between farmers and consumers is evidenced by the growing successes of Farmers' Markets across the country. According to the Interim Executive Director of Farmers' Markets Canada, Brent Warner, there is exponential growth experienced in farmers markets and on-farm retail sales across the continent.⁸ Demand for local food is outstripping supply, presenting significant opportunities for producers to get their products to their community. This trend is validated by the experience of the South Cariboo Farmers Market which is seeking a dramatically increased supply for the coming spring/summer 2009 season.

See Appendix 5 for the Local Food Network's position paper.

5 Agriculture Enterprise Development Models

Over the years there have been a variety of approaches employed to stimulate the development of the agricultural industry. In developing a new project, there is considerable value in reviewing what has been done in the past, in order to learn from the experience of others.

We have chosen just a few models here to illustrate what is being or has been done. Many other examples abound and many are emerging almost daily. Hazelton and Grandforks are another two that have emerged recently in rural BC.

5.1 Government Extension Initiatives

Traditionally, governments employed agriculture extension officers who had the mandate to promote agriculture by talking to producers, relaying information and gathering intelligence as to the state of agriculture in the area. Governments employed research scientists and product specialists who investigated key issues, performed research and disseminated information affecting agriculture.

As government budgets have been curtailed, there has been a downsizing and / or elimination of many of these services. With the exception of British Columbia, the other Western provinces of Canada have restored and enhanced extension services. See Appendix 6 for a fuller treatment of this subject.

5.2 Okanagan Agricultural Support Officer

In 2005, the Regional District of Central Okanagan and area farmers identified issues and several gaps, including regional and municipal planning, business management, education and information sharing. In 2006 the Regional District's Economic Development Office initiated a two-year pilot program and hired an Agricultural Support Officer to address these issues.

⁷ *Canadians See Many Benefits of Locally Grown Foods*, Ipsos Reid poll, Dec 2006.

⁸ *Keep it local, and make it safe*, Brent Warner, Small Farm Canada, January/February 2009, pg 14.

Specifically, the work plan for the pilot program includes the following Enhancement Activities:

- Local Food Supplier Workshop;
 - Awareness of marketing and distribution opportunities
- Inventory of local food products;
- Promote inclusion at regional events;
- Farm Fresh Produce Guide and Map;
- One-on-one Site Visits; and,
- Assist local food manufacturers to develop export-related marketing opportunities.

In addition the Support Officer works on Agricultural Business Attraction:

- Investments needed / opportunities in agriculture;
- Agri-tourism; and,
- Encouraging entrepreneurs with fine food production & marketing to invest in local farm properties investment opportunities.

The Agricultural Support Officer has assisted farmer's to transition from tree fruits to grape and cherry production, liaised between industry and government alternatively advising farmers on complying with regulations and government on modifying the rules. "He understands and links farmers and the community and local government. He's helping to build robust, long-term solutions."⁹ Funding is continuing ...

5.3 Neepawa Enterprise Centre

The Neepawa Enterprise Centre was conceived by its Town Council in 1996. At the time of its inception, the Enterprise Centre contained the following elements:

- Business Incubator facility;
- Community Access Point to the Internet (housed by the Neepawa Public Library); and
- Community Business Resource Centre which has the following tenants:
 - Community Education and Skills Development Centre which is leased to and operated by Assiniboine Community College;
 - Neepawa and Area Development Corporation (NADCO);
 - Neepawa Chamber of Commerce;
 - Westlake Training Project and a Human Resources Development Canada service kiosk which provides access to Employment Insurance services and employment information.

The Neepawa Enterprise Centre was developed by the community to foster entrepreneurship, accelerate the development of new businesses in the community, increase the vitality of existing businesses in the community and attract new businesses and industries to locate their operations in the Neepawa area. In the long term, the community aimed to develop sufficient capacity in the Enterprise Centre to enable it to:

- Provide local access to development programs, services and information resources provided by public sector agencies such as Wheatbelt Community Futures, Manitoba Agriculture, Manitoba Industry Trade & Tourism, and Manitoba Rural Development, to name a few;

⁹ *Growing Together*, BC Ministry of Agriculture and Lands, Fall 2007, Vol. 8, No. 1.

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- Provide new business incubation, training and mentoring services on a cost-recovery basis to entrepreneurs in Neepawa and other rural communities on the Prairies;
- Develop and provide commercial training services in the personal development, skills development and business development areas; and
- Manage a portfolio of venture capital investments in rural businesses.

The Centre is now closed and serves as a classroom for extension programs offered by the Assiniboine Community College. It closed when municipal funding was not continued.

5.4 Hardwick, Vermont: A Small Town Placing Agriculture First

The town of Hardwick, Vermont, with a population of just over 3000, has been working towards developing a healthy local food system for the past several years.¹⁰ Arising from a need to rejuvenate its economy, there are a number of activities supporting this goal, including:

- The Centre for an Agricultural Economy, which is a nonprofit operation that is planning an industrial park for agri-business and a Centre for Agricultural Education. Further, there are plans for a year-round farmers' market. The community garden has grown steadily, now including a greenhouse and paid gardening specialist.
- The Centre works together with the University of Vermont to assist farmers and food producers with marketing, research and transportation challenges. For example, a university patent was licensed to enable a processor to make an environmentally friendly wood finish from whey, a byproduct of cheesemaking.
- The Vermont Food Venture Centre, which is relocating to Hardwick from 40 miles away because it recognizes the value in being a part of a healthy food system. The Food Venture Centre rents kitchen space to producers and provides business advice for adding value to raw ingredients. It is expected to assist 15 to 20 entrepreneurs a year.
- A Community Supported Restaurant called Claire's, which was established with money from 50 investors who contributed \$1000 each and who will receive discounted meals over 4 years as repayment. The restaurant focuses on supporting local farmers by offering meals cooked with locally sourced ingredients.

