

DISCUSSION PAPER

Vancouver Island Agri-Food Action Plan and Trust Strategy

Prepared for
the Ministry of Agriculture, Food and Fisheries

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1 Introduction

Over the past several years increasingly greater attention has been devoted to the importance of the agri-food sector on Vancouver Island, in terms of contribution to local economies, quality of food supply and general way of life. At the same time, there are growing expressions of concern that the island agri-food sector has come under increasing competitive pressures, which have imposed significant challenges to sustainability and prosperity. Various consultative forums, studies and initiatives have been undertaken with a view to addressing these challenges.

On May 12, 2000 the Honourable Corky Evans, Minister of Agriculture, Food and Fisheries and Minister Responsible for Rural development announced a commitment of \$2 million to strengthen and promote the agri-food industry on Vancouver Island and the Gulf Islands. \$300,000 of these funds was earmarked to provide immediate assistance to the Island chicken industry, with the remainder to be placed in an industry trust fund for the benefit of the Island¹ agri-food sector generally.

Establishment of the Island Agri-Food Development Trust Fund is conditional upon members of the industry and related sectors working together to develop a supporting strategy for the agri-food sector on the Island. The minister agreed to facilitate consultations to work toward this goal, with the express request that the consultations include industry, all levels of government, retailers, the restaurant and hotel industry, educational institutions, financial institutions, economic development and tourism groups and other interested bodies.

In July a steering committee was established to oversee this process. It consists of the Chair and two directors of the Island Farmers' Alliance, a representative of local governments, a member of the processing industry, a financial institution account manager with experience in agricultural issues and two provincial government officials. The steering committee members and their respective titles are set out in appendix 1.

I have been retained by the ministry to facilitate the project, under the direction of the steering committee. The steering committee has approved the following process for the project:

¹ References to the Island agri-food sector include Vancouver Island and the Gulf Islands

| <u>Target date</u> | <u>Task</u> |
|--------------------|--|
| August 31 | Prepare a discussion paper to: <ul style="list-style-type: none">(a) summarize in a single document the prior work and consultations undertaken in recent years, and(b) identify the main issues warranting consideration at the industry roundtable |
| End of Sept. | Circulate the discussion paper, with an invitation to interested parties to attend the industry roundtable forum on November 3, 2000. |
| October | Follow-up contact with key individuals, agencies and partnership organizations (as identified by the steering committee) to ensure awareness of the project and to obtain commitment to attend the roundtable forum. |
| November 3 | Facilitate an industry roundtable forum, with the goal of: <ul style="list-style-type: none">(a) developing specific action plans to address key outstanding challenges, and(b) establishing consensus on the Industry Development Trust Fund principles. |
| Early November | Confirm commitment to action plan follow-up. |
| Late November | Submit final report of action plan and trust strategy to the Minister. |

In undertaking this work, the committee has noted that a significant amount of general strategy work has been undertaken on the Island to date, and it intends to build upon rather than duplicate this important work. In the committee's view, the task at hand is to develop specific action plans and trust principles that strengthen the agri-food sector on the Island. This in turn will require the involvement and partnership of all communities of interest that contribute to and benefit from a strong and viable agri-food sector.

It is important to note that this project will not determine the specific structure or mechanisms of the trust, as this will be determined by the province once an

action plan and trust principles are established. The ministry has advised the steering committee that, whatever administrative form the trust takes, it will:

- be dedicated solely to the Island agri-food sector,
- ensure eligibility and funding decisions are made by an independent body that includes meaningful representation from the Island agri-food industry, and
- ensure that bureaucracy and administrative expense are minimized.

2 Island Agri-Food profile

The agri-food industry on Vancouver Island and the Gulf Islands is a significant contributor to the local economy and the lifestyle of Island communities. According to a 1999 BC Assessment survey, there are nearly 3,900 farms operating on the Island. A 1996 StatsCan farm census determined that the Island generates gross farm receipts of nearly \$150 million per year. This provides direct jobs for over 3,100 people, including paid labour in excess of \$32 million per year.

Agricultural production and processing exists throughout the Island, with production centred in the Cowichan Valley, the Comox Valley, Port Alberni and the Saanich Peninsula. Most of the agricultural land is in the Agricultural Land Reserve, although only about 1/2 of agricultural land is, according to the BC Assessment Authority, actually being used for agricultural purposes.²

The Island produces a range of agri-food products. These include tree fruits, vegetables, berries and grapes, specialty crops, dairy, chicken, egg, hogs, lamb, beef, other specialty livestock, aquaculture, Christmas trees, honey and floricultural and nursery products.

Beyond the direct impact of agricultural production, the Island agri-food sector also makes a significant contribution to various secondary industries such as food retailing, inputs (e.g. feed, fertilizer), processing, tourism, restaurants and hotels. These industries in turn contribute significantly to the economic well-being and lifestyle of Vancouver Island and the Gulf Islands.

3 Summary of previous studies, strategies, submissions and stakeholder forums

² Information referenced in "Specialty Poultry Feasibility Study", prepared by the Community Futures Venture Centre, Cowichan, July 2000.

There have been a variety of studies, strategies, submissions and stakeholder forums dealing with Island agri-food in recent years. Some of the principal initiatives are noted and summarized below, in chronological order.

