

# **Advancing the small scale, local food sector in Manitoba: a path forward**



**Produced by the Small Scale Food Manitoba working group**

**Chaired by Dr. Wayne Lees**

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## Acknowledgements

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Without the significant investment of time and energy by the members of the Small Scale Food Manitoba working group, this work would not have been possible. Without reservation, they offered wise counsel and lively debate and in the end, they have shaped this report with a forward-looking view to advance small scale, local and specialty food production and processing in Manitoba. Sincere thanks are expressed to all.

Dr. Wayne Lees, chair

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## Table of Contents

<b>Acknowledgements</b> .....	<b>2</b>
<b>Small Scale Food Manitoba working group members</b> .....	<b>3</b>
<b>Genesis of this report</b> .....	<b>6</b>
<b>Executive summary</b> .....	<b>8</b>
Who is a small scale farmer or food processor?.....	8
What we heard .....	9
Regulatory issues .....	9
Technical advice.....	10
Business and financial tools .....	10
Marketing and distribution .....	11
Policy, advocacy and governance .....	11
Summary of Recommendations.....	12
Regulatory issues .....	12
Technical advice .....	12
Business and financial tools .....	12
Marketing and distribution .....	13
Policy, advocacy and governance .....	13
Concluding remarks .....	13
<b>Introduction</b> .....	<b>14</b>
Who makes up the small scale food sector? .....	15
<b>What attributes best describe the small scale food sector? .....</b>	<b>18</b>
Focus on healthy eating and safe food .....	18
Creating a relationship with the consumer is important.....	19
Being innovative and nimble .....	19
Fostering rural development and sustainability: A deep sense of community .....	20
Creating jobs and economic opportunities.....	20
Preserving diversity and skills .....	21
<b>Regulatory issues – what we heard</b> .....	<b>23</b>
<b>Regulatory issues - recommendations</b> .....	<b>30</b>
<b>Technical advice - what we heard</b> .....	<b>35</b>
<b>Technical advice - recommendations</b> .....	<b>38</b>

<b>Business and financial tools – what we heard .....</b>	<b>41</b>
<b>Business and financial tools – recommendations .....</b>	<b>42</b>
<b>Marketing and distribution – what we heard .....</b>	<b>43</b>
<b>Marketing and distribution – recommendations .....</b>	<b>44</b>
<b>Policy, advocacy and governance – what we heard .....</b>	<b>46</b>
<b>Policy, advocacy and governance – recommendations .....</b>	<b>48</b>
<b>Conclusion .....</b>	<b>50</b>
<b>Appendix 1. Consultation processes employed .....</b>	<b>51</b>
Small Scale Food Manitoba working group meetings.....	51
Public meetings.....	51
Focused group meetings.....	51
Surveys.....	51
Key informant one-on-one interviews (identified with their permission).....	51
<b>Appendix 2. Results of the consumer survey online and at farmers’ markets .....</b>	<b>53</b>
Conclusions from the consumer survey.....	65

## Genesis of this report

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Interest in food – how it is produced, how it is manufactured and what effect it has on our health - has been the subject of increasing public attention over the last decade or so. As the size and complexity of our mainstream food systems have increased, a counter-balance movement has sprung up – the local food movement. Promoting whole foods that have minimal processing, increasing knowledge about food preparation, encouraging biodiversity and environmental stewardship, and strengthening local food production and processing systems are the goals of this effort, which now has supporters in 150 countries<sup>1</sup>.

Coupled with this is an emphasis on strengthening small scale and specialty food production and processing systems. Manitoba has seen significant public interest regarding the inter-relationship between health and nutrition, farmers' markets, urban agriculture, and small scale farming and food manufacturing systems.

Nationally, there have been some very significant food-borne illness outbreaks that caused governments to take food safety very seriously. Increased regulatory oversight was often the response. In British Columbia, Saskatchewan and Manitoba, each province developed their own meat inspection system when a previous contractual arrangement with the Canadian Food Inspection Agency was terminated.

Throughout this transition, some misunderstandings and tensions have arisen between government inspectors and small scale food processors and direct marketers, when several found themselves under a new inspection system. There were also some inconsistencies within the province's agriculture department on how to balance the role of extension and promotion with regulatory oversight. In one incident, which generated a significant amount of public interest and discussion, a food processor was first commended and then reprimanded by different arms of the same department.

To help resolve these issues, Hon. Ron Kostyshyn, minister of Manitoba Agriculture, Food and Rural Development (MAFRD) announced the appointment of Dr. Wayne Lees to lead a working group on building and strengthening the small scale food production and processing sector that included direct farm marketing. Members include the Manitoba Food Processors Association (MFPA), Keystone Agricultural Producers (KAP), Food Matters Manitoba (FMM), Farmers' Markets Association of Manitoba (FMAM) Co-op Inc., Harvest Moon Local Food Initiative, Canadian Culinary Federation (CCF) Manitoba, Community Supported Agriculture Manitoba (CSA), the provincially inspected meat sector and independent small scale food entrepreneurs - Cornell Creme and Crampton's Market. The working group adopted the name *Small Scale Food Manitoba (SSFM)*, with "small scale" meaning local and specialty/artisanal food production from farms of various sizes.

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<sup>1</sup> <http://www.slowfood.com/>

The group's first task was to review the objectives of this project:

- to describe the small scale food production and processing sector in Manitoba;
- to characterize the benefits of small scale food production and processing in Manitoba;
- to lead conversations across the province to help the public and established, new and potential small processors and direct farm marketers to move forward and take advantage of the market opportunities; and
- to ensure that food safety and health of all Manitobans remains the first priority.

The consultation process included in-person forums, online surveys, surveys at farmers' markets and one-on-one consultations with key stakeholders. Nearly 800 responses were received from consumers and 69 were received from food producers and processors. The consultation process began with public meetings in St Norbert, Dauphin and Brandon in August 2014. Approximately 65 members of the public, local food advocates, academic experts, government officials, small scale entrepreneurs and farmers' market representatives expressed their views through these facilitated public meetings.

Five targeted consultations were also held with staff from Manitoba Health and MAFRD, the Manitoba Farm Products Marketing Council, small scale processors (co-ordinated by Manitoba Food Processors Association), farm commodity associations (co-ordinated by Keystone Agricultural Producers) and 25 Hutterite colonies.

Nearly 30 telephone interviews were held with key stakeholders who have knowledge and expertise in small scale food issues. They included producers, processors, academics, government officials, producer and processor association executive directors and board members, institutional food service providers and others interested in local food policy.

The SSFM group refined the questions to pose during the consultative process, namely:

- Why is the small scale food sector important?
- What is needed to move this sector forward?
- What is the role of food certification?
- Who should be responsible for what role in the certification process?
- What are the strengths of the sector and how can we build on those?
- What are the challenges and how do we address them?

After reviewing all of the feedback gained through this process, the SSFM working developed conclusions and recommendations of this report.

Working group members wish to express their most sincere thanks to the Minister and MAFRD for commissioning this report and providing a starting point for dialogue with the small scale food sector. It is with great optimism that the Small Scale Food Manitoba working group looks to the future of small scale, specialty and artisanal food production and processing in Manitoba.

### Who is a small scale farmer or food processor?

Developing the definition of who is a small scale producer or processor was not easy. Rather than defining some arbitrary income figure like the number of employees, number of hectares owned or amount of livestock raised, we have described the small scale food sector using terms such as local, specialty, artisanal and direct marketing. Small scale producers tend to have a limited land base, raise multiple types of livestock and crops, practice integrated farming methods and market their products directly, either from the farm or through a farmers' market. There are also a number of larger, conventional farms that dedicate a portion of their farm to specialized, local food production – in effect, a small scale operation. Small scale food processors also typically have few employees, produce a limited number of specialty products and market their products either directly or through outlets that focus on local foods.

The working group wanted a sense of what was important to entrepreneurs in the small scale food sector and what attracted them to this part of the food system. Certainly many of these attributes are shared by producers and processors of all sizes and production types, but those in the small scale sector hold these values very closely and reflect them in their relationship with consumers:

- **Focusing on healthy eating and safe food.** There was a deeply held sense of responsibility to produce food that was safe, nutritious and flavourful. Stakeholders said promoting healthy eating as part of a healthy lifestyle motivated them.
- **Creating a relationship with the consumer is important.** A bond is formed when consumers interact directly with the people who made the food. Food is more highly respected and is less likely to be treated as a throw-away commodity when the consumer recognizes the time and effort that has gone into making it.
- **Being innovative and nimble.** The small scale sector has been called “the breeding ground for innovation” because it can respond very quickly to market signals. This is the lifeblood of competitiveness. However, innovation can be a challenge for regulators who are faced with scrutinizing new processes and procedures.
- **Fostering rural development and sustainability and a deep sense of community.** Many of those interviewed expressed commitment to environmental stewardship and sustainable rural development. Supporting the community was the lead reason for supporting local farmers' markets.
- **Creating jobs and economic opportunities.** In rural communities, small scale agriculture was seen as one way to make your own job, create employment opportunities for youth, or create opportunities for new entrants who may not come from a traditional farming background. Typically, respondents indicated 50 to 75 per cent of family income was derived from the small scale venture, although many would like this to reach 100 per cent. These producers often could

not qualify for agricultural support programs. By raising a diversity of crops and livestock or engaging in rural tourism, many were in effect, self-funding their own income support program.

- **Preserving diversity and skills.** The small scale sector's use of heritage animal breeds and traditional seeds provides a rich gene bank that might be lost otherwise. Small scale farming also provides society with a critical mass of people who have food growing and preservation skills. Respondents often said that skills like growing carrots or preparing and cooking a whole chicken are increasingly uncommon.

In terms of economics, the small scale food sector in Manitoba represents a tiny fraction of Manitoba's \$4.6 billion food and beverage industry. However, the small scale food sector represents a significant component of the province's social capital engaged in food production and processing. Over 62 per cent of Canada's 205,000 farms have gross receipts of less than \$100,000 and 78 per cent have less than \$250,000. Similarly for the food processing industry, just over 55 per cent of the provincially registered food processors and abattoirs inspected by MAFRD have fewer than five workers, and 76 per cent have fewer than 10.