Farmers in Hardwick recognize the need to work together to be more successful in business. They identify as their mission goals the need to rebuild the food system, conserve farmland and make sustainable farming economically viable. They meet informally once a month to discuss business planning and marketing. Further, they share capital, lending each other short-term loans as necessary.

6 The Agriculture Enterprise Development Centre Concept

A substantial number of agricultural initiatives are underway within the District of 100 Mile. Appendix 7 is a map of the West side of the town of 100 Mile, identifying the areas where agriculture projects are either in progress or establishing. The potential of the Centre is to bring

¹⁰ Burros, Marian. *United Around Food to Save an Ailing Town*, New York Times, Dining and Wine. October 7, 2008.

together these initiatives, as well as link with the many ongoing initiatives outside of the town, and work co-operatively to ensure mutual success. Building partnerships with the multiple agriculture projects and initiatives in the area creates a network of strengths and synergies in the various activities and reduce overlap of services.

Depending on where the Centre is ultimately located, it could be included in an agricultural walk through the various initiatives being undertaken, linking producers, processors, residents and tourists alike to the agricultural activities within the town.

The Agriculture Enterprise Development Centre would be a gathering place for local producers to meet and collaborate. The coffee and tea would always be on and a room should be available for producers to meet either formally or informally. Video conferencing facilities would give access to many online programs, allowing a classroom approach to peer group learning.

In terms of the activities of the Centre, as emphasised by the focus groups, the Agriculture Enterprise Development Centre should start small and build from success to success. The priority activities as identified by producers in the survey and focus groups can be categorized into three distinct functions, each with a range of components:

1. Business development services, including marketing and distribution activities;
2. Delivery of education and research services;
3. Agricultural production and innovation support.

6.1 Business Development Services

6.1.1 Networking and Partnership Building with Local Industry Organizations

There are a number of local initiatives that have already indicated that they would like to associate and partner with the Centre as they develop their businesses:

- **Industrial Hemp.** A local project is underway to grow up to 200 acres of industrial hemp and develop markets. A business model is being prepared for the co-operative production, processing and marketing of bio-products such as fibre for insulation and food from the grains. There is a clear role for the Centre to assist in this project's development and assist individual producers with their business development.
- **Red Meat Abattoir and Marketing Initiative.** Under the leadership of the South Cariboo Chamber of Commerce and local cattlemen, a feasibility study into a cooperatively owned abattoir will conclude March 31st, 2009. They wish to have the services of the Centre as they develop. The proposed co-op is a processing co-op. Assistance with production and marketing is still required.
- **Food Preparation.** A small group of women from the Community Kitchen project in 100 Mile House, who has already been preparing foodstuffs, is looking to start a small business. They would like to co-venture with, or have the support of, the Centre.
- **Cariboo MarketPlace.** A nascent co-op is planning a business for a year-round marketplace for local produce. They are interested in having the support of the Centre as they develop their business.

6.1.2 Networking and Partnership Building with Regional Industry Organisations

A number of projects have also been identified to be undertaken by the Agriculture Enterprise Development Centre, serving not only local producers but being applicable to the wider region:

- **Cariboo-Chilcotin Agriculture Round Table.** The Centre could take a leadership role in establishing the Round Table for the wider region, an initiative to oversee the implementation of the Cariboo-Chilcotin Beetle Action Coalition (CCBAC) Agriculture Sector Strategy.
- **Beef Initiatives**
 - Co-ordinating the various beef processing and marketing initiatives in the Cariboo, including the South Cariboo Red Meat Abattoir and Marketing Initiative, efforts by the Cariboo Cattlemen to develop their beef cluster project (brand development) and the Quesnel Cattlemen abattoir project.
 - Developing a project to create a grass fed and finished business model to assist with strategic business planning for the sector. This project would serve the South Cariboo Cattlemen, the Cariboo-Chilcotin Cattlemen and the Quesnel Cattlemen Associations.
- **Cariboo Sheep Breeders Association.** The Centre would assist with the development of production, particularly examining the potential of growing year-round supply, as well as a marketing plan for the regional industry.
- **Central Interior Poultry Processing Association.** Building on the work already carried out by the Association, the Centre would assist with and co-ordinate the business development and aftercare services to poultry and white meat producers in the Cariboo.

6.1.3 Product Development

In order for producers to improve their margins and for a year round regional food marketing and distribution system to be viable, secondary processing of locally grown foods is extremely important. Potential new products for the South Cariboo would include sliced and packaged veggies and dip, frozen strawberries, raspberries, french fries and other vegetables, sauerkraut, meat pies, frozen dinners, salad dressings, sauces, syrups and other condiments. In the development of each new product, the producer has to work through several hurdles, which creates a barrier to entry, as they often do not have the time or resources to work through the product development stage.