3.1 *Vancouver Island Meat Industry Development Study*

In 1995 a study was undertaken to examine challenges and barriers to growth in the Island hog industry. Key challenges identified included:

- Transportation costs for feed (including elimination of the federal Feed Freight Assistance Program)
- Limited production efficiencies relative to large prairie operations
- Costs of farm land
- Limited access to federally inspected slaughter facilities (i.e. only one plant in Port Alberni following closure of the Island Meat Packers Plant in Victoria in 1993).

The report also noted that the Island had some relative advantages, including the ability to accept increased use of manure as fertilizer, efficiencies related to location and climate, and cooperation and communication among producers.

The report concluded that the most immediate requirement for development of the Island hog industry was increased production, and it recommended that producers consider investing in the existing federally licensed plant in Port Alberni. This did not occur and the hog industry on the Island now exists only on a much smaller scale.

3.2 *Agriculture Strategy for the Saanich Peninsula*

In 1997 the Saanich Peninsula Agricultural Strategy Committee was established. It consisted of a collection of individuals interested in the future of agriculture on the Saanich Peninsula including local government officials, federal and provincial officials, producers and representatives of the Agricultural Land Commission. Although the scope of this project was limited to the Saanich Peninsula, many of the issues and challenges faced in that area have relevance to the agri-food industry elsewhere on the Island.

The Saanich Peninsula Agricultural Strategy adopted the following strategic objectives:

- Objective 1 To secure an adequate supply of water to farms at a competitive costs
- Objective 2 To increase economic returns to farmers

- | | |
|-------------|--|
| Objective 3 | To enhance the sustainability of the agricultural land base |
| Objective 4 | To foster stewardship of farm land which embraces environmental and other community values |
| Objective 5 | To increase public awareness, education and support for a sustainable farm community |
| Objective 6 | To establish a continuing focal point for farm issues and implementation of the strategy |

Within each strategic objective, the Committee set out a number of goals or possible actions to pursue the strategic objective.

3.3 *Management Intensive Grazing Study*

In February 1998 the Vancouver Island Dairymen's Association submitted a proposal to the Investment Agriculture Foundation, seeking funding for a proposal to pursue "management intensive grazing" as an option for Vancouver Island dairy farmers who faced significant relative disadvantages in the cost of animal feed. The proposal noted that management intensive grazing could lower input costs for farmers (both feed and fertilizer) and potentially capitalize on climatic advantages of Vancouver Island.

A two-year proposal was approved with the following objectives:

- Assess the efficiencies of seasonal milk production under management intensive grazing as a pilot project at the UBC Oyster River Research Farm
- Examine potential regulatory mechanisms to incorporate seasonal milk production into the BC milk marketing system
- Develop strategies to meet supply and demand under seasonal milk production
- Disseminate information to stakeholders and interested parties

In 1999 UBC announced its intention to discontinue the dairy operation at Oyster River Research Farm and sell the milk quota off-island. Dairy operations are to be phased out by the end of October 2000, and discussions are ongoing regarding the future of the farm. Various proposals have been suggested, and the Minister of Agriculture, Food and Fisheries has indicated a clear desire that the site remain an active farm.

3.4 *Vancouver Island Agricultural Survival Forum*

In March 1998 175 individuals with an interest in Vancouver Island Agriculture attended a “Survival Forum” to discuss challenges facing Island producers, and to identify possible solutions and priorities. Many participants expressed the view that unless significant steps were taken, the economic viability of Island agriculture would be seriously jeopardized.

Participants at the Survival Forum discussed a wide variety of issues, which were broken down in the resulting report into four main themes

- Establish unity
- Develop a marketing strategy
- Review and improve government policies and regulations
- Improve management of resources affecting agriculture

For each theme, the Survival Forum report indicates why the theme is important, what the vision is, what opportunities and obstacles exist, and what recommendations should be pursued. A summary of these items is set out in appendix 2 to this paper.

As a result of the recommendations pertaining to industry unity, the Island Farmers’ Alliance (IFA) was formed in October 1998 as a society under the *Society Act*. Since its establishment the IFA has developed a membership representing over 1000 individuals and associations, and has undertaken significant work, principally on the first two themes of the Survival Forum – establishing unity and developing a marketing strategy for Island agriculture. This has included:

- Initiating media campaigns and membership drives
- Submitting applications to relevant programs and agencies (including the Investment Agriculture Foundation and the Ministry of Agriculture, Food and Fisheries)
- Coordinating representations to regulatory bodies on behalf of farm groups
- Initiating discussion on a 5-year plan
- Developing the “Fresh From the Island” logo
- Implementing a regional marketing and public awareness campaign
- Attending fairs, farmers markets and other events to increase consumer awareness
- Organizing Farm Tour days and other on-farm public promotion, such as the Harvest Bounty Festival and the Taste of the Islands event.

- Working with the South Vancouver Island Direct Farm Marketing Association
- Serving as an advocacy organization to various levels of government

3.5 Job Protection Commissioner's Report

In July 1998 the provincial Job Protection Commissioner completed a review of the Lilydale poultry processing facility in Sooke. The report concluded that the existing Lilydale facility was uneconomic and the plant has subsequently ceased operation. Discussions are however ongoing to determine the feasibility of establishing a new and innovative poultry processing facility somewhere on Vancouver Island.