For families engaged in the small scale food sector, this represents a significant part of their livelihood. One of the consultation participants noted:

***“The argument that small scale is economically unsustainable is false. The argument that large scale agriculture is the only economically viable alternative is false. Small scale enterprises can survive.”***

## What we heard

Through a broad consultation process, the working group gathered feedback and formulated recommendations to advance the small scale food sector in Manitoba. There were six meetings of the Small Scale Food Manitoba working group, three public meetings, five meetings targeted to associations and committees, approximately 800 consumer surveys, 69 producer and processor surveys and almost 30 telephone interviews with key stakeholders.

## Regulatory issues

Many small scale producers felt overwhelmed by regulatory issues. Some were not fully aware of the scope of the different regulations, while others had received inconsistent direction from different departments. One study of abattoirs in British Columbia noted more than a dozen different departments at the municipal, provincial and federal levels that had an influence over an operation.

Some small scale entrepreneurs felt regulations were developed for larger scale operations and were difficult to implement at the small or micro level.

The roles of Manitoba Health and MAFRD in the food inspection system were not always clear and entrepreneurs were unclear if both departments applied the same criteria consistently or had an appeal process. The terms “risk-based” and “outcome-based” used in the regulatory context were not clearly understood and entrepreneurs wanted more guidance to meet regulatory requirements.

Food safety remains a high priority for entrepreneurs and consumers. It is often taken as a “given” and there is an element of trust that enters into the direct producer/processor-consumer relationship. However, when intermediaries, such as restaurants or distributors are involved, documented food safety certification becomes much more significant. The small scale food sector is not well equipped to take on a self-certification role at this time.

There is only one provincially inspected poultry plant available for custom slaughter, but other non-inspected facilities exist. This and the present limit on non-quota production, were cited as limiting factors for small scale poultry production. Non-quota limits on other supply managed commodities like eggs, turkeys, milk and potatoes/root crops were also mentioned.

## **Technical advice**

Ongoing public communication and extension information about basic nutrition, food safety and food handling is needed. There are several target audiences to be reached with that information. Consumers need information about nutrition and safe food handling, food service providers and food processors need to know about safe food handling, manufacturing and storage, and producers need to be kept informed about current best practices for food safety.

Because of their diverse yet integrated production methods, small scale farmers do not fit well within the present commodity-focused model of farm production advisors within MAFRD. There are constantly new entrants to small scale farming who require a great deal of guidance and mentorship.

For processors, there are some excellent technical resources available at the Food Development Centre (FDC), but these can be expensive for a start-up entrepreneur. Infrastructure and facilities, such as commercial kitchens, co-packers or business incubators were not readily available in some areas.

## **Business and financial tools**

Individual entrepreneurs will have different goals. Some will focus on their enterprise as a lifestyle choice and others will want to expand into regional or national markets. It is important to tailor the support services to match the goals of the entrepreneur.

Many financial planning tools are widely available from most financial institutions, but small scale entrepreneurs may not be able to qualify for crop or livestock insurance programs or business interruption and liability insurance.

## **Marketing and distribution**

Many small scale food processors indicated marketing as one of their biggest hurdles. It was difficult for them to access traditional distribution chains and retail grocery stores.

On the other hand, most small scale farmers who marketed directly to the consumer had little difficulty in selling their products. Most institutions and restaurants who purchased local foods directly had established their own network of suppliers. Several local food distributors operate in Manitoba.

At least one cooperative food production and distribution network exists in the province. However, there is confusion about the legal definitions of direct sales and how the transaction is carried out. Clarification is needed.

Food processors mentioned trade shows, fairs and local food promotion as important mechanisms to gain public recognition of their products. Industry and government support for these opportunities was greatly appreciated.

## **Policy, advocacy and governance**

Small scale food producers and processors feel their voice is not being heard and there is an air of suspicion and disconnect between the small scale sector, the major commercial food sector and government extension experts and regulators.

There is no unifying organizational structure for small scale producers and processors and, as a result, there remains “policy space vacuum.” A mechanism to represent their collective interests to government, to other parts of the agriculture and food sector, and to the public is lacking.

A number of grassroots groups have sprung up among the small scale food sector, but without a unifying organization, the small scale sector will continue to be sidelined. This severely limits their capacity to create a cohesive voice and design a strategy to advance the sector. Governments will continue to struggle with demands from individuals, who may or may not represent what the entire sector wants. A strategy that links the small scale sector into the overall goals of agriculture and food development in the province is needed.

## Summary of Recommendations

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### Regulatory issues

- **Develop a plain language guidebook to assist new entrants in the small scale food sector and to provide an overview of what business owners need to consider.**
- **Develop/adopt training tools to explain the regulatory requirements for food safety.**
- **Develop a collaborative industry-government navigator approach to assist small scale entrepreneurs; create a 1-800 mindset.**
- **Develop an ongoing consultative opportunity between government and the small scale food processing sector, to problem solve early in the policy and regulation-making process.**
- **Continue to strengthen the relationship between MAFRD and Manitoba Health to further harmonize the delivery of food safety inspection services.**
- **Improve access to provincially inspected abattoirs for poultry.**
- **Explore options for small scale producers and processors within the supply managed industries.**

### Technical advice

- **Dedicate a portion of MAFRD and FDC expertise to the small scale food sector.**
- **Promote practical certification programs for small scale producers and processors as important delivery mechanisms for extension information.**
- **Develop and identify facilities for innovation and start-up food processors.**
- **Foster mentorship opportunities, both formal and informal.**

### Business and financial tools

- **Match the right set of business development tools to meet the goals of the individual operation.**
- **Explore ways to make crop and livestock insurance programs accessible to small scale producers.**

## Marketing and distribution

- Foster collaborative marketing models in the small scale food sector.
- Clarify the terms for direct marketing and distribution through a collaborative marketing venture.
- Government and the food industry should continue to act together to highlight local foods.
- Develop local food programs and policies within public institutions wherever practical.
- Establish a set of metrics for measuring the impacts of the small scale food sector.

## Policy, advocacy and governance

- Facilitate a process to allow small scale producers to organize themselves.
- In conjunction with the stakeholders, develop a strategic policy document to advance the small scale food sector.
- Strengthen government's pivotal role in sector intelligence and strategic planning by including the small scale food sector.

## Concluding remarks

The observations and recommendations are not intended to pit one scale of the food system against another, but rather to create a “space” for the small scale food sector, where:

- small scale producers and processors can thrive next to their colleagues in the mainstream food system;
- food produced is safe and the regulatory requirements can be easily understood and followed;
- innovation is fostered to strengthen Manitoba's rural communities;
- small scale production is encouraged and can fit within the quota and food inspection systems;
- mentorship and technical assistance is provided to small scale entrepreneurs; and
- its voice is heard in the creation of policy and regulation.

## Introduction

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Given there is no perfect metric, one might consider small scale farms as ones where typically family members work on a limited land base to produce a variety of specialty food products that are usually marketed directly to the public within the local geographic area.

Small scale food processors are often entrepreneurs who tend to market specialty or artisanal food products within the local or regional area.

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It is difficult to measure the economic impact of the small scale food sector in Manitoba. The gross sales from the entire food and beverage industry within the province was estimated to be worth \$4.6 billion in 2011, representing an estimated 28 per cent of the provincial manufacturing output and responsible for 12,000 jobs. Within the small scale food sector, the estimated value of direct sales was estimated to be between \$65 and \$79 million in 2012. Farmers' market sales (including crafts) were estimated to be approximately \$241 million<sup>2</sup>.

By a strictly economic measure, we can safely estimate that the small scale food sector represents a small fraction of Manitoba's food production and processing capacity, probably in the low single digits in terms of percentage. However, there is much more to this group than dollars and cents. They represent a vibrant, innovative group of entrepreneurs with the potential to add a new dimension to food production, food manufacturing and rural development.

For the purposes of this report, the study focused on food production that has a commercial value component. It is often easy to mix in issues of food justice with small scale food production. Providing proper nutrition to low income families or remote communities is an important issue, however this can be more directly addressed through initiatives such as food sharing, food subsidies, school breakfast and lunch programs and by building capacity through community gardens and cooking classes. These are public policy issues separate from encouraging growth in the small scale and specialty food sector. As such, this report will not focus on these issues. Similarly, this report did not specifically address the distinct issues concerning First Nations and northern farmers and food harvesters. These groups face unique regulatory challenges that also require a separate, dedicated study.

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<sup>2</sup> Prabal Ghosh, MAFRD, personal communication

## Who makes up the small scale food sector?

In order to know who makes up the small scale food sector, the logical first question is, “What is the definition of small scale?” Defining “small scale” has not been a simple task.

The United States Department of Agriculture Economic Research Service has defined small farms as having between \$1,000 and \$350,000 dollars in sales<sup>3</sup>. Internationally, the European Union (EU) has proposed that small scale farms can be measured by income, size of labour force or landholdings depending on what context is being applied, but these measurements should be applied as relative comparisons within, not between each EU country<sup>4</sup>. Statistics Canada defines small scale farms as having gross farm revenues of between \$10,000 and \$99,999 and medium sized farms as having revenues between \$100,000 and \$249,999<sup>5</sup>.

It is clear that the definition of small scale is relative. What is considered small in the North American context may be considered very large in Europe or elsewhere. Other definitions used in sites such as Wikipedia suggest small scale is related to sustainable farming practices, family-owned farms and less intensive farming. While these notions may carry some initial intuitive appeal, size alone does not dictate whether farms are operated by a family, whether farming practices are sustainable, or whether land use is optimized either intensively or extensively.

In the Manitoba context, a small scale producer is not someone who simply has a rural residence with a large garden or a small pasture. Small scale farmers are generally interested in deriving some or all of their family income from their efforts. Given there is no perfect metric, small scale farms may be those where family members typically work on a limited land base, producing a variety of specialty food products usually marketed directly to the public within the local area (which we will consider to be the province). In some cases, farmers operate both a full scale commercial farm and a small scale entity, which is used as an income backstop or a training ground for young members of the family.