This is an area where the Thompson Rivers University (TRU) Graduate Studies, Research and Innovation Transfer (GRIT) department could assist through their business mentor services and their culinary arts and food testing lab.

The TRU business mentor could assist producers by connecting them with the right resources and people to streamline the process. The Small Scale Food Processors Association (SSFPA) will be a close partner in this program and the producers may want to join SSFPA as a member to be kept abreast on news in the industry and have their products featured on the Association's List Serve service. Further details on Product Development can be found in Appendix 8.

6.1.4 Food Processing

The South Cariboo (100 Mile House) has commercial kitchens available, one coming on-line in the spring 2009 at the Rotary Agriplex and one at the Lodge Conference Centre which has a cooler, a flash freezer, baking and cheese-making facilities. These kitchens could be used both for product research and development as well as production facilities for local food producers. They are assets to stimulating the food processing component of the agricultural industry in the region.

Prior to commencing any food processing activities for resale however, the kitchen and the cold storage facilities, as well as each product's Hazard Analysis Critical Control Point (HACCP) Plan, will require approval by the Health Inspector from Interior Health.

It is not necessary for the Centre to either own or manage these facilities as long as they develop a good working relationship with the current managers.

Another alternative for processing is the planned co-packing facility that will process locally produced foods on a custom basis in the Kamloops area. Opening in the spring of 2009, this facility may provide another mechanism for local agricultural producers to have their products processed. The collaborative efforts of the Centre and TRU Graduate Studies Research and Innovation Transfer department could play an integral role in assisting producers to use the regional food processing facilities effectively.

6.1.5 Distribution / Marketing

From both the producer surveys and focus groups, a high demand service request for the Centre was to facilitate and assist with marketing, storage and distribution of the locally produced agriculture products.

Interviews were held with a number of chefs, a grocery store manager and owner as well as a hotel owner to explore their reaction to an enhanced availability of locally produced food. Their input is summarised in Appendix 9. Overall, those interviewed were very responsive to the idea, emphasizing their need for product quality, ease of ordering, and on-time scheduled deliveries. Chefs were interested in the idea of incorporating local foods into their menus and highlighting this by including producer bios in a menu insert.

6.1.5.1 Regional Food Distribution System (Cuisinal Tourism, Healthy Living Corridor)

In response to both producer and buyer needs, the concept of a coordinated Food Marketing and Distribution System would be useful to improve access to locally grown foods. In the future, this system could coordinate the efforts of a number of food initiatives in communities from Kelowna and Vernon through Kamloops to 100 Mile and beyond.

The idea is to coordinate the marketing and distribution of locally produced food throughout the corridor allowing for a greater diversity of food products year round and a marketplace of sufficient size to absorb all of the local foods.

A database program would be developed so that producers can list their products available by a predetermined day each week, as well as products that will be coming available in the next month. Similarly, wholesale buyers (chefs, resorts and store owners) would log onto the site and order their food products by a predetermined day each week for a preset weekly delivery day.

A delivery vehicle with both cooler and freezer sections would complete weekly runs through the corridor. Each centre, Kelowna, Vernon, Kamloops, (Ashcroft), 100 Mile and Williams Lake would have a central cold storage and distribution centre that would accept deliveries from agricultural producers and arrange deliveries to wholesale clients. Each centre would need staff time to coordinate the receiving and shipping of the local food products as well as assisting new producers and new buyers get onto the database.

At this point, the Cuisinal Tourism/Healthy Living Corridor is a concept only. It will require additional research and development in order to design the database program and develop a model that is effective and sustainable. Thompson Rivers University is working on building a partnership with other universities to develop the database program and look at sustainability issues around the model. The resulting database program could be used in local food distribution centers around the province and could be piloted in areas like Kamloops, Vernon and 100 Mile that have the infrastructure in place to utilize such a system. Through collaboration, the universities would eliminate duplication of resources and could create one program that could connect agriculture centres into regional corridors and in the future even connect corridors to take advantage of regional food specialties.

In order to build a local food economy, the most important aspect is to improve year round availability and ease of access to local foods. A coordinated marketing and distribution system would be instrumental to making this happen. See Appendix 9 for a more complete overview of Marketing and Distribution, as well as a conceptual diagram for the Healthy Living Corridor.

6.2 Delivery of Education and Research Services

Both the surveys and focus groups stated that initiating applied research and agriculture training should be a service of the Agriculture Enterprise Development Centre. To do this effectively, the Centre will need to work closely with Thompson Rivers University and School District 27 to bring these players together with the producers to build success into each project.

6.2.1 Thompson Rivers University

Thompson Rivers University (TRU) is a degree granting institution that delivers specialized agriculture research, innovation, education and training. In January 2009, Thompson Rivers University announced the appointment of Dr. John Church to the new position of B.C. Regional Innovation Chair in Cattle Industry Sustainability. Dr. Church will provide leadership to TRU's initiatives relating to innovation in ranching, range management, and meat and rangeland products. The diversity of participating departments ranges from meat cutting and culinary arts to natural resources, science, biology and geography, economics and business, chemistry and computing science.