3.6 Comox Valley Air Cargo Feasibility Study

In January 1999 a study of air cargo feasibility for the Comox Valley airport (YQQ) was completed by Vancouver International Strategic Services. The study examined trends in air cargo pricing, noting that air cargo rates appear to be in an ongoing decline. It concluded that there is sufficient volume of production for a number of seafood and agricultural products in the catchment area³ of the Comox Valley Airport to warrant air cargo services.

With respect to agricultural products, the report stated:

The Comox Valley region boasts some of the best agricultural growing conditions on the west coast and has attracted many potential investors from North America and overseas. Most discussions have focussed on the development of additional greenhouse, berry and niche product capacity in the region and there is a significant interest in the commencement of air cargo service out of YQQ.

Agricultural products could play a major role in the future development of YQQ air cargo and the consequential, anticipated, economic development in the region. While most agri-food products are generally of lower dollar value than their seafood counterparts, this does not mean that they should be discounted in the overall air cargo feasibility analysis. The agri-food sector, in fact, will benefit greatly from the existence of higher value seafood products, which will be the initial driver of YQQ air cargo service. Short-term opportunities for air shipping of agricultural products are currently restricted by a number of factors including:

- Lack of inspection facilities
- Lack of a comprehensive marketing plan for Vancouver Island agri-food products
- Limited grading and packaging facilities
- Pre-shipment inventories are consolidated on the mainland
- Development of the high value greenhouse / hothouse sector is constrained by industry quotas. (p. 67)

³ Catchment area depends on the product shipped, but it is generally much broader than the Comox Valley and could include much of Vancouver Island.

The report further notes that, while sufficient air cargo volumes may exist now or in the near future, the volumes “are not so high that the obviousness of the market potential [w]ould be apparent for all to see” (p. 87). It therefore recommended that a second phase of the project be undertaken to consider market development issues, as well as options for marketing the Comox Valley Airport to potential air carriers.

Phase 2 was completed in December 1999. It concluded:

- YQQ catchment area can support air-cargo services at YQQ.
- Long haul services to Asia are not likely to develop in the short to medium term. The long distances restrict aircraft choice to a few high capacity wide-body aircraft types. As well, the directional imbalance makes such service uneconomic.
- The services with the most attractive economics are feeder services to the Vancouver and / or Seattle hubs.
- Because economics discourage processing of air cargoes at intermediate airports, feeder services from YQQ to nearby hubs will drive indirect job creation in the Comox region processing/packaging.
- The feeder services to nearby hubs allow a greater range of markets for catchment area products than would direct long range services.
- Another attractive option is service to Anchorage, which is a hub for the transshipment of cargoes to Asia and Europe. Anchorage has been designated as a freeport, simplifying some transshipment facilitation challenges.

According to the Comox Valley Airport Commission, while phase 2 was being completed Alaska Airlines announced that it would initiate a cargo stop in Comox during flights from Anchorage to Seattle. Alaska Airlines indicated it will handle customs requirements and provide inter-line connections to worldwide destinations.

3.7 Shared Use Kitchen Study: Comox Valley

In April 1999 a “Shared-Use Commercial Kitchen Study” was prepared by the Campbell River Employment Foundations Society. It noted that many of the value-added food producers in the Comox Valley and Campbell Rivers areas operated small scale processing. Many of these used home kitchens which were not approved for commercial use. Only a small number owned or rented access to a commercial kitchen.

The study noted that shared-use commercial kitchens are a growing phenomenon in the U.S. They are typically 3,000 to 4,000 square feet (comprised of a baking room, a food processing room, a production kitchen and a packaging area). They cost approximately \$500,000 to establish, and in the U.S. are often built with grant money, donations and loans, and rented out to users.

The report concluded that the demands of existing micro-processors in the Comox Valley probably do not make establishment of a full scale shared use commercial kitchen viable at this time. However, it did make the following recommendations:

- An intermediary organization should be established to initiate and coordinate action on the recommendations of the report
- Stakeholders should be convened to establish a Value-Added Food Processor Association and to identify immediate priorities for education programs and services
- A structure should be developed to strengthen the network of organizations and businesses that could work collaboratively on agri-food opportunities
- Resources and seminars should be provided to deal with: (i) entry into specialty production, (ii) the potential for value-added processing, (iii) packaging, label and display, (iv) food business training, (v) regulations and licensing, and (vi) niche market development
- A licensed commercial network should be immediately established, and development of a shared-use commercial kitchen should be considered in future planning

Follow-up work is presently underway on these recommendations.

Similar projects are also being developed in other areas including Ucluelet, Sointula and the Cowichan Valley.

3.8 Submissions / first report of the Select Standing Committee on Agriculture and Fisheries

A significant number of submissions were made to the Select Standing Committee on Agriculture and Fisheries when it toured the province in 1999 to obtain input toward an agri-food plan for British Columbia. While not all of the discussion was Island-specific, Island view and concerns were well represented. Submission topics relevant to the Island included the following:

- Inventorying existing capabilities

- Adapting to changing market conditions
- Disseminating knowledge and information
- Educating existing and future farmers
- Minimizing input costs
- Establishing proper government support networks
- Retaining local networks and processing facilities
- Expanding retailing capabilities
- Recognition of regional needs
- Simplifying and standardizing regulations
- Educating consumers
- Expanding market boundaries
- Ensuring profitability
- Ensuring adequate and fairly priced water supplies
- Ensuring responsiveness in the supply management system
- Agricultural Land Reserve
- Protecting farming interests in zoning and land use policies
- Reducing regulatory red tape
- Standardization of regulations
- Ensuring fair levels of taxation
- Use of local supply by retailers
- Certification and labeling of products
- Balancing competition within sectors
- Handling and internally regulating new products
- Farming techniques/methods