For food processors, small scale operations might be better measured in terms of numbers of full time workers. Just over 55 per cent of the provincially registered food processors and abattoirs inspected by MAFRD have fewer than five workers and 76 per cent have fewer than 10<sup>6</sup>. Small scale food processors are often entrepreneurs who tend to market specialty or artisanal food products within the local or regional area.

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<sup>3</sup> <http://www.ers.usda.gov/amber-waves/2013-may/the-revised-ers-farm-typology-classifying-us-farms-to-reflect-todays-agriculture.aspx#.VGluCfnF->

<sup>4</sup> [http://ec.europa.eu/agriculture/rural-area-economics/briefs/pdf/02\\_en.pdf](http://ec.europa.eu/agriculture/rural-area-economics/briefs/pdf/02_en.pdf)

<sup>5</sup> <http://www.statcan.gc.ca/pub/21-207-x/2011000/appendix-appendice1-eng.htm>

<sup>6</sup> Jill Zacharias, MAFRD, personal communication

The small scale food sector is made up of a wide variety of stakeholders. Producers (farmers), food processors (manufacturers), farmers' market vendors, community supported agriculture operations (CSAs), food policy advocates, local retailers, institutional food providers and restaurants all have a role in the small scale, local food sector.

Small scale food production is spread widely throughout the province though greater marketing opportunities exist closer to major population centres. The farmers' markets in and near Winnipeg have shown significant growth in the last few years, whereas some of the smaller rural markets are struggling. Nevertheless, there are nearly 70 farmers' markets in Manitoba, 44 of which are listed as members on the Farmers' Markets Association of Manitoba website<sup>7</sup>.

Small scale food processors are similarly spread throughout the province, but with a greater concentration near the population centres. The Manitoba Food Processors Association lists its 260 members as being diverse, from small start-up companies to large scale operations<sup>8</sup>. Not including food warehouses and distribution centres, MAFRD inspects 366 provincially permitted food processing facilities and about 75 per cent could be considered small scale.

### **Small scale farmers contribute a significant component of rural human capital in Canada.**

In Canada, farms with gross receipts over \$500,000 make up only 11.5 per cent of all farms but account for 67.9 per cent of total gross farm receipts in the country<sup>9</sup>. Over 128,000 (62 per cent) of Canada's 205,000 farms have gross receipts of less than \$100,000, and 78 per cent have less than \$250,000<sup>10</sup>.

At the macro-economic level, the small scale sector is a relatively small component of the total national farm income. However, if one considers the number of farm families that are supported in whole or in part by small scale agriculture, the picture changes significantly. Small farms represent a large component of Canada's total rural social capital residing in the rural areas.

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<sup>7</sup> <http://fmam.ca/>

<sup>8</sup> <http://www.mfpa.mb.ca/>

<sup>9</sup> Statistics Canada, the Daily, May 10, 2012 <http://www.statcan.gc.ca/daily-quotidien/120510/dq120510a-eng.htm>

<sup>10</sup> Statistics Canada, Snapshot of Canadian Agriculture 2011 <http://www.statcan.gc.ca/pub/95-640-x/2012002/01-eng.htm#II>

## Urban and rural people depend on one another.

Canada and the United States are among the most urbanized countries in the world, with fewer than 19 per cent of citizens living in rural areas. In Canada, the rural population in 2011 was estimated to be 6.3 million, a number that has remained relatively constant since 1991. Almost all of Canada's population growth has been in the urban areas.

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However if one considers the number of farm families that are supported in whole or in part by small scale agriculture, then the picture changes significantly. Small farms represent a large component of Canada's total rural social capital residing in the rural areas.

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In Manitoba, a higher percentage of the population (28 per cent) lives in rural areas, defined as communities with fewer than 1,000 inhabitants and a population density below 400 people per square kilometer<sup>11</sup>. Farmers on all sizes of farms are getting older, with an average age of 55 years or more on more than half of the farms in Manitoba<sup>12</sup>.

Why is it important to maintain strong rural communities? In her address to the Catalan Rural World Congress in 2006, Marian Fischer Boel, member of the European Commission responsible for agriculture and rural development, talked about the importance of rural areas<sup>13</sup>:

***“We need them because they provide goods and services which towns and cities cannot. We need them because they act as our lungs. We need them because urban life is not for everyone. We need them because it is deeply unhealthy to lose contact with nature.”***

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<sup>11</sup> Statistics Canada, Canada's rural population since 1851 [http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-310-x/98-310-x2011003\\_2-eng.cfm](http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-310-x/98-310-x2011003_2-eng.cfm)

<sup>12</sup> Statistics Canada, Demographic Changes in Canadian Agriculture <http://www.statcan.gc.ca/pub/96-325-x/2014001/article/11905-eng.htm>

<sup>13</sup> [www.europa.eu/rapidpress-release\\_speech-06-278\\_en.pdf](http://www.europa.eu/rapidpress-release_speech-06-278_en.pdf)

## What attributes best describe the small scale food sector?

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The working group wanted to get a sense of what was important to entrepreneurs in the small scale food sector and the attributes that attracted them to this part of the food system. Many of these attributes are shared among producers and processors of all sizes, no matter what system of production is used, but certainly small scale entrepreneurs hold these values closely and with great personal resolve, reflecting them in their relationships with consumers.

### Focus on healthy eating and safe food

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They expressed a  
deeply held sense of  
responsibility to  
produce food that was  
safe, nutritious and  
flavourful.

Perhaps the single most striking characteristic is the passion these stakeholders feel for their chosen enterprise. They are committed to producing food of the highest quality in a safe and healthy environment. They are also dedicated to preserving customer confidence and ensuring their practices are transparent. Restaurateurs and institutions serving local food are committed to providing their customers with wholesome, nutritious foods that reflect the local market.

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Almost all of the producers, processors and restaurateurs who were interviewed repeatedly spoke about producing food in a sustainable manner that contributed to a healthy diet. They expressed a deeply held sense of responsibility to produce food that was safe, nutritious and flavourful. There was a desire to move away from highly processed, refined foods that were calorie-dense to those that were less processed, more natural and nutrient-dense. Promoting healthy eating as part of a healthy lifestyle was a significant motivational factor among all of the stakeholders.

Although it was never mentioned as such, the principles of the One Health Initiative<sup>14</sup> linking animal health, human health, environmental health and food safety and nutrition seem to have been embraced.

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<sup>14</sup> For more information on the One Health Initiative, see [www.onehealthinitiative.com](http://www.onehealthinitiative.com)

## Creating a relationship with the consumer is important

According to survey results, a relationship built on implicit trust develops as the small scale food producer interacts directly with the consumer. This accomplishes several things. First, the consumer recognizes there is a significant amount of personal time invested by the producer in the food that is being purchased, fostering a sense of respect for food rather than viewing it as a “throw- away”

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...fostering a sense of respect for food rather than viewing it as a “throw- away” commodity.

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commodity. This attitude shift helps reduce food wastage. Second, consumers may ask direct questions about how that food was produced, how animals were treated and how crops were grown, adding value to production systems that promote good animal welfare practices and responsible use of chemicals.

Food processors, retailers and restaurateurs developed similar relationships with their clients. As customers learn about different local food products, where they came from and how they are prepared, a bond is formed. Local foods are no longer seen as low cost commodities, but rather are appreciated for their unique qualities and attributes.

## Being innovative and nimble

Small scale farmers are innovative and nimble in their response to consumer demands. They can switch production much more quickly than larger food production systems, to take advantage of a new market

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One person interviewed described the small scale food sector as a “breeding ground for innovation”.

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or to develop a slightly nuanced product to fill a niche. At the small scale, many new ideas can be tried without large investments that bigger companies would have to expend. One person interviewed described the small scale food sector as a “breeding ground for innovation”, which is the lifeblood for competitiveness. This diversity may create a challenge for regulators, who may not be aware of the latest products and processes being tried if they do not fit the mainstream production system. In some instances, innovations first introduced at a small scale are later adopted by the mainstream food system.

## Fostering rural development and sustainability: A deep sense of community

Many of those interviewed expressed commitment to the dual, complementary goals of environmental stewardship and sustainable rural development. It was noted repeatedly that vibrant rural

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“I am convinced that we will all benefit from more, not fewer people on the landscape making a living from farming and seeking solutions to agricultural sustainability.”

communities, where jobs were created and families raised, were seen as integral to protecting and enhancing the agricultural environment. Several respondents believed in living a productive lifestyle that was sustainable agriculturally, fiscally, environmentally and socially.

Some had made a conscious decision to leave other occupations and pursue a career in agriculture and food to live in a rural setting and become part of a local community. One respondent said, “I am convinced that we will all benefit from more, not fewer people on the landscape making a living from farming and seeking solutions to agricultural sustainability.”

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Support for the local community was a very strong value expressed among food producers, food processors, retailers and consumers alike. Many of the urban consumers who purchased food at farmers’ markets wanted to support local farmers and the local rural economy. Consumers, retailers and restaurateurs made a point of acquiring local ingredients whenever possible, even when costs were higher.

## Creating jobs and economic opportunities

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Small scale agriculture was seen as one way to make your own job, create employment opportunities for youth, or to introduce the next generation to the world of business and economics.

Small scale agriculture was seen as one way to make your own job, create employment opportunities for youth, or to introduce the next generation to the world of business and economics. Several mentioned a small scale enterprise was perhaps the only avenue open to new entrants, such as urban dwellers or immigrants, who want to enter agriculture. Others observed this also opened up opportunities for farm succession to non-family members.

Some respondents said that when local jobs were created, opportunities were made for young entrepreneurs to enter into small scale agriculture and stay in rural communities. The survey results showed that small scale agriculture contributed a significant proportion of family income, typically 50 to 75 per cent. A few made their entire earnings from the farm, but of necessity most had

some form of off-farm revenue. This is consistent with the 2006 Census of Agriculture, which stated 29 per cent of small farms generated enough farm income to meet or exceed expenses<sup>15</sup>.

Some farmers mentioned their land base or capital investment would not support conventional agriculture, but would be sufficient to operate a small scale farm that produced a variety of high value products and crops. By raising a variety of products, small scale farms create income resiliency so if one

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crop or product is not doing well, income from other products acts as a backstop. Several large scale commercial farmers also operate a small scale sideline for this purpose.