The research facilities and equipment at TRU are state of the art. This equipment will enable beef, lamb (and other food products) from the Cariboo area to be tested on various quality attributes, including the content of omega 3's and Conjugated Linoleic Acids (CLA) which are known to have many health benefits and are generally found at far higher levels in grass-finished beef.

6.2.1.1 Potential Research Projects

To better serve the growing portion of clientele concerned with health, trials could be completed with South Cariboo ranchers to identify those forages and soil amendments

that maximize the omega 3 and Conjugated Linoleic Acid content in their beef, as well as contribute to improved tenderness and juiciness. Thompson Rivers University's Centre for Innovation, Ranching and Meat Production has the analytical equipment to measure these qualities and to analyze the measurements against a variety of production parameters.

- A challenge for meat processors is their inability to keep their plants working efficiently year round due to the seasonality of the custom cutting orders. Forage finished beef operations have been historically finished on grass from August to October. Trials should be run with South Cariboo producers on finishing beef year round using a variety of overwintering forage diets and supplements and testing these against the finished beef quality. The economics of various beef growing strategies should be researched.
- Grain finished feedlot beef has been shown to be wasteful in terms of the levels of carbon expended in production and distribution. This fact is becoming increasingly publicized as evidenced by the *Scientific American* article in February 2009. In order to turn around the public perception of beef as being "bad for the environment", research could be completed in the South Cariboo region, to measure the carbon footprint of a local grass-finished beef value chain, where the beef is finished on grass, processed, marketed and consumed within the same region. This research could then be publicized, which would further build the South Cariboo as an agritourism destination and a producer of "quality, environmentally friendly beef".

While all of the above projects would be run within the South Cariboo, there is a broad applicability to the wider Cariboo beef production industry.

6.2.1.2 Marketing and Distribution

The focus groups identified a need to develop a computer database that would allow producers to list the products they have available each week along with volumes, package size and price. This is critical to the success of local marketing. Store owners and chefs would then place orders each week for delivery on certain days. This program would form the heart of a regional distribution system for locally produced foods. TRU could assist the Agriculture Enterprise Development Centre with the development of this database, which would ultimately serve not only the South Cariboo producers but reach beyond to the larger Interior region.

6.2.1.3 Speaker Series to educate, build community awareness and collaboration

The Agriculture Enterprise Development Centre could host a speaker series involving agriculture and business experts as well as local business owners and industry representatives. For example, the Centre could organise a speaker forum of Regional Chairs from TRU and other universities to present a seminar promoting the benefits of using local agricultural products, such as grass fed beef, with restaurant owners, tourism operators, chefs, store owners and interested public.

6.2.2 School District 27

Education in agriculture at the high school level will be instrumental to providing a skilled labour force for the growing agriculture economy.

One means that the School District uses to teach agriculture skills is through CHAPS (Cowboy Heritage and Appreciation Program). The program uses rodeo and related approaches to encourage interest among students to ensure that they know that there is a future for people with certain skill sets pertaining to livestock handling and management.

The Peter Skene Ogden Secondary in 100 Mile House has a reputation for successfully innovating and creating programs which result in a high graduation rate. There is currently a horticulture program, with a greenhouse operation run in the springtime. Working together with the Agriculture Enterprise Development Centre, the PSO could further strengthen the agricultural learning opportunities for students, motivating more to pursue a career in agriculture.

School District 27 could partner with TRU in the development and implementation of an agriculture trades program. The Aboriginal Agriculture Education Society would be a valuable partner in this initiative, as there are several First Nations' communities in the 100 Mile Region that would benefit from such a program. Job shadowing placements or apprenticeships for such a program could be initiated through the collaborative efforts of the Centre, the School District 27 and the Aboriginal Agriculture Education Society.

Another service the Centre would provide would be to educate young people on the value of agriculture. This would include the benefits of eating local foods, where they can buy local foods and how their choices impact the local economy. To do this, a short presentation could be delivered to every class of grade 5 or 6 students in the District each year. September is a good time of the year for the presentation as a sampling of local produce can be part of the presentation.

Finally, the BC Agriculture in the Classroom Foundation is part a national foundation working with educators to bring agriculture to students. The program provides free or affordable resources to teachers and librarians to help them create grade-appropriate lesson plans. The Centre could build on the strengths of Agriculture in the Classroom by organising hands-on demonstrations of food production and farm visits to further enhance the exposure that students receive to agriculture in action.

School District 28 and its collaborating partners the College of New Caledonia and University of Northern B.C. intend to open a trades centre soon which will offer a certificate course in agriculture. Linkages to the Agriculture Enterprise Development Centre will benefit both centres.

6.2.3 Farms and Ranches

Local farms and ranches can play an important role in education, research and product development. A local farm that has historically been involved in innovative projects is Bridge Creek Estate, which is a family owned 2,500 acre ranch, a portion of which is located within the boundaries of 100 Mile House. Activities at the ranch include raising horses, implementing ecoforestry practices within its woodlot and initiating environmental projects with agencies such as Ducks Unlimited.

Bridge Creek Estates and other South Cariboo agriculture producers will be important partners in the delivery of operational training and management best practices and provide land and facilities for potential research projects in partnership with TRU or other educational institutions.

6.3 Agricultural Production and Innovation Support

It is difficult for individual agricultural producers to stay current with all facets of the agricultural industry. These challenges are exacerbated for small volume producers and / or producers that must work off-farm to sustain their agricultural endeavours.