3.9 Duncan and Comox Agriculture Workshops / Premier's Summit

Pre-Summit Workshops

In Fall 1998 two agricultural workshops were sponsored by the Ministry of Agriculture to discuss issues, challenges and recommendations regarding Island agriculture, in anticipation on the Premier's Summit on Economic Opportunity for

Island Coastal Communities. The pre-Summit workshops were held in Duncan and Comox and workshop participants developed the following recommendations:

Main Recommendations:

1. Encourage growth in Vancouver Island's agri-food sector by support, both financial and through partnerships with local organizations such as the Island Farmers Alliance.
2. Establish an Agriculture Industry Trust Fund for Vancouver Island Agriculture that will support market promotion and product development initiatives.
3. Conduct a feasibility study on the establishment of a community co-op meat processing facility.
4. Establish an education and training centre for agriculture and food production plus value added processing at the UBC Farm at Oyster River.
5. Establish a one stop shop for approvals for water related procedures such as, ditch maintenance, water licenses and water storage.
6. Review the impact marketing boards have on Island agriculture and recommend changes to encourage regional growth and development.
7. Establish an Eco-Credit system pilot project between agriculture, the Ministry of Agriculture, DFO and Environment Canada using the Trans Alta Utilities model.
8. Develop an electronic database including a resource inventory, production and marketing information, land use data, training programs, stakeholder lists and research and development programs.

Summit Workshops

Agricultural issues were also an important focus of discussion at the Premier's Summit. One of the Summit workshops was devoted to "Improving the Economic Viability of Agriculture on the Island and in Coastal Communities". A summary of proceedings entitled "What we know" is included as appendix 3

The Summit workshop proposed a number of action plans, as follows:

Action: Education—Agriculture needs to be seen as a viable career option for youth to ensure industry sustainability

How?

- The resources and information are already in place
 - Develop a resource bank of information and contacts
 - Make room in the educational curriculum
- Put gardens in schools for hands-on application of curriculum

- Form an education committee with the ISLAND FARMERS ALLIANCE and interested students and schools
- Have an integrated learning process with applications that extend into other classes, i.e., math class calculating rainfall, science studying soil conditions, cooking class using food from the garden
- Have field trips to local farms
- Let youth know where the food comes from and how it's grown! "Food comes from the fields, not from the shelves."
- Salmonid curriculum as an example

Action: Regulations Streamlined

1. Review of regional assessment on agricultural land
 - Establish a committee which includes MAF, BC Assessment
 - Review value-added
 - Threshold
 - Home – homesite policy
2. Beneficial use of waste product
 - Develop a process to allow a pilot project for the beneficial use of water products (i.e., sewage, fish droppings) to be monitored by a P.Ag. to determine basis of nutrient loading
3. ALC review setback requirements for riparian zone to determine percentage of agricultural lands lost to production
 - There is evidence of differences in the application of setback by-laws zoning, etc., in other jurisdictions
 - Municipal/regional should require consultation
 - Island Farmers Alliance to make presentation to the Union of BC Municipalities on the issues of Island Agriculture

Action: Strengthen and broaden the mandate of the Island Farmers Alliance, which acts as the unified voice of agriculture. Secure ongoing funding to continue:

1. Awareness and marketing
2. Networking and communications
3. Land trusts, land linkages
4. Technology transfer—research and development
5. Education and apprenticeship
6. Labour supply and human resource development
7. Ongoing development of intergovernmental partnerships

Action: Supply Management

1. Minister Evans to support a seminar to discuss and make suggestions on supply management issues for Vancouver Island Dairy Industry involving producers, processors and retailers
2. Other sectors, e.g., eggs, broilers, etc., to follow with a similar process

Action: Marketing Program—What we need to do: increase domestic sales

How?

1. *Establish a tangible local identity*
 - *Empower agriculture by allowing meaningful input into all zoning issues*
2. *Educate the community as to what this local identity stands for*
 - *Rather than follow competition, i.e., the U.S., develop a niche such as “No GMOs” without using blanket statements that can’t be lived up to*
3. *Create a network of support with retailers, processors and the Island Farmers Alliance*
 - *Through this network, expand into Agricultural Tourism: restaurants selling local foods, tours*

What do we need?

- *Regular annual funding to support the Island Farmers Alliance over the long term.*

Conclusion: *We need to increase domestic sales, so we need to ensure that we gain more share of the local market vs. exporting from the island.*

Action: *One Stop Access for Water*

1. *Ten-point program between agriculture and environment ministries transferred to ground level decision-making—Vancouver Island to be pilot project (Interagency—Ministry of Environment, Lands and Parks, Department of Fisheries and Oceans, Fisheries Ministry, Agriculture, Forestry, local government)*
2. *Decisions required within set time frame—obligation to act quickly*
3. *Total water management within watershed*

The Summit workshop also considered the future of Oyster River Research Farm and proposed the following actions:

Action

- *Moratorium until the quota is clarified by the province*
- *Find a way to continue research—milk producers (Vancouver Island Dairy Association)/UBC*
- *Transfer title to education institute for education, research and training*
- *Premier to talk to president of UBC to create a workable solution for Vancouver Island and the university regarding the quota, the herd and the facilities*
- *Produce a paper with the base facts for all interested parties—Province*
- *Establish a group for sector monitoring these activities—monitoring for legacy association – BMLA*

There does not appear to have been any report published regarding follow-up to the Premier’s Summit. However, a number of initiatives discussed elsewhere in this paper appear to have resulted from, or been influenced, by those discussions. Other potentially relevant matters not covered by this paper include the Partnership Committee on Agriculture and the Environment “Agricultural Constructed Ditch Maintenance Policy”, the establishment of an Island agricultural fish steward position, and the holding of dairy industry sectoral meetings.