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In speaking with a number of small scale producers, it became clear that many would never meet the criteria to qualify for agricultural support payment programs designed for larger scale single-commodity commercial farms. By maintaining diversity, they were self-funding their own income support program. The strength of diversification was also seen as small farms add value through developing rural tourism and entertainment operations

such as hay rides, corn mazes, pumpkin patches, nature hikes, instructional workshops or bed and breakfast experiences.

## Preserving diversity and skills

Several people mentioned preserving heritage breeds of animals and traditional seeds was important. These breeds and cultivars may not grow as quickly or offer as high a feed conversion rate (the amount of feed it takes to produce one pound of meat) as modern hybrids, however they provide a rich genetic pool of traits that might offer the next breakthrough in disease resistance or drought tolerance. This genetic bank might be lost or severely diminished without small scale agriculture.

Although not all mentioned being organic producers, many avoided the use of genetically modified crops, reduced the use of pesticides and herbicides and had a commitment to protecting land and water resources. Preserving soil fertility and water quality for present and future generations was seen as a priority for those involved in small scale production systems. There was a common theme that rural communities are a major force in protecting the environment because that is where producers live, eat, work and raise their children.

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<sup>15</sup> Statistics Canada, The financial picture of farms in Canada <http://www.statcan.gc.ca/ca-ra2006/articles/finpicture-portrait-eng.htm#A5>

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Small scale farming also provides society with a critical mass of people who have food growing and preservation skills. Many lamented that skills which were once common are now scarce. Knowing how to grow a garden and how to properly prepare and cook a chicken were cited as rapidly becoming uncommon. One institutional buyer mentioned that purchasing whole turkeys rather than portions created important learning opportunities for culinary students to create food, rather than just assemble it. Education and food preparation and preservation skills are integral components of the local food movement.

## Regulatory issues – what we heard

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**Entrepreneurs in the small scale food sector, especially new entrants, often feel overwhelmed by the number and scope of regulations at all levels of government. Many who are establishing a small scale food enterprise are not fully aware of all the regulations that apply.**

The sheer volume of regulations at multiple levels of government can be intimidating to small scale entrepreneurs, especially those who are just starting their business. This applies not just to food safety inspection, but to the many other departments that may have an impact on the business.

One study in British Columbia looked at the interaction between a provincially registered abattoir and various levels of government<sup>16</sup>. After taking into account regulations involving municipal zoning, building codes, fire safety, worker safety, highway signage, effluent and waste disposal, packaging and labeling and food safety, there were over a dozen different government departments at the municipal, provincial and federal levels that had an influence over the operation.

Established small scale businesses have usually worked out these relationships over time, often through trial and error. However, for the start-up entrepreneur, the task can seem overwhelming. Faced with this wall of regulation, some will persevere while others will quit or go underground. We heard several tales of frustration from entrepreneurs who were not prepared for the array of regulatory requirements they had to meet. We also heard of a few instances where direction received from one department would conflict with that received from another.

Generally speaking, most of the regulatory requirements for small scale food producers and processors were reasonable, but often they didn't know who to ask to help them navigate the systems, including what level of government and what department they needed to contact. As a result, there was a significant misunderstanding of the regulatory requirements, leading to wrong assumptions and a fear of asking for assistance.

**Many small scale entrepreneurs feel regulations were developed for larger scale operations.**

One common concern heard among small scale food producers and processors, especially from those operating at a micro level, was the present regulations were developed for large scale companies and would be very difficult to implement in their operations. For example, the requirement for two signatures within some industry-designed food safety templates doesn't make sense in a single-person operation.

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<sup>16</sup> Abra Brynne, personal communication

The Public Health Agency of Canada estimates approximately one in eight Canadians will acquire a food-borne illness<sup>17</sup> every year. Many are relatively mild, but some can be severe and life-threatening. Recent high profile outbreaks of food-borne illness have created a heightened sensitivity in the public about food safety certification and oversight. As a result, there is constant pressure on governments and the food industry to continually raise standards and introduce food safety certification programs<sup>18</sup>.

For nearly nine years, food safety extension staff hired through the federal-provincial-territorial Growing Forward program and overseen by MAFRD have promoted adopting documented food safety programs in provincially registered processing facilities. These range from fairly simple programs for small scale food processors, covering basic sanitation and personnel practices, to comprehensive Good Manufacturing Practices (GMP) programs, to rather detailed and individually tailored Hazard Analysis Critical Control Point (HACCP) plans.

Many of the farm commodity groups have developed similar on-farm food safety certification programs for crops and livestock. As a result, there are separate programs for each type of livestock or each crop. There is a need for an integrated on-farm food safety program that could be used by the multi-commodity small scale producer without overwhelming him or her with paperwork.

Manitoba's *Food Safety Act* will soon formalize these minimum requirements for all provincially permitted processors and the new federal *Safe Food for Canadians Act* will do the same for all food processors who sell their products inter-provincially. With new regulations coming into place at the national level, the need to document what is being practiced takes on new urgency. This follows along the same track as the USDA's *Food Safety Modernization Act*, which will shift the focus from responding to food contamination to prevention. Although the impact of these new regulations on small scale processors has not yet been fully realized, it does mean that food safety certification programs are becoming increasingly important as a prerequisite for trade.

### **The roles of Manitoba Health and MAFRD in the food inspection system were not always clear to small scale food entrepreneurs.**

Prior to 2009, there were five agencies involved in food inspection in Manitoba - the Canadian Food Inspection Agency (CFIA), Manitoba Health, Manitoba Conservation inspectors assigned to Manitoba Health, MAFRD and the City of Winnipeg. This plethora of agencies involved in Manitoba's food inspection system has been significantly simplified over the past few years. Now, CFIA inspects only federally registered facilities, MAFRD inspects approximately 450 provincially registered food processors, abattoirs and warehouses and Manitoba Health inspects approximately 7,000 restaurants, food processors that market directly to consumers, farmers' markets and grocery stores or outlets

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<sup>17</sup> <http://www.phac-aspc.gc.ca/efwd-emoha/efbi-emoa-eng.php>

<sup>18</sup> Gary Gnirss. A history of food law in Canada. Food in Canada 2008. <http://www.bizlink.com/foodfiles/PDFs/may2008/38.pdf>

where food is sold directly to the public. Both provincial departments currently inspect under the authority of *The Public Health Act – Food and Food Handling Regulation*. MAFRD is developing regulations under *The Food Safety Act* with consultations underway. During a food recall or outbreak of food-borne illness, Manitoba Health, MAFRD and CFIA often collaborate closely during the investigation and follow up, with each agency complementing the others.

Across Canada, the division of food safety inspection powers varies from province to province. In some, the department of agriculture retains responsibility for meat inspection, while the department of health inspects all other foods. In others, the regional health authority inspects all of the food premises (including abattoirs) within their region. The working group agreed that the present division of food inspection duties between Manitoba Health and MAFRD made the most sense for Manitoba, but noted that ongoing collaboration between the two departments is essential. MAFRD's dual role of both supporting and regulating food production and processing was recognized as being manageable and, for some, desirable.

**Entrepreneurs want inspection standards to be applied consistently by inspectors. Many were unclear if Manitoba Health and MAFRD applied the same criteria. Policies and procedures for appealing the inspector's ruling were not apparent to the inspected parties.**

In response to the Auditor General's report on Food Safety in 2012, a number of steps have been taken to minimize any discrepancies in inspection practices between MAFRD and Manitoba Health. Regular training and de-briefing meetings for inspection staff serve to foster both consistency and problem solving. Manitoba Health and MAFRD currently share some joint training sessions and their supervisory staff collaborate on food safety policy development. This effort is to be commended and encouraged.

A process map was developed in 2013 to explain the different steps of food regulatory enforcement<sup>19</sup> however, this information does not appear to be common knowledge in the small scale food sector. There was a similar lack of awareness about any appeal processes.

We heard a few complaints of perceived inconsistency between health and agriculture inspectors and, in some cases, inconsistency between inspectors in the same department. This is an issue all regulatory agencies face that requires continual attention<sup>20</sup>.

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<sup>19</sup> <http://www.gov.mb.ca/agriculture/food-safety/regulating-food/pubs/process-map-food-regulatory-enforcement-in-manitoba-2013-10.pdf>

<sup>20</sup> *The Regulatory Craft*, Malcolm K. Sparrow, Brookings Institution Press, 2011

**The definitions of risk-based and outcome-based regulation are not clearly understood by the public.**

Manitoba's food safety regulations have been revised from their former format of being very rigid, descriptive and prescriptive to a much more flexible outcome-based, risk-based and process-focused format. This moves the emphasis from testing to detect contamination to ensuring preventative hazard controls, such as monitoring and documenting temperature, can verify that the entire process is safe. Under this regime, products that pose a higher food safety risk will receive more scrutiny.

This new approach gives food producers and food processors much more latitude in how they produce safe food, but they must be able to demonstrate that they've monitored and documented production processes such as sanitation protocols, proper personnel food handling practices, avoidance of cross-contamination and batch identification.

Such flexibility can be either a boon or a bane to small scale food processors. For those who are established and want to produce innovative new products, this allows considerable latitude in how they produce safe food. However, for those who are just starting out, the lack of prescriptive guidance may be disconcerting. Some respondents expressed a concern about this apparently subjective interpretation, especially when it involved a significant capital investment. Many small scale food processors expressed a desire to have some sort of guideline or template to follow.

**Entrepreneurs rely on their inspectors for guidance in meeting regulatory requirements.**

There is some degree of tension between the role of the inspector as regulator and the role of the inspector as an advisor, which is an issue common to all regulatory agencies. On one hand, the inspector is most acquainted with the regulations and is best equipped to provide guidance to the inspected party. But on the other, inspectors must retain their objectivity and be able to make difficult, sometimes unpopular decisions. Inspection staff must be able to walk a fine line, to be helpful but not assume the role of a consultant and advocate.

Working group members felt that these two roles are distinct but that the communication between inspectors and extension workers needs to be continually strengthened. A number of those interviewed requested some form of guideline or pre-approval template that could be provided to a consultant for meeting the regulatory requirements, especially when an operator is considering modifying facilities or changing processes.