Formerly provincial governments throughout Canada provided agricultural extension officers who were mandated to work with individual producers or groups of producers providing them with information, trends and tips. Governments have more recently downplayed this role in favour of brochures, newsletters and increasingly internet-based information. As was evident in the survey and focus groups conducted for this project, producers need and want the assistance afforded by interaction with a person who has knowledge not only of the industry but also the region.

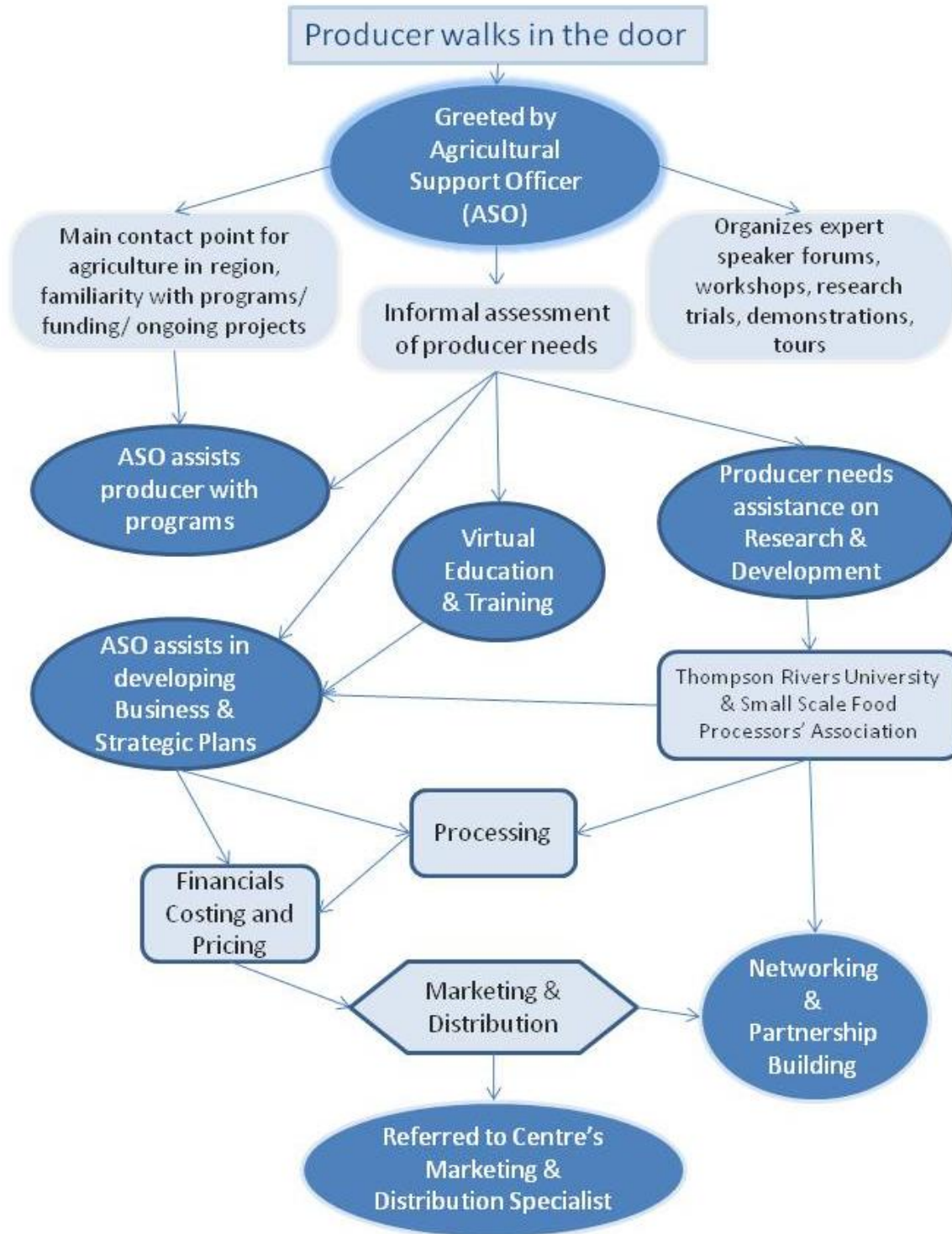
A key activity of the Centre would be the provision of services, such as:

- Pathfinding, assisting operators to identify and utilize specific services (linking producers with experts, linking producers with each other);
- Agricultural production best practices (crop rotation, new varieties, etc.);
- Trends in agricultural production, treatments and storage;
- Animal and crop health, disease prevention, etc.;
- Processing, handling and transportation;
- Agricultural economics and profitability;
- Market trends, opportunities, new products and pricing information;
- Availability of programs and services;
- Knowledge of and support in the preparation of program applications;
- Coordinating and organizing local information and training workshops (i.e. Local Food Supplier Workshops);
- Prepare an inventory of local food products;
- Promote inclusion of local food products at regional events;
- Identify and promote research into and trials for specific applications (e.g. forage production and grazing management); and,
- Assist local food manufacturers to develop export-related marketing opportunities.