3.10 Review of regulated marketing / draft ministry policy statements

In February 1999 the BC Marketing Board completed a review of the regulated marketing system in British Columbia. The resulting report made a number of recommendations within three broad categories: redefining roles, improving responsiveness, and governance of the regulated marketing system.

In June 1999 the Ministry of Agriculture, Food and Fisheries published draft Regulated Marketing Policy Statements. A section dedicated to “Encouraging Regional Strengths and Opportunities” states:

18. Regulated marketing systems should encourage the pursuit of regional strengths and diversity by accommodating and encouraging innovation by producers in a region, to take advantage of the region’s unique strengths and market opportunities.
19. Regulated marketing systems should ensure that the decision making process reflects the needs of stakeholders in all regions, and reflects a balance between regional interests and the interests of Lower Mainland stakeholders.
20. Where changes are contemplated to regional support mechanisms that are in place (quota transfer restrictions, regional price premium), a transition or adjustment period must be provided that allows industry to implement potential regional strategies that will improve the long run outlook of the regional industry. During this adjustment period, any change in policy must ensure gradual change, so that potential strategies are given a fair opportunity to succeed.
21. Regulated marketing systems should accommodate and encourage new and existing regional processors/distributors who wish to pursue markets for these regional products.

3.11 BCMB Specialty Egg / allocation reviews

In early 2000 the BC Marketing Board (BCMB) facilitated industry consultations and working groups regarding specialty egg production and the BC Egg Marketing Board (BCEMB). During these consultations a number of issues were considered including communication, pricing, allocation, enforcement and thresholds for exemption.

On June 8, 2000 the BCEMB announced a decision to allocate new quota by increase existing producer quota by 3%. Shortly thereafter, the BCMB established a supervisory panel to review the allocation decision. On August 15, the BCMB indicated it would not approve the BCEMB allocation (see BCMB “Egg Quota Allocation Review”), and it instead ordered the BCEMB to develop a new order by October 1, 2000, which must “address the issue of regional and specialty egg production requirements”.

3.12 Specialty Poultry Feasibility Study

In July 2000 Phase 1 of the Vancouver Island Specialty Poultry Study was completed for the Island Farmers' Alliance. The report reviewed the challenges facing the Island Specialty Poultry sector. Producers identified the following challenges:

- Marketing board regulations and the concern over quota
- The need to develop some industry standards
- The need for qualified and informed support networks, particularly for new farmers, or those considering taking on new production methods and new species
- Access to a federally certified processing facility or establishment of a self-regulated process that would allow the farmers to meet provincial, and eventually national, food safety standards

A retailer survey identified the following:

- The need for a consistent supply of a given product, and if this is not available, a need to be informed of changes in volume or seasonal variations, in advance
- Access to fresh products
- Access to hygienic products
- Distribution channels that bring the products to the door
- A preference for packaging that is consumer conscious, with critical information (such as processing date) provided

The report made the following recommendations:

- Develop a pilot project to vertically link the chain from producer to consumer
- Explore HACCP type self-regulation possibilities for food safety, and develop linkage between smaller regional processor to explore the HACCP model opportunities
- Develop better methods of communicating product availability and demand among producers, retailers and consumers
- Explore the options of worker or marketing coops as a means of developing specialty poultry products and niche markets

3.13 Island agricultural career and education

The Island Farmer's Alliance, the Agriculture in the Classroom Foundation and the Agricultural Workforce Policy Board have joined together with LifeCycles⁴, to develop an agricultural career and education program dedicated specifically to Vancouver Island.

3.14 Local government

The Association of Vancouver Island Municipalities (now the Association of Vancouver Island Coastal Communities) has taken considerable interest in the Island Agri-Food sector and the challenges it faces. For example, in March 1998 the association adopted the following resolution:

THEREFORE BE IT RESOLVED that the Association of Vancouver Island Municipalities inform the Province of the highest priority Island municipal governments attach to safeguarding the future of farming and the farm community, and urge the Province to demonstrate its commitment to a profitable and competitive agricultural industry by actively providing legislative, policy and resource support to the Island farm communities' initiatives to develop and implement the necessary strategies to address Vancouver Island's increasingly uncertain agricultural future

Similarly, in March 2000 the Association adopted the following resolution:

THEREFORE BE IT RESOLVED that the Association of Vancouver Island Municipalities, fully supporting the IFA representations, urges government to give immediate consideration to introducing policies and regulations that will promote the development of agriculture on the Island, both to address competitive disadvantages Island agricultural producers encounter under the current provincial regulatory regime, and to prevent any further deterioration in the significant contribution the agricultural sector makes to the economic health of Vancouver island⁵

Each of these resolutions was in fact previously adopted by the District of North Cowichan, which has taken considerable interest in agricultural issues.⁶ In February 2000 the District of North Cowichan wrote 23 Island municipalities and 7 Regional Districts to request they demonstrate support at the local government

⁴ LifeCycles is an environmental nonprofit, non-governmental organization dedicated to cultivating awareness of and initiating action around food, health, and urban sustainability in the Greater Victoria community.