**Consumers take food safety as a "given". There is widespread agreement among entrepreneurs and market consumers that confidence in food safety is the foundation upon which the food industry is built.**

Small scale producers and consumers often take for granted that their products are safe. Unfortunately, the size of an operation has little bearing on whether safe practices are followed or not. Rather, food

safety is driven by the commitment of the management and staff. If something goes wrong, the scope of a food-borne illness outbreak will be much more limited at a local scale, but the consequence for those individuals who get sick will be just as significant. This is a hot button issue that pits small scale against large scale food producers and processors, with each group viewing the other with suspicion and government regulators left somewhere in between.

Through our consultations, it became apparent that food safety is the cornerstone upon which confidence in the entire food industry (large scale and small scale) is built. Over 82 per cent of respondents to the online questionnaire indicated that documented food safety programs were either somewhat or very important in the small scale food sector.

Since there is almost unanimous agreement on the desired outcome of safe food, then the issue becomes how to achieve it. Large scale food enterprises have developed formal certification programs, whereas the small scale sector primarily uses direct marketing and has, for the most part, relied on trust. These approaches are not mutually exclusive, as trust can be enhanced by documented proof. It makes sense to focus on high risk products, whether produced at small or large scale, and to require some basic level of documentation to demonstrate that proper process has been followed. However, this documentation should not become so onerous as to become a barrier.

**There can be an element of trust in the direct marketing relationship at farmers' markets or through on farm sales, which seems to reduce consumers' reliance on documented food safety measures. When intermediaries, such as distributors are introduced into the transaction, documented food safety programs take on much more significance.**

In our consultations, it was frequently mentioned that when two people could meet face-to-face, trust was the determining factor in the transaction, rather than a reliance on more formal food safety systems. Farmers' markets facilitate this direct producer / processor-consumer interaction, where customers have the opportunity to ask questions about how the product was raised or made and vendors have the opportunity to explain whatever special attributes their products may carry, such as organic, natural, non-GMO (genetically modified organisms) or free range.

When intermediaries, such as distributors or restaurants, become involved in direct farm sales, then we heard very clearly that food safety documentation becomes more important. Both parties need appropriate guarantees of food safety for their own protection. For the small scale food sector to grow beyond the face-to-face direct marketing stage, certification programs that provide this assurance of safety and quality will be required.

**Many felt that the small scale food industry should certify their own processes with government oversight, but the sector is not equipped to fill this role.**

There is a plethora of industry-generated certification programs in the mainstream food sector. Many programs incorporate self-inspection and self-regulation activities, often with some form of government oversight or approval. Most have been developed with larger scale operations in mind and don't easily adapt to small scale, multi-commodity operations.

The small scale food sector is not well equipped to take on a self-inspection or self-regulation role, as there are no provincial or national organizations representing this segment of the food industry. By default, governments have developed minimum regulatory standards. Some mechanism to gather consensus among stakeholders is needed if the small scale sector is to be adequately represented to policy and regulation-makers and to develop self-certification programs.

**Many small scale producers mentioned that the lack of provincially inspected poultry slaughter facilities was a significant barrier.**

Quite a number of small scale producers are raising chickens seasonally. Under Manitoba's present laws, individuals can raise 999 broiler birds without quota. Selling uninspected meat is not allowed in most provinces, even when raised by a small scale producer. In a few provinces, health inspectors examine the facility annually, but neither the animals nor the meat is inspected. At present there is only one provincially inspected poultry abattoir available for custom slaughter in Manitoba, but there are several other uninspected custom-kill operations in existence.

The lack of additional inspected facilities was seen as a major constraint to small scale poultry producers who would like to sell an inspected product. Some expressed interest in exploring options such as mobile abattoirs, or jointly operated co-operative slaughter facilities.

The working group also heard small scale egg producers need better access to egg grading stations.

**Quota issues are limiting growth in the small scale food sector.**

There was general agreement with the principles of supply management, but there have been few changes since the system was first implemented decades ago. Some of those interviewed expressed concern there is limited access to new entrants and small scale producers interested in alternative production practices in these commodities. Some specialty products are available to consumers from producers outside the province, representing a lost opportunity for Manitoba farmers.

Many small scale products with special attributes fit a niche market and often do not directly compete with the commercially produced commodities. For example, some consumers want to buy pasture-raised chickens, which are currently not available in most grocery stores.

There are exemptions which allow individuals or Hutterite colonies to produce up to a specified quantity of turkeys, chickens, eggs, potatoes or root crops for personal consumption or for sale. There are no exemptions for producing and selling raw cow's milk. This has been a long-standing prohibition based on public health concerns<sup>21 22</sup>. However, the dairy industry in Manitoba has facilitated the sale of organic pasteurized milk by accommodating these farms within the existing marketing and quota system.

Small scale specialty producers believe the present non-quota limits are too low and that consumer demand far exceeds their ability to legally supply these products. They pointed out that non-quota limits vary from province to province. They would like a small scale category of production created, to fit somewhere between the present non-quota personal exemption (for meat chickens, this is 999 broilers annually) and the minimum full scale commercial allotment (raising 30,000 kg of birds every eight weeks). Working group members suggested some small scale producers might be willing to become part of the supply management system at a pro-rated cost.

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<sup>21</sup> Langer AJ, Ayers T, Grass J, Lynch M, Angulo FJ, Mahon BE. Non-pasteurized dairy products, disease outbreaks, and state laws—United States, 1993–2006. *Emerg Infect Dis* 2012 <http://dx.doi.org/10.3201/eid1803.111370>

<sup>22</sup> Claey's WL, Cardoen S, Daube G et al. Raw or heated cow milk consumption: Review of risks and benefits. *Food Control* 2013; 31: 251-262. <http://www.sciencedirect.com/science/article/pii/S095671351200535X>

## Regulatory issues - recommendations

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### **Develop a plain language guidebook to assist new entrants in the small scale food sector and to provide an overview of what business owners need to consider.**

The Ministry of Agriculture, Food and Rural Affairs in Ontario has produced a very comprehensive document entitled *Your Guide to Food Processing in Ontario*<sup>23</sup>. It outlines all of the considerations for new food processors, including technical guidelines for food safety and quality assurance, a checklist of various regulatory requirements, business planning tools and marketing options. By gathering all this information in one place, the new entrepreneur is guided through the business start-up process and is given contact information for all of the departments and organizations mentioned.

Similar web-based resources have been produced by Alberta Agriculture, Food and Rural Development (AAFRD) for other ventures such as direct marketing of food products<sup>24</sup>. These short articles cover a wide variety of topics such as regulations, technical advice and business planning.

Small scale food enterprises in Manitoba would greatly benefit from a similar approach. It is suggested that a similar set of guidelines be produced jointly by government and industry, with industry taking the lead to make sure that the final product is written in a plain language with accurate regulatory information. An example of such a guideline would be Manitoba Health's *Guidelines for Food Pushcarts*<sup>25</sup>.

Researching and writing a single all-encompassing document requires a great deal of time and when it is completed, some parts are probably already out of date. Because these documents need to be kept current, it is recommended that rather than producing one omnibus document, a series of separate chapters be written, each following a common format. The goal should be to review and revise a chapter at least once every three or four years. All contact information should be included in an appendix that is reviewed and updated annually.

### **Develop/adopt training tools to explain the regulatory requirements for food safety.**

To supplement these guidelines, other forms of extension should be available to explain the basics of the food safety regulations. Traditionally, these have been provided through seminars and workshops.

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<sup>23</sup> [http://www.omafra.gov.on.ca/english/food/industry/food\\_proc\\_guide.pdf](http://www.omafra.gov.on.ca/english/food/industry/food_proc_guide.pdf)

<sup>24</sup> [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex3482](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex3482)

<sup>25</sup> <http://www.gov.mb.ca/health/publichealth/environmentalhealth/protection/docs/foodpushcarts.pdf>

Many people now rely on the internet to access information and MAFRD can produce short, pre-recorded webinars that could cover the basics of food safety regulations.

A similar approach could be taken by industry and academic institutions to train participants in proper food production and processing techniques. This could be integrated into an online study program so virtually anyone in Manitoba could access basic information easily. Such types of food handler courses are readily available in Manitoba.

It may not be necessary to recreate many of these courses, as a number of other provinces have similar on-line resources. Rather, where it is appropriate to do so, it makes sense to adopt and recognize certification programs developed by others.

**Develop a collaborative industry-government navigator approach to assist small scale entrepreneurs; create a “1-800” mindset.**

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The navigator is not a technical expert, but rather is a knowledge broker who “knows the system”

Once an entrepreneur has accessed general information on line, they will likely have questions that pertain to their particular circumstances. For this they require a person to contact. Ontario Health has introduced a case-worker concept known as a health navigator. In the health system, the navigator is a person who helps patients access the services they require and overcome the barriers they may face and can search out the appropriate person or department that can deal with the issue.

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Using a 1-800 (single-window) mindset, where service is the key, a few dedicated business development specialists within MAFRD could perform this function for small scale food processors. These individuals should be teamed up with industry mentors who have successfully navigated the start-up process and can act as a coach for new entrants.

**Develop an ongoing consultative opportunity between government and the small scale food processing sector, to problem solve early in the policy and regulation-making process.**

Under the present policy and regulation-making process, government analysts develop draft policy and regulatory proposals designed to protect the public good, but they often do so in isolation. When the draft appears for public consultation, it can be met with significant opposition from affected groups.

To avoid some of this friction in the small scale food sector, it is recommended that a joint industry-academic-government advisory group be created and charged with creating solutions that advance the small scale food sector and ensure food safety. Representation from existing major commodity and

processor organizations should also be included. One of the first tasks of this group could be to oversee the development of the guidebook mentioned above.

Key to the success of this collaboration will be:

- obtaining buy-in and commitment at a leadership level from both industry and government, so a MAFRD director and a senior industry leader should co-lead the process, with support from champions at higher levels;
- meeting quarterly, or more frequently as needed, so issues can be resolved in a timely manner;
- creating a strategic vision with measurable outcomes;
- creating stable committee membership, with terms of at least two or three years; and
- building a sense of trust and confidence.