Many organizations and agencies have a mandate to assist the development of agriculture in Canada and British Columbia. Each has developed its specific mechanisms to do so. The Agriculture Enterprise Development Centre will need to identify those agencies and organizations whose mandate most closely aligns with its own, and to encourage these agencies to collaborate (information, funding, processes and techniques) with the Centre in terms of the effective delivery of these programs and services.

Following is a flowchart illustrating how the Agriculture Enterprise Development Centre would be positioned to deliver services to its clients:

6.3.1 Flowchart of Centre Services



6.4 Clientele Served

The potential clientele for the Agricultural Enterprise Development Centre is comprised of four target groups:

- **Existing and Potential Agricultural Producers**

If the Centre focuses strictly on the South Cariboo, this would include 259 farmers. If the geographical range is increased to the Cariboo region, then the secondary market for the Centre would be 1160 agricultural producers. As highlighted earlier, over 88% of these producers are involved in cattle, horse or mixed livestock production; over 75% of the farms in the Cariboo generate less than \$50,000 in gross receipts and nearly half of the operators are over 55 years of age.

- **Agricultural Product Processors**

This clientele group includes producers and entrepreneurs adding value to agricultural products by processing, converting or distributing them, and would include local entrepreneurs or new entrants into the industry who result from investment attraction activities.

- **Wholesale Buyers of Locally Produced Foods**

This clientele includes local store grocery store owners, chefs, and tourism operators. The Centre will work with this clientele in building awareness around what locally produced foods can do to enhance their product or service offering. As well, the Centre will function to make it easier for these businesses to buy local through the development of a coordinated marketing and distribution system for locally produced foods.

- **Students and Consumers: Awareness and Education about Agriculture**

The agriculture industry is not only critically important for feeding the citizens of British Columbia but it needs to be considered as a viable career choice. Students need exposure to the business of farming, its attributes, benefits and advantages especially in an agriculturally-dominant region.

Similarly, a much greater understanding of healthy and nutritious food choices can be offered to customers.

Local residents have expressed the need to have demonstration and information about gardening and home food production techniques as a service of the Centre.

6.5 Expertise Required

Based on the survey results and the anticipated services offered, the expertise required to support the Agriculture Enterprise Development Centre includes:

- Understanding of business and farm management principles;
- Experience working directly with agriculture producers and agencies in the South Cariboo;
- Marketing and distribution expertise;
- Understanding of organizational structures and governance, particularly co-op structures;
- Strong partnership development skills;

- Ability to develop and initiate training and research programs; and,
- Exposure to the development of agricultural businesses and organizations.

Based on the input received from South Cariboo farm and ranch operators, the South Cariboo Agriculture Enterprise Development Centre is expected to require a staff of two individuals operating from a location in 100 Mile House.

It is important to recognize that in large organizations the skills and expertise listed above can be performed by specialized staff. Given the expected size of the Agriculture Enterprise Development Centre, however, individuals will need to be recruited who have developed several of these skills and can be flexible in adapting to changing day-to-day needs.

6.6 Agriculture Enterprise Development Centre Operating Assumptions

Although a more detailed operations analysis and costing exercise is required prior to the initiation of operations, the following sections outline of the expected operational design of the Agriculture Enterprise Development Centre.

6.6.1 Facilities and Support Infrastructure

While the Agricultural Enterprise Development Corporation received strong support as expressed by agricultural producers in the survey and focus groups, they also urged caution: recommending that the Centre utilize rented facilities initially until the demand for services and specific needs of the services require the Centre to examine other possibilities.

Multiple options for the location of the Centre were investigated within the town of 100 Mile House, as summarised in the Facilities Options' Report accompanying this feasibility study. Generally, renting a couple of rooms, which would accommodate two offices and a meeting space, would run at \$1500 a month, utilities included. A couple of opportunities have been identified involving shared use with a business, which would reduce costs.

Operation of the Centre, including rent, communications and day-to-day office expenses, is estimated at \$50,000 annually.

6.6.2 Personnel

The key position in the Centre will be the Agricultural Support Officer who will need to provide overall management and guidance for the organization in addition to agricultural extension and business development services. Estimated salary would be \$65,000 annually (approximately \$100,000 including benefits and travel).

The concept for the Centre as it stands today would be to have a second staff person work in the capacity of a Marketing / Distribution Specialist who would be tasked with the Regional Foodstuffs Marketplace initiative. Estimated salary would be in excess of \$55,000 per annum (approximately \$90,000 including benefits and travel).

As the Centre increases in popularity and activity, it will require a Reception/Administrative Assistant/Bookkeeper who can provide administration support, bookkeeping and some marketing and research assistance. This position needs to be more than just reception or bookkeeping. Estimated salary is in the vicinity of \$28,000 (approximately \$35,000 including benefits).

Total estimated annual cost of the Agriculture Enterprise Development Centre is \$275,000 with a full complement of staff and including all expenses. Needless to say, the Centre could initiate its activities with one professional staff member and expand as need and funding permits.

If video conferencing or other capital expenditures such as new computers and software for virtual training are required, this would be an additional start-up cost of \$10,000 to \$25,000. These types of capital expenditures, as well as capital improvements, should be factored into the initial cost of the Centre.

7 Governance

Based on consultations with the focus groups and considering that the Centre will likely have a number of funding sources, the best governance model is to establish a stand-alone not-for-profit organization such as a Co-operative with a Board of Directors. The Board of Directors should be made up of local industry associations, TRU (?), local government and First Nations representatives, as well as dues paying members.