⁵ An amendment to the resolution was proposed to establish an AVIM Agriculture Committee "to provide coordinated local government support for the objectives contained in this resolution". It was defeated, but the executive of the Association of Vancouver Island Coastal Communities subsequently appointed a local government official to represent the Association on the Board of the Island Farmers' Alliance.

⁶ At this time, the District of North Cowichan is in the process of developing a Strategic Agricultural Plan, for inclusion in its Official Community Plan.

level for initiatives coming from farm groups within the agricultural sector, including the Island Farmer's Alliance. A number of these local governments followed up with letters to the Minister of Agriculture, Food and Fisheries to express their support for such initiatives and to urge the province to take action (District of Ucluelet, Town of Lake Cowichan, District of Metchosin, Town of Ladysmith, City of Duncan and the Cowichan Valley Regional District). The minister replied by noting that, while the province can indeed undertake some initiatives to help sustain the industry, local governments themselves play an important role in economic development. In this regard, he noted that many of the factors that affect the success of agriculture are within local government control (e.g. property taxes, building application fees, water rates and bylaws affecting farm and food processing operations).

4 Developing specific action plans and proposed trust principles

Significant time and effort has been spent in recent years assessing the challenges and opportunities facing the Island agri-food sector. Industry members have devoted considerable effort to a number of workshops and studies that have clarified the issues and identified proposed recommendations and actions. There is little to be gained by repeating such an exercise at the present time.

What is less clear is the extent to which the many suggestions and recommendations have been acted upon or co-ordinated, or what the challenges to implementation are that must still be overcome to see further tangible progress.

The purpose of the present project is, therefore, to build upon this previous and ongoing work, and to identify mechanisms to best ensure implementation of the foregoing goals and ideas. This will include consideration of cooperative efforts with the broader community of interests that have a stake in the agri-food sector. It will also include consideration of the principles that should guide implementation of the proposed trust fund. These matters will be considered at a roundtable discussion that will be held on November 3, 2000, from 8:30 am to 5:00 pm at the TravelLodge Silver Bridge in Duncan.

5 Roundtable process

Morning session

In the morning session, roundtable participants will break into groups to develop action plans within each of the four following areas:

- (i) Farm management and education
- (ii) Processing, distribution and marketing
- (iii) Regulatory issues
- (iv) Industry cooperation and cohesiveness

(A more detailed proposed breakdown of issues within these categories is set out in appendix 4, based on the discussions that have occurred to date in other forums.)

The action plans should specifically address the following questions:

- (a) What exactly needs to be done and how should it be done?
- (b) Who should be the lead person, agency or committee responsible for the project?
- (c) What other persons, agencies or committees are required to commit to the action plan to ensure success?
- (d) What resources do the action plans require (financial, personnel time etc.) and how will they be obtained?
- (e) How, when and by whom should progress be assessed?
- (f) How will the results of the plan be communicated to all parties?

Afternoon session

In the afternoon session, each working group will present its proposals to the full roundtable forum, for comment and consideration.

In addition, the roundtable participants will be asked to consider and comment on principles that should guide administration of the trust fund. The Steering Committee has been asked by the ministry to develop a set of proposed principles, to serve as the basis for these discussions. The proposed principles are as follows:

- Trust fund proceeds should be used in a manner that ensures strategic, broad and equitable benefit to the Island agri-food industry,
- Priority should be given to projects and initiatives that provide matching partnership contributions (including calculation of in-kind contributions),
- Projects and initiatives should focus on developing the relative strengths and advantages of the Island agri-food industry,

- Use of trust fund proceeds should support and be consistent with the Action Plans established by the roundtable participants.

Follow-up

Following the roundtable, the Steering Committee will confirm commitment to the actions plans among specified parties that have a role in their implementation, and will prepare a report to the minister on the outcome of the process. This report will be made publicly available.

Any person interested in attending the roundtable should contact Robin Junger at Tel. (250) 595-7030, Fax (250) 595-7029 or email (rjunger@islandnet.com) by October 15, 2000.

Appendices

Appendix 1

List of Steering Committee Members

| | |
|-------------------|--|
| Judy Thompson | Chair, Island Farmers' Alliance |
| Jennifer Dyson | Island Farmers' Alliance |
| Len Lightfoot | Island Farmers' Alliance |
| Cam McDiarmid | Account Manager Farm Credit Corporation |
| Bill Keck | Director of Manufacturing Services Island Farms Dairies Co-op Association |
| George Seymour | Councillor, District of North Cowichan Association of Vancouver Island and Coastal Communities representative to the Island Farmers' Alliance |
| Brent Warner | Regional Agrologist, Direct Farm Marketing Specialist MAFF |
| Linda Chase-Wilde | A/ Sr. Manager, Market Development Food Industry Branch MAFF |

Appendix 2

Summary of Survival Forum Strategy

(From "Island Agricultural Survival: Enhancing Competitiveness & Profitability: A Vision for Agriculture", Brayden Marketing & Advertising Ltd., October 1998, pages 5-10)

THEME - Establish Unity

WHY?