**Continue to strengthen the relationship between MAFRD and Manitoba Health to further harmonize the delivery of food safety inspection services.**

The division of inspection powers between MAFRD and Manitoba Health is seen as reasonable and significant steps have been taken to ensure consistent standards of inspection are applied. However, it has been nearly five years since the present structure was put in place, so it is appropriate to review the arrangement. For those instances where there may be overlapping jurisdiction between MAFRD and Manitoba Health, a case-by-case assessment can resolve the issues.

It was suggested that MAFRD and Manitoba Health inspection staff hold joint in-service training sessions at least twice a year.

MAFRD's link to food production and processing expertise was seen as being beneficial to food processors. The dual role within MAFRD of providing both extension and inspection services is viewed as being manageable, and in some cases beneficial, but there must be clear separation of duties between inspection staff and extension staff. One of the advantages of this dual role is that non-compliance issues found commonly by MAFRD inspectors can become the foundation for new education campaigns delivered by the extension staff. This feedback is to be commended and encouraged.

Another benefit of having MAFRD inspectors at abattoirs is that they can now inspect the entire facility, not just the slaughter of animals. This complements components of other programs, such as animal disease surveillance, animal welfare and antimicrobial monitoring.

### **Improve access to provincially inspected abattoirs for poultry.**

In Manitoba, there are inter-related factors that limit the expansion of inspected slaughter capacity. There is currently only one poultry abattoir that is provincially inspected, even though there are several more uninspected facilities throughout the province. Small scale producers who want to supply inspected poultry meat have said there is significant demand for their products, but lack of access to an inspected slaughter facility is a significant limitation. Manitoba currently permits the sale of uninspected poultry from the farm gate, which also serves to limit the expansion of inspected slaughter capacity.

The access to inspected slaughter facilities needs to be expanded to enable the small scale poultry trade to grow and to provide increased food safety assurance to the consumer. To accomplish this, regulatory amendments, incentives for slaughter facilities to become inspected and a re-visiting of the non-quota limits are required.

To bring Manitoba in line with most other provinces, the regulations should gradually move to restrict the sale of uninspected poultry meat, perhaps within three years, to ensure existing slaughter facilities can upgrade. The objective is to legitimize trade in small scale poultry meat and to gradually bring all facilities into a food inspection system.

To increase access to inspected abattoirs, a number of strategies are available, including:

- encouraging existing uninspected custom slaughter facilities to upgrade and join the inspection system;
- examining the feasibility of mobile abattoirs, especially for poultry, which have been tried with some success in other provinces and US states, though access to potable water and disposal of offal must be considered;
- facilitating discussions with groups who want to establish a cooperative, seasonal poultry slaughter facility, perhaps using existing infrastructure;
- implementing a risk-based approach to poultry slaughter certification;
- exploring options for self-inspection with government oversight; and
- reviewing the issue of small scale producer access to egg grading stations.

In the past, funding has been available under the federal-provincial-territorial Growing Forward initiative to assist with facility upgrades. If there is a clear signal that inspection will be required in the near future, the interest in this program should be high.

The current non-quota limit on production is too low to allow a small scale farmer to have a financially viable enterprise. There needs to be some category in between the non-quota personal exemption and what the industry sees as full scale commercial production.

### **Explore options for small scale producers and processors within the supply managed industries.**

Personal exemptions under supply management are set by the commodity boards. There are inequities in these historical limits that are hindering growth in Manitoba's small scale, direct marketing sector. As an example, an individual without quota can raise 999 meat chickens, whereas a Hutterite colony (of up to 30 families) is permitted only 3,500. Similarly, an individual without quota is limited to producing fewer than five acres of potatoes, but to qualify for crop insurance requires a minimum of 10.

Each commodity board should re-examine their non-quota limits, keeping in mind the following principles:

- The supply managed commodities have been granted a social license to provide a predictable supply of food to the public and to ensure financial stability for their industry.
- This social license should not preclude innovation and the development of new and specialty products by small scale producers and processors.
- Quota exemptions for personal consumption may need to be adjusted to more accurately reflect family food requirements but, at the same time, there should be room created for a small scale production category that fits in between the current personal exemption and conventional full scale commercial production.
- The goals should be to foster a diversity of production methods and to integrate members of this new category into food certification and inspection programs. They should be recognized as legitimate members of the commodity group and their cost for quota should be pro-rated to their production output.

These decisions need to be made within a collaborative, inclusive context among the existing boards, small scale specialty producers, government policy analysts and consumers.

Leadership in this review process could be provided by the Farm Products Marketing Council, which currently oversees the supply managed commodities.<sup>26</sup>

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<sup>26</sup> [http://www.gov.mb.ca/asset\\_library/en/abc/mafri/farm\\_products\\_marketing\\_council.pdf](http://www.gov.mb.ca/asset_library/en/abc/mafri/farm_products_marketing_council.pdf)

## Technical advice - what we heard

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### **There is a significant need for communications and extension information about basic nutrition, food safety, food processing and food handling.**

The USDA Economic Research Service estimates that in 2012, 43 per cent of the American diet was consumed outside the home<sup>27</sup>. This has an effect on obesity and health, but the working group also repeatedly heard concerns that common traditional knowledge about nutrition, food safety, food processing and food handling is being lost.

Home economists within agriculture departments used to provide basic public information on food and nutrition. Many of these positions were lost or reassigned, leaving an information gap that has been largely filled by promoters of so-called superfoods and fad diets.

There are several target audiences that need to be reached. Consumers need information about nutrition and safe food handling. Food service providers and food processors need to know about safe food handling, manufacturing and storage. Producers need to be kept informed about current best practices for food safety.

This information is not static, as new and innovative procedures are developed all the time. Food-borne risks can be either introduced or mitigated at multiple points along the food chain and at each step, proper food safety practices must be observed.

An applied technical education pathway needs to be developed in food science, specifically for those who want to become food processors and manufacturers. Manitoba's community colleges already have courses geared to the hospitality industry (restaurants and hotels) and would be well placed to take the lead.

### **Small scale producers do not fit well into the present model of government applied continuing education and extension delivery.**

Small scale farms typically produce multiple types of crops or livestock and poultry, often using integrated production methods. Managing such an integrated farming system requires a great deal of sophistication and understanding of their inter-relationship.

Governments used to be highly sought-after as an independent source of technical advice, but this role has diminished over the last few decades. The remaining farm production advisors are now commodity specialists who deal with this crop or that type of livestock. There is a lack of integrated production system specialists who focus on the inter-relatedness of diversified production typical of small scale farms.

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<sup>27</sup> <http://www.ers.usda.gov/topics/food-choices-health/food-consumption-demand/food-away-from-home.aspx>

**Small scale farmers need a great deal of guidance, especially when they start out. There is a constant crop of new entrants who express interest.**

A number of new entrants to agriculture come from non-agricultural backgrounds. New entrants to both agriculture and food processing repeatedly mentioned the need for some form of mentorship and guidance.

There have been some industry and educational programs that offer some training and mentorship to small scale farmers (the Manitoba Farm Mentorship Program, for example), but these have not been sustained, most often because of a lack of ongoing funding.

The FarmStart program in Ontario runs a three-year program which allows people interested in small scale farming to try it out and then progressively manage more and more land. It is operated as a registered charitable organization with many partners from organic and local food organizations, academia and the Ontario Ministry of Agriculture, Food and Rural Affairs<sup>28</sup>.

**Small scale food processors have access to technical resources, but are often limited by time or money.**

The Food Development Centre (FDC) in Portage la Prairie is widely recognized as a top-notch centre for technical assistance in food processing. However, the working group heard there are several barriers to access FDC expertise and facilities for new entrants, or those who want to explore a market and try new products.

Small scale processors told us that FDC is too expensive and complicated to access. To use the facility, processors need to develop a complete HACCP plan in advance. This drives up the cost and creates a great deal more work for new entrants. It seems FDC is better geared toward companies that want to expand, not necessarily those just starting up.

It is important to realize that technical advice often needs to be tailored to the individual business. Food manufacturing processes, such as traditional artisanal techniques used in other parts of the world, may or may not be directly transferrable to Manitoba conditions. A knowledgeable food consultant can save a new entrant a great deal of trouble, but processors told us that knowledgeable food consultants are in short supply in Manitoba. Some mentioned that food consultants can seem expensive to those just starting out.

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<sup>28</sup> <http://www.farmstart.ca/>

**Infrastructure available to small scale food processors is limited.**

Once small scale food processors become established, they usually acquire their own production facility and equipment. However, in the early stages a small scale processor may have difficulty in finding either a commercial kitchen or a co-packing facility where they can start up. Being able to rent or lease a facility and equipment significantly reduces the up-front costs to new entrepreneurs. A business incubator facility would provide significant benefit to the small scale food sector. The University of Manitoba Faculty of Agricultural and Food Sciences has facilities and expertise that could be of assistance to start-up food processors. Other such facilities and expertise need to be identified.

## Technical advice - recommendations

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### **Dedicate a portion of MAFRD and FDC expertise to the small scale food sector.**

The present model of species and crops specialists within MAFRD may be too narrowly focused. It is recommended that one or two of MAFRD's extension staff be specifically assigned to service the small scale, integrated model of diversified production.

FDC experts should be encouraged to dedicate a percentage of their time to consult with small scale food processors, especially startups. Some form of subsidy, such as a credit system for use of government resources, should be considered. For example, up to 20 hours could be provided for free, but fees to allow cost recovery could be charged afterwards.

MAFRD's Food Commercialization and Marketing section should designate one or two business development specialists to focus on the small scale food sector. They should be linked with a designated departmental policy analyst.

### **Promote practical certification programs for small scale producers and processors as important delivery mechanisms for extension information.**

#### **- Food producer certification**

The major food producer commodity groups have each developed industry-led, CFIA-recognized national programs for on-farm and post-farm food safety, biosecurity and traceability practices.<sup>29</sup> Training is supplied by the industry group.

Because most small scale producers run a diversified operation, raising multiple types of crops and livestock, completing all of the documentation required for each product could be onerous. The University of California (Davis) has developed a simple Good Agricultural Practices guideline for small farms.<sup>30</sup> A similar approach needs to be developed for small scale farms in Canada. Unfortunately there is no national organization that represents the small scale farmer, therefore no programs have been specifically developed.