Because the Agricultural Enterprise Development Centre is envisioned to be a small-sized operation at first, the Board of Directors should provide guidance at a high level, allowing staff to focus on addressing day-to-day operations. By being a stand-alone organization, the Centre would be less restricted in its approach to developing partnerships with multiple agencies.

By including different agencies on the Board of Directors, these organizations will be able to share ideas for the Centre and work in a collaborative fashion towards developing the South Cariboo agriculture industry. The ideal size of the Board would be 9 to 13 Directors, with ex-officio representatives from the provincial Ministry and federal government Department of Agriculture.

It is essential that producer members remain a majority on the board to achieve local leadership and ownership. Partners may be many and should advise the board but not dominate it. Partners will be encouraged to be members of the society or co-op, which will govern the centre.

Until the Centre has a structure of its own, it is anticipated that the 100 Mile District Economic Development Corporation will provide a ready-made legal governance capacity with advice from an interim steering committee made up of producers from the area.

8 Partner Organizations

Throughout the project we have taken care to involve the First Nations communities in the South Cariboo. We have known about their needs and aspirations with respect to growing food, growing skills, and growing community. We have worked closely with the First Nations Agriculture Association, which has been working on and succeeding on many similar objectives. Both South Cariboo First Nations participated in the focus groups which served as the principal reference group and they have helped shape the proposed activities of the Centre. Assuredly, we can take inspiration from the fact that original peoples here like those in any area had

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healthy “100 mile diets” of local whole foods. They remind us about returning to more self-reliant era of food harvesting.

The Agriculture Enterprise Development Centre will rely on support from a variety of government, community, industry and First Nations partners. Organisations partnering with the Centre could include:

1. **Local Government:**
 - a. District of 100 Mile House & 100 Mile Development Corporation; and,
 - b. South Cariboo Committee of the Cariboo Regional District.
2. **First Nations:**
 - a. Canim Lake Development Corporation;
 - b. Dog Creek/Canoe Creek development corporation (Stswecem’c Xgat’tem Development Limited Partnership); and,
 - c. First Nations Agricultural Association.
3. **Education Partners:**
 - a. Thompson Rivers University;
 - b. School District 27;
 - c. BC Agriculture in the Classroom; and,
 - d. 4H.
4. **Local Food Security and Community Partners:**
 - a. 100 Mile Food Network;
 - b. Rotary Club of 100 Mile;
 - c. Cariboo Marketplace; and,
 - d. Stewardship Farm and Housing Co-op.
5. **Members:** Individual producers, processors, retailers, and agri-tourism operators.
6. **Specific Food Processors:**
 - a. Red Meat Abattoir & Marketing Initiative;
 - b. Community Kitchen’s Processors Group; and,
 - c. Industrial Hemp Initiative.
7. **Producer Groups and Associations:**
 - a. South Cariboo Cattlemen’s Association;
 - b. South Cariboo Farmers Market Society;
 - c. Lac La Hache Cattlemen’s Association; and,
 - d. Interlakes Cattlebelles.
8. **Regional Groups:**
 - a. Cariboo-Chilcotin Beetle Action Coalition (CCBAC);
 - b. Cariboo-Chilcotin Community Futures Corporation;
 - c. Northern Development Initiative Trust;
 - d. Investment Agriculture Foundation; and,
 - e. Beef Value Chain Collaborative Project management team;
 - f. Williams Lake Food Policy Council;
 - g. Williams Lake Year-round Farmers Market Co-op;
 - h. Quesnel Farmers Market;
 - i. Central Interior Poultry Processing Association;
 - j. Cariboo Cattlemen’s Association;
 - k. Cariboo Sheep Breeder’s Association.

9. **Provincial and Federal Government Agencies:**
- a. British Columbia Ministry of Agriculture and Lands;
 - b. British Columbia Ministry of Forests and Range;
 - c. Agriculture and Agri-Food Canada; and,
 - d. Western Economic Diversification Canada.

Stonefield Consulting initiated discussions with a number of local agriculture operators and producer groups, educational institutions, government staff and funding agencies in order to forge partnerships that will provide financial and technical support to establish and operate the Centre. Many of the proposed activities for the Centre would create opportunities for further partnership building.

Through the month of March while the concept paper was being reviewed by stakeholders and public, a number of potential partners voiced interest in collaborating with the Centre.

9 Employment Impacts

According to the 2001 and 2006 Census, employment in agriculture and other resource related activities, including logging and mining, increased in the South Cariboo from 745 to 760 people employed from 2001 to 2006. Between these two Census years, mining activity ramped up as commodity prices increased and logging activity also increased dramatically as a result of the harvest of wood impacted by the spread of the Mountain Pine Beetle.

Given the increased activity of other resource industries in the area, it is quite likely that employment in the area's agriculture industry shrunk between these two Census years. Given this trend and the current global financial crisis and recession the initial goal of the Agriculture Enterprise Development Centre would be to support the development of the agriculture industry in the area to the point where employment stabilizes.