- Facing many common issues & challenges; need less isolation & more communication.
- Need a stronger representative voice to garner support for agriculture.
- Require constant upgrading of skills, knowledge & training to remain competitive.

VISION

- One organization leading & speaking on behalf of Island agriculture.

OPPORTUNITIES

- Increase public support.
- Improve communication & reduce overlap.
- Develop strategic partnership & work with existing viable initiatives.
- Identify the scope of Island agriculture.

OBSTACLES

- Independence; different needs & priorities.
- Internal competition.
- Lack of effective communication networks.
- Lack of leadership.

RECOMMENDATIONS

- Form a steering committee; establish priorities & identify goals, objectives, actions. ASAP
- Conduct a benchmark audit. Fall 98 – Spring 99
- Designate one organization to represent Island agriculture. Fall 98

THEME - Develop a Marketing Strategy

WHY?

- Must replace outmoded & ineffective marketing approaches.
- Require increased product awareness for both industry & consumer.
- Need to base decisions on solid market research & information base.

VISION

- Secure premium prices & loyal customer support for Island products.

OPPORTUNITIES

- Create a focus for effective regional marketing.
- Establish "Island grown" as a significant factor in establishing a quality product.
- Secure markets & market access for Island products.
- Increase sales & distribution of Island products.
- Increase Island product recognition.
- Encourage strong regional economic development.

OBSTACLES

- Disparate goals, lack of cooperation & confrontational communication styles.
- Apparent lack of government support for Island products.
- Lack of Island identity & product differentiation.
- High expenses, physical & operational limitations associated with most current marketing efforts.

RECOMMENDATIONS

- Develop an Island identity logo, marketing strategy & standards to support it. Begin Fall 98 for implementation in early 99

THEME - Review & Improve Government Policies & Regulations

WHY?

- Current policies & regulations do not reflect the unique situation of Island agriculture.
- Many decisions are being made that are detrimental to Island agriculture.
- Need more communication & awareness at all levels of government.
- Many Island producers are not able or prepared to deal effectively with world trade.

VISION

- Island agriculture, government & marketing boards working together to develop realistic, effective policies & regulations.

OPPORTUNITIES

- Improve economic, social and environmental circumstances for Island agriculture.
- Increase consultation & involvement in local planning by establishing agriculture as a major landholder on the Island.
- Create the ability to maximize the advantages offered by Island agriculture.
- Develop strategies that improve access to land.
- Ensure that Island agriculture has sufficient infrastructure & informational resources in place to participate effectively in world trade.

OBSTACLES

- Different levels of government not working together; overlap, conflict, redundancy & inefficiency.
- High Island land values and the availability of land.
- Regulations tend to be overly complex in wording, open to misinterpretation & subjective judgment by regulatory officials.
- The ALR presents a number of issues & difficulties for some producers.
- Many marketing board policies & regulations are not attuned to the realities of the current marketplace.
- Strong lobby pressure is seen as negatively impacting policy & regulatory decisions related to island agriculture.

RECOMMENDATIONS

- Collect & review relevant information pertaining to government & marketing board practices, policies & regulations. Begin Fall 98
- Encourage input into the BC Agri-Food Policy standing committee. Fall 98
- Conduct widespread education & information sessions on both a formal & informal basis regarding issues, concerns & bottom line costs related to Island agriculture. Begin Fall 98

THEME - Improve Management of Resources Affecting Island Agriculture

WHY?

- General lack of comprehensive information & skills relating to human, educational, technological & natural resources available to Island agriculture.
- Tunnel vision; ongoing attempts to maintain old, ineffective systems & approaches.
- Lack of effective communication strategies in place to communicate information that would enhance farming operations.
- Insufficient funding & support by government & industry.

VISION

- A highly prosperous, knowledgeable & skilled Island agricultural community.

OPPORTUNITIES

- Identify & assess all human, educational, technological & natural resources available for Island agriculture.
- Encourage innovation.
- Develop a high degree of knowledge, understanding & technical expertise for people interested in Island agriculture, through a wide range of communication networks.

OBSTACLES

- Lack of significant funding.
- Limited personnel available; volunteers are “burned out”; few paid staff.
- Basic infrastructure required is not in place.

RECOMMENDATIONS

- Form a sub-committee of the Island agricultural organization to develop a comprehensive sustainable resource management strategy for Island agriculture.
- Required tasks to include: official recognition of the value of Island agriculture by all levels of government; secure moral & financial support from government & industry; complete a comprehensive inventory & resource directory of Island agriculture & related resources; establish centralized information source; create interactive systems for communicating information; develop public education & awareness programs for Island agriculture; encourage effective, innovative, cost effective, cooperative, sustainable solutions to rising input costs & other challenges. Begin Fall 98