One of the first tasks of a small scale farm extension worker could be to provide leadership in developing and promoting an on-farm food safety program that would be useful to the majority of small scale farmers who raise multiple commodities.

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<sup>29</sup> <http://www.inspection.gc.ca/food/safe-food-production-systems/food-safety-enhancement-program/recognition-program/eng/1299860970026/1299861042890>

<sup>30</sup> <http://sfp.ucdavis.edu/files/143901.pdf>

#### - **Food processor certification**

Other stages of the food processing and distribution chain have followed similar certification paths, with many food industry groups having developed standards independent of government. This multiplicity of standards can be confusing for the new entrant. Government-approved programs, such as HACCP Advantage, are available to the food processing sector but many small scale food processors remain intimidated.

MAFRD could provide significant benefit to the small scale food processor by developing a series of templates to form the basis of their food safety documentation requirement. Templates should be developed in conjunction with small scale producers, with each template geared towards a specific food production type, such as a bakery or a meat shop.

Young farmers who want to stay on the home farm routinely pursue higher education in the field of agriculture. There are a variety of programs available, ranging from a practical two-year diploma to post graduate studies. When these graduates seek out farm diversification options, on-farm food processing is often a logical next step. Having already completed their post-secondary education, a second degree in food science is often not an option.

To bridge this educational gap, we encourage the creation of a “high intensity introduction to food safety” course. This course could be offered through community colleges for credit, with an online option for rural access. The course could offer a hands-on approach by partnering with qualified home economists in rural areas, who could manage practicums in community kitchens.

#### **Develop and identify facilities for innovation and start-up food processors.**

Establish a collaborative industry-government-academic model as a business incubator for start-up food processor operations. This might be an FDC “lite” facility, where space and expertise is available but targeted to the very earliest stages of development. Provincial inspection, instead of full federal standards, should be in place. This is being done in other jurisdictions. For example, a business incubator in Alberta is attached to their food development centre in Leduc.<sup>31</sup>

The Manitoba Food Processors Association should establish and maintain a current listing service of commercial kitchens and co-packing facilities in Manitoba, including university or college facilities that might be attractive to micro scale food processors.

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<sup>31</sup> <http://www1.agric.gov.ab.ca/general/progserv.nsf/all/pgmsrv327f>

**Foster mentorship opportunities, both formal and informal.**

Workshops and seminars provide opportunities for small scale food producers and processors to meet one another.

The focus of the Direct Farm Marketing Conference could be rebranded and expanded to include more production techniques of interest to small scale farmers. A new name with a re-invigorated public awareness campaign could greatly improve attendance. Future workshops should emphasize collaborative partnerships between industry, academia and government.

At the same time, peer-to-peer mentorships should be encouraged. The Manitoba Food Processors Association has suggested developing an informal mentorship program to link experienced food processors with those just entering the industry. Efforts such as this are to be encouraged among all of the current producer commodity groups.

## Business and financial tools – what we heard

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### **Recognize that individual entrepreneurs will have different business goals.**

Some entrepreneurs want to limit their business to emphasize a lifestyle choice, some want to expand their business to reach a regional market, while others want to expand into national or international markets. Some see the small scale enterprise as a stepping stone to introduce younger family members or new partners into the business.

At any level, the small scale food enterprise is expected to be profitable. Many entrepreneurs rely on this income as a significant component of their family income. For small scale farmers with off-farm jobs, we typically heard that 50 to 75 per cent of their income was provided by their food production enterprise, although many would have liked to have derived 100 per cent of their income from the farm. Processors typically relied on their business for 100 per cent of their income.

The working group heard it is important to tailor services to match the goals of the individual entrepreneur.

### **Many business planning tools and financial products are available from financial institutions.**

Business planning tools are widely available to small scale entrepreneurs. Most financial institutions have templates available online about how to write a business plan. However, some respondents are looking for assistance on costing and pricing their products.

Most of the small scale producers and processors interviewed did not have significant difficulty in accessing loans, but several did mention that financial institution valuations of directly marketed goods are often too low. Lenders often valued these at commercial commodity prices when in reality they are niche products typically commanding higher prices.

### **Small scale producers may not qualify for various insurance programs.**

Most small scale producers manage their own financial risks by operating a diversified production system. They often don't qualify for farm support payments and may not qualify for crop insurance. Small scale entrepreneurs may also experience difficulty attaining business loss or business interruption insurance and liability coverage from private insurers.

## Business and financial tools – recommendations

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### **Match the right set of business development tools to meet the goals of the individual operation.**

Those who are just starting out will require basic information and guidance on technical, regulatory and business issues. This introductory information can be provided largely through online resources, with follow-up access to an advisor. Those in the early growth phase will require mentorship, largely from peers. Enterprises looking to expand to large markets will require higher level assistance with market access, financing, regulatory requirements and inter-governmental relations.

A dedicated business development specialist within MAFRD should be assigned to the small scale food sector.

### **Explore ways to make crop and livestock insurance programs accessible to small scale producers.**

The proposed small scale extension specialist in MAFRD should initiate discussion with the Manitoba Agricultural Services Corporation and others to explore mechanisms for including small scale farmers in crop and livestock insurance plans.

## Marketing and distribution – what we heard

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**Marketing is one of the biggest hurdles facing small scale food processors, but less of an issue for farmers and institutional food services.**

Small scale food processors frequently mentioned difficulty accessing food distribution networks and retail outlets. These business owners were often trying to do it all, from production to marketing, and simply didn't have enough hours in their day.

On the other hand, most farmers who marketed directly had little difficulty in selling their products, with consumer demand commonly outstripping their ability to supply. They also mentioned direct marketing, such as through a farmers' market, consumed a great deal of their time but it was an essential component of their relationship with customers.

So-called food hubs (storage and distribution centres) have operated in some cities for many years, but the cost of operating these could substantially reduce the profit margin for small scale producers.

For institutional food services that served local food, accessing product directly from individual farmers was slightly more time consuming, but they had little difficulty in creating a network of farmers they could call on. Seasonality of supply was an issue, but several food services changed their menus and buying practices to accommodate this. There are several distributors in Manitoba who specialize in accessing local foods and now some of the larger distribution services are creating targets for local food procurement.

**There was confusion about what constitutes a direct sale of farm products.**

There has been some confusion and, in some instances inconsistency, about what can be marketed through farmers' markets, what can be sold directly at the farm gate and how the financial transaction and delivery are handled. To be considered a farm gate sale, does the customer have to travel to the farm? Does the producer need to be present personally? Does the payment have to be made directly to the producer? These questions were raised during the consultations and producers who market directly want guidance on what is allowed and what is not.

**Trade shows are an important mechanism for highlighting new and innovative specialty food products.**

Food processors mentioned trade shows, fairs and local food promotion are all important mechanisms to gain public recognition of their products. Industry and government support for these opportunities was greatly appreciated.

## Marketing and distribution – recommendations

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### **Foster the development of collaborative marketing models in the small scale food sector.**

The Manitoba Food Processors Association is determining whether there is sufficient interest among a group of small scale food processors to engage the services of a marketing person to represent all of their products. The working group fully supports and encourages this initiative.

Farmers who want to market their products directly to a restaurant or an institution need to consult with the chef and demonstrate the value of their products. It seems that the current informal networks are sufficient at this time but if the small scale sector does grow, a more collaborative marketing mechanism may be needed.

MAFRD should continue to follow the development of collaborative marketing strategies and foster these wherever practical.

### **Clarify the terms for direct marketing and distribution through a collaborative marketing venture.**

The Harvest Moon Society is an example of a collaborative marketing strategy created by farmers, but there are some legal and business issues to resolve. For instance, the role of intermediaries such as a common distribution hub or delivery service needs to be defined. Once clarified, a template should be developed by MAFRD and stakeholders like Harvest Moon Society and Food Matters Manitoba, which could be adopted by other collaborative strategies in other parts of the province.

### **Government and the food industry should continue to act together to highlight local foods.**

Trade shows and conferences need to continue to highlight local food production, including food from small scale and specialty farms that use innovative production methods. Government support of industry-led trade shows and conferences sends a strong signal of support that can act as a catalyst for developing new, innovative products in the small scale food sector.

### **Develop local food programs and policies within public institutions wherever practical.**

Ontario has recently enacted its *Local Food Act* to “*foster successful and resilient local food economies and systems in Ontario, help increase awareness of local food in Ontario and develop new markets for*

*local food*".<sup>32</sup> The act will assist the small scale, local food sector by establishing aspirational goals to improve access and promote awareness of local foods.

Governments wield a great deal of institutional buying power through government corporations, hospitals, jails and schools. Establishing even a voluntary target for local food procurement by government institutions would be a big step forward for the sector in this province. Several food service providers at secondary educational institutions in Manitoba have done this already.

It is recommended that MAFRD and Manitoba Health, along with other interested departments, explore a joint policy of procuring small scale, local food whenever it is practical.

### **Establish a set of metrics for measuring the impacts of the small scale food sector.**

It is not easy to measure the impacts of the small scale food sector. To adequately assess progress in achieving policy targets, it will be necessary to establish more reliable baseline information and set of metrics that can be used to measure the sector's performance.

It is recommended that MAFRD should develop a set of metrics to measure, either directly or indirectly, the impact of the small scale, local food sector. These should include economic impacts as well as the social and environmental influences of the sector.

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<sup>32</sup> <http://www.omafra.gov.on.ca/english/about/localfood.htm>

## Policy, advocacy and governance – what we heard

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### **Small scale food producers and processors feel their voice is not being heard.**

There is an air of suspicion that colours the relationship between the small scale sector, the major commercial food sector and government extension experts and regulators. Attitudes of mistrust abound between all of these groups and at all levels. This is crippling to any meaningful dialogue that would lead to harmonization of strategic policy to advance all scales of food production and processing in Manitoba.

### **There is no unifying organizational structure for small scale producers and processors.**

The major producer and processor associations may have board members who have small scale enterprises, but there remains a “policy space vacuum” for the small scale food sector. This is most likely because the major associations are focused on markets that are national and international in scale, whereas the small scale sector is primarily focused on the local market.