More specifically, the Centre will need to provide support to operators impacted most severely by the current market conditions and to enable these producers to position their businesses for future change and market growth. Furthermore, if the Agriculture Enterprise Development Centre can help develop marketing, processing and distribution chains, future jobs will come from the development of these manufacturing and service industries in the area. It is estimated that if half the existing operations can be turned around to profitability then they will be adding employees for a net stabilization of employment in the sector. Once the economic bleeding has been stopped, the industry will be poised for growth, especially as the move to food self-reliance matures in BC.

10 Next Steps

Immediately following the acceptance of the feasibility study, Stonefield Consulting recommends convening an Interim Steering Committee whose mandate will be to maintain the momentum already gained and facilitate the establishment of Centre operations. The Interim Steering Committee should be comprised of focus group participants who are already well-versed and familiar with the concept, together with District employees.

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Confirming partnerships and funding sources will be fundamental to establishing the Centre. If the Interim Steering Committee was convened under the legal entity of the 100 Mile Development Corporation, the Centre would be able to immediately undertake funding proposals and project development.

While carrying out the feasibility study, considerable interest was expressed in integrating the “100 Mile Diet” into the name of the Centre. In order to raise awareness and create a sense of ownership within the community, the District could hold a competition to name the Centre and develop a logo.

Once funding is secured, the next steps in initiating operations of the Agriculture Enterprise Development Centre are to:

- Establish the legal business entity;
- Form the Board of Directors or Advisory Committee;
- Advertise for and hire the Agriculture Support Officer;
- Coordinate with TRU, signing a contract for support from the Business Mentor;
- Rent and set up office.

10.1 Phased Operation Plan

In the first year of operation, the priority activities would be:

- Establishing a videoconferencing facility to enable networking across the region, access to webinars on agriculture topics and regional discussions on best practices;
- Business support activities, strengthening local and regional initiatives as outlined in Section 6.2.1. For example, organising a workshop hosting Dr. John Church, Beef Sustainability Chair at TRU, to speak to Cariboo producers about his research program and the economic study of healthy beef production and marketing;
- Once a Marketing Specialist has been hired in the second quarter of operations, establishing the marketing and distribution venture, creating a database of producers, a Farm Fresh Guide, and beginning to link retail and restaurants with producers;
- Engaging consumers through workshops and talks.

In the second year, the Centre would continue with its business development services but add on other activities:

- Agricultural production and innovation support services such as the development of long term trials and demonstration plots;
- Agri-tourism initiatives, such as farm tours and farm home stays.

The activities listed in this report constitute a significant menu to be ordered from as resources are available and as partnerships gel. However, for there to be an effective transition for the commercial sector and to meet expectations of local consumers for local food there needs to be a significant investment in human capital. Physical infrastructure alone will not prepare people for the post recovery economy. The Centre plans to play a significant role in that recovery and transition.

For activities and projects beyond two years, further strategic planning will be in order to adapt to changing need, experiences of the first two years, and especially integrating new found capacity in the region.

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10.2 Draft Operation Budget

REVENUE SOURCES	Start-up	2nd Mo.	3rd Mo.	4th Mo.	5th Mo.	6th Mo.	7th Mo.	8th Mo.	9th Mo.	10th Mo.	11th Mo.	12th Mo.	TOTAL
Memberships		\$2,000			\$1,000			\$1,000			\$1,000		\$5,000
Workshop/Seminar Fees													\$0
Public Funding	\$73,000			\$70,000			\$50,000			\$50,000			\$243,000
Funding Agencies													\$0
TOTAL	\$73,000	\$2,000	\$0	\$70,000	\$1,000	\$0	\$50,000	\$1,000	\$0	\$50,000	\$1,000	\$0	\$248,000

EXPENSES														
<u>STAFF</u>														
Agriculture Support Officer (ASO)	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$65,400
Marketing/Distribution Specialist (MDS)				\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$4,600	\$41,400
Staff: benefits & travel	\$3,000	\$3,000	\$3,000	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$5,800	\$61,200
<u>FACILITIES</u>														
Rental/Lease Space (utilities & services included)	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
<u>OFFICE EXPENSES</u>														
Communication, Office Supplies, Postage, Membership Dues, Repairs & Maintenance, Bank Charges, Insurance & Licensing, Advertising & Promotion, Accounting & Legal	\$3,000	\$1,500	\$1,500	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
<u>ACTIVITY EXPENSES</u>														
Education Materials, Facilitation Expenses, Research & Development	\$500	\$500	\$500	\$500	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$8,000
<u>CAPITAL EXPENDITURE</u>														
Equipment Purchases (furniture, computers, etc)	\$7,500	\$0	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
Videoconferencing Facilities	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000
TOTAL	\$35,950	\$11,950	\$11,950	\$22,350	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$243,000

CASH FLOW														
Balance Brought Forward	\$0	\$37,050	\$27,100	\$15,150	\$62,800	\$43,700	\$23,600	\$53,500	\$34,400	\$14,300	\$44,200	\$25,100		
Cash In	\$73,000	\$2,000	\$0	\$70,000	\$1,000	\$0	\$50,000	\$1,000	\$0	\$50,000	\$1,000	\$0		\$248,000
Cash Out	\$35,950	\$11,950	\$11,950	\$22,350	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$20,100	\$243,000
Balance	\$37,050	\$27,100	\$15,150	\$62,800	\$43,700	\$23,600	\$53,500	\$34,400	\$14,300	\$44,200	\$25,100	\$5,000	\$5,000	