Appendix 3

Extract from Premier's Summit Report Agricultural Workshop Summary

What We Know

- Number incorrect on farming—producers
- Flexibility—marketing boards
- Supply management is not working on Vancouver Island
- Land use and water use related concerns are not working
- UBC farm going through changes—restructured to support Vancouver Island communities
- Survival of agriculture on Vancouver Island—making sure that happens inside and outside of regulations
- Losing processing infrastructure
- Farm marketing structures are competing and driving down price in British Columbia—Island Farms/Dairy World
- Internal and external pressures on regulated marketing systems
- As a society do we want agriculture on Vancouver Island?
- Reform Provincial Land Commission
- Numbers show sickness of the industry
- Way too many regulations to make environmental and economic use—environment and fisheries
- We are in crisis—numbers are declining
- Hodgepodge of government regulations and layers
- Not looking to the future—long-term vision required
- We want to stay, and stay in business
- Consistency in by-laws required across the islands
- Right to Farm Act not well understood
- Too much time and energy fighting the system
- Dollars to keep the geese off farm land paid by farmers
- Agriculture land continues to get removed from production—water setbacks (1), buffering setbacks (2)
- Previous advisory structures
- Assessment eliminates items from farming—time does not get listed—dollar value not suitable
- Identify products produced on Vancouver Island for consumers—local economy, food security, community development-pride, regulations are known (farmers are known), consumers have to demand to get them stocked
- Links along industry chain benefit everyone
- Challenge for government is to be able to respond to changes in the industry
- Get better Stats Canada numbers
- Agriculture overlaps with other ministries—farmer and processors
- Continue to facilitate inter-ministry solutions
- Local image of Island
- Retailers are changing—retail price war—perception that processor are creating it
- Try to find out what he does not know
- Getting the message across to youth that agriculture is a viable career option
- Land that is prime that is not used—use land to educate youth

- Youth to use the land—pay for unused land as a way to fund agriculture activity
- School gardens so kids know where food comes from
- Teach the business aspects of growing, feeding and eating
- Post Summit—where there is organization to carry issues forward—then there is accountability
- Which items on the list can impact change
- We need a way to fix the local issues
- Part failure because municipal and federal representatives not here—need them involved
- --Milk—Grassfeed
 - Large production of grass
 - Partway through research at Oyster River
 - Vancouver Island pool
 - Specialized product development
 - Stay in quota—10-month year
 - Concern with opposition to the idea
 - Marketing boards must change—flexibility required
 - Used to have a separate milk shed area
 - Amounts produced on the island can meet Island needs
- Other commodities—poultry—all feed brought in

Appendix 4

Proposed roundtable discussion items

WORKING GROUP 1

ISSUES

- ***Farm management and education***
 - Adapting farming strategies to changing market conditions
 - Dissemination of knowledge and information
 - Developing agricultural workforce and management skills
 - Minimizing input costs
 - Succession and encouraging new entrants into farming

ACTIONS PLANS

For each issue considered please address the following questions:

- (a) What exactly needs to be done and how should it be done?
- (b) Who should be the lead person, agency or committee responsible for the project?
- (c) What other persons, agencies or committees are required to commit to the action plan to ensure success?
- (d) What resources do the action plans require (financial, time etc.) and how will they be obtained?
- (e) How, when and by whom should progress be assessed?
- (f) How will the results of the plan be communicated to all parties?

WORKING GROUP 2

ISSUES

➤ *Marketing, distribution and processing*

- Ensuring adequate and stable supply
- Strengthening local purchasing and loyalty
 - Consumers
 - Retailers
 - Food-service operators (e.g. educational institutions, governments, hospitals, hotels, Department of National Defence, correctional facilities)
 - Processors
- Methods of sale and distribution
 - Direct marketing (including farmers' markets and agri-tourism)
 - Specialty markets
 - Retailers
 - Processors
 - Food service operators
- Retaining and developing processing capacity
 - Retaining local processors
 - Micro-processing

ACTIONS PLANS

For each issue considered please address the following questions:

- (a) What exactly needs to be done and how should it be done?

- (b) Who should be the lead person, agency or committee responsible for the project?
- (c) What other persons, agencies or committees are required to commit to the action plan to ensure success?
- (d) What resources do the action plans require (financial, time etc.) and how will they be obtained?
- (e) How, when and by whom should progress be assessed?
- (f) How will the results of the plan be communicated to all parties?

WORKING GROUP 3

ISSUES

➤ *Regulatory issues*

- Ensuring adequate and affordable water
- Ensuring flexibility in the supply management system
- Ensuring that zoning and land use policies respect agricultural interests
- Ensuring appropriate food inspection services / federally licensed facilities
- Standardizing regulations / reducing red-tape
 - Federal
 - Provincial
 - Local
- Ensuring fair levels of taxation for farmers
- Price of energy
- Environmental issues
- Workers Compensation

ACTIONS PLANS

For each issue considered please address the following questions:

- (a) What exactly needs to be done and how should it be done?
- (b) Who should be the lead person, agency or committee responsible for the project?

- (c) What other persons, agencies or committees are required to commit to the action plan to ensure success?
- (d) What resources do the action plans require (financial, time etc.) and how will they be obtained?
- (e) How, when and by whom should progress be assessed?
- (f) How will the results of the plan be communicated to all parties?

WORKING GROUP 4

ISSUES:

- ***Cooperation and cohesiveness***
 - Strengthening the role and mandate of the Island Farmers' Alliance
 - Strengthening cooperation between producers and retailers / processors
 - Relationships between small and large scale producers
 - Strengthening the role of agricultural institutions in economic development commissions and strategies
 - Making the best use of Oyster River Research Farm

ACTIONS PLANS

For each issue considered please address the following questions:

- (a) What exactly needs to be done and how should it be done?
- (b) Who should be the lead person, agency or committee responsible for the project?
- (c) What other persons, agencies or committees are required to commit to the action plan to ensure success?
- (d) What resources do the action plans require (financial, time etc.) and how will they be obtained?
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