The small scale sector needs a mechanism to represent their collective interests to government, to other parts of the agriculture and food sector and to the public.

### **Without a unifying organization, the small scale sector will continue to be sidelined.**

A number of grassroots groups have sprung up among the small scale food sector, but these have not yet united into a common structure. This severely limits their capacity to create a cohesive voice. These small groups are generally run by volunteers who have their own businesses and they do not have the ability to collect check-off funds or hire administrative and policy staff. Their capacity to operate over the long run is questionable.

In addition to providing policy advice, a unifying organization can provide important benefits to its members such as training, group health benefits and group insurance rates.

Without a recognizable group that represents the small scale sector, there can be no strategy to advance the sector. Governments will continue to struggle with demands from individuals, who may or may not represent what the entire sector wants.

### **There is no unifying strategy for the small scale food sector.**

MAFRD has introduced a number of programs to support the small scale food sector. Some of these include the direct farm marketing conference, the guide to farmers’ markets and U-picks, and “buy

local” campaigns. While these are good initiatives, the department has not yet developed a comprehensive strategy for sector advancement. This document is necessary to integrate the policy goals of the small scale sector with other goals of the department.

## Policy, advocacy and governance – recommendations

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### **Facilitate a process to allow small scale producers to organize themselves.**

If the small scale food sector is to be effectively represented, it must become organized.

To kickstart this process, one option might be to begin with a small scale food workshop or conference to generate interest and consult on a discussion paper dealing with options for either creating a new organization or amalgamating several existing groups. The Farmers' Markets Association of Manitoba could be in a position, with initial support from government and industry, to take on the role of a small scale farming organization. It could then seek membership in existing organizations like Keystone Agricultural Producers or the Manitoba Food Processors Association. It's also possible to create a Manitoba chapter of an existing small scale farming organization, such as the BC Small Scale Food Processors Association.

The discussion paper should be developed by recognized leaders in the small scale food sector, several leaders from existing producer and processor associations and one or two government representatives who are familiar with governance issues. The Farmers' Markets Association of Manitoba is well placed to lead this process.

This longer term outcome will require commitment and perseverance. The initial board should comprise members who have had previous experience in governance and policy formulation.

### **In conjunction with stakeholders, develop a strategic policy document to advance the small scale food sector.**

MAFRD, working in conjunction with small scale food producer and processor stakeholders, should develop a strategic policy document that outlines the goals for advancing the sector, targets to be achieved and metrics used to measure success.

The working group suggests that small scale and large scale organizations work collaboratively to advance opportunities for the small scale food sector. Rather than carving up the existing market, the objective would be to create a bigger one by encouraging innovation and providing choice for consumers. As an example, the group suggests that small scale, local food sales could be targeted to comprise, say 7 to 10 per cent of total domestic provincial food sales by 2020.

**Strengthen government’s pivotal role in sector intelligence and strategic planning by including the small scale food sector.**

Government has the capacity to help the sector meet anticipated challenges and take advantage of future opportunities by providing sector intelligence and strategic leadership. The small scale sector is not equipped to fulfill this function. Analysis and forecasting for the small scale food sector should be included in MAFRD’s regular reports and policy analyses.

## Conclusion

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The small scale, local and specialty food sector is, at present, a very small component of Manitoba's total food producing and processing economy. However small their economic impact may be, these small scale food entrepreneurs bring vitality, innovation and commitment that help to reinvigorate rural Manitoba communities and the local food movement.

It is the hope of the working group that these observations and recommendations will provide the basis for advancing not just the small scale food sector, but all of Manitoba's food production and processing capacity.

## Appendix 1. Consultation processes employed

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### Small Scale Food Manitoba working group meetings

Winnipeg – June 26, July 21, October 2, October 21, November 6, November 24, 2014

### Public meetings

St. Norbert, Dauphin, Brandon – August 12 to 14, 2014

### Focused group meetings

Producer commodity organizations, hosted by Keystone Agricultural Producers

Food processors, hosted by Manitoba Food Processors Association

Manitoba Farm Products Marketing Council

Manitoba Health and MAFRD

Hutterite colonies

### Surveys

Consumer survey online and at farmers' markets

Online producer/ processor survey

### Key informant one-on-one interviews (identified with their permission)

Donna Anaka                      British Columbia Ministry of Agriculture

Candice Appleby                Small Scale Food Producers Association, British Columbia

Connie/Kevin Berg             Berg's Hatchery

Thomas Blumer                 Degrees/Hub food manager, University of Manitoba Students' Union

Abra Brynne                     Food Secure Canada, British Columbia

Doug Chorney                  Food producer and direct marketer

David Connell	University of Northern British Columbia <sup>33</sup>
Ashley Cote	Food producer and direct marketer
Julie Dawson	Food producer and direct marketer, Ontario
Darlene Dittrich	Director, Meat Inspection Branch, Alberta Agriculture and Rural Development
Leanne/Phil Fenez	Food producer and direct marketer
Jennifer Haley	Executive Director, Ontario Livestock Alliance
Rick Holley	Professor in food science microbiology, University of Manitoba
Tim Hore	Chief Operating Officer, Food Development Centre
Jessica Kelly	Direct Farm Marketing, Ontario Ministry of Agriculture and Food
Marnie Kostur	Parkland Agricultural Resource Co-op
Margo Malabar	Farmers' market coordinator for Winnipeg Biz and The Forks
David Neufeld	Producer and direct farm marketer
Adrienne Percy	Communicator and instructor for local food production and preparation
Ruth Pryzner	Producer and direct farm marketer
Martin Scanlon	Professor in food processing, University of Manitoba
Gustaaf Sevenhuysen	Professor in nutrition, University of Manitoba
Joyce Slater	Asst. professor in nutrition, University of Manitoba
Kalynn Spain	Small Farms Manitoba Directory
Kate Storey	Food producer and direct marketer
Ian Vickers	Chief operating officer, Diversity Foods
Karin Wittenburg	A/ Dean of Agriculture, University of Manitoba
Jill Zacharias	Food Safety Programs, MAFRD
Anonymous (2)	

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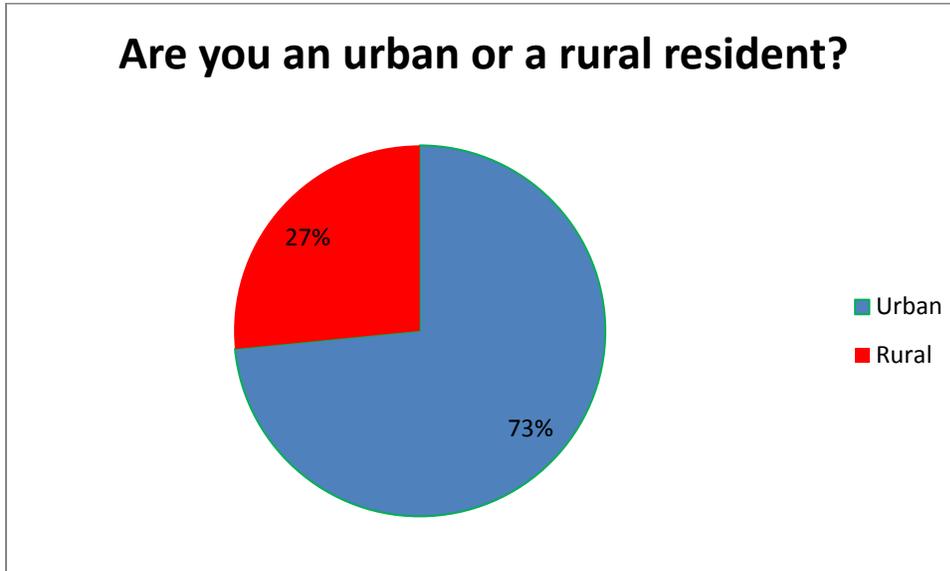
<sup>33</sup> Connell DJ. Economic and social benefits assessment (of farmers' markets in BC). 2012.  
<http://www.bcfarmersmarket.org/sites/default/files/files/BCAFM%20Market%20Benefits%20Final%20Report%20PROVINCE%20Merged%282%29.pdf>

## Appendix 2. Results of the consumer survey online and at farmers' markets

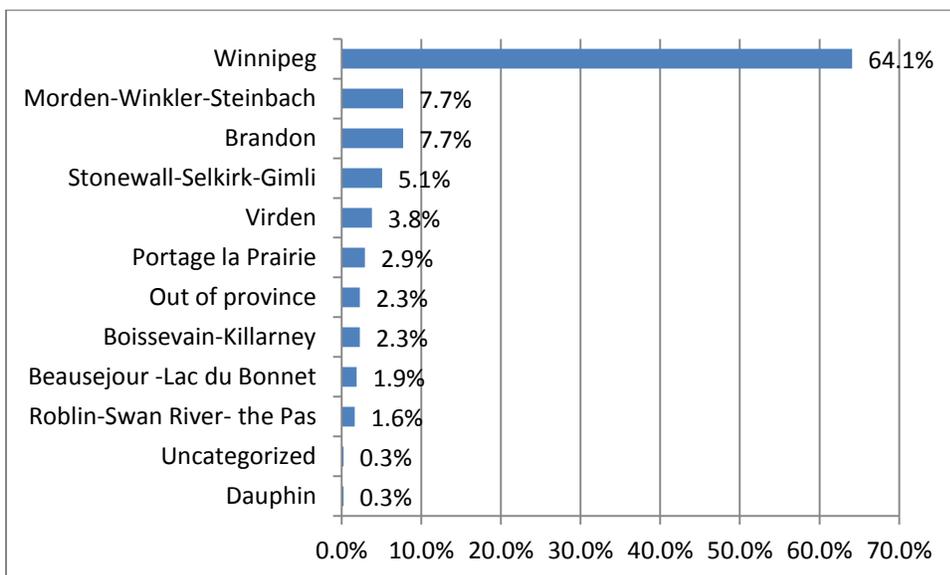
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A survey of consumer attitudes was conducted online and in person at farmers' markets. A total of 807 questionnaires were completed. After reviewing the data, 13 duplicate entries were removed, leaving a final tally of 794 responses.

### 1. Are you an urban or a rural resident? (787 responses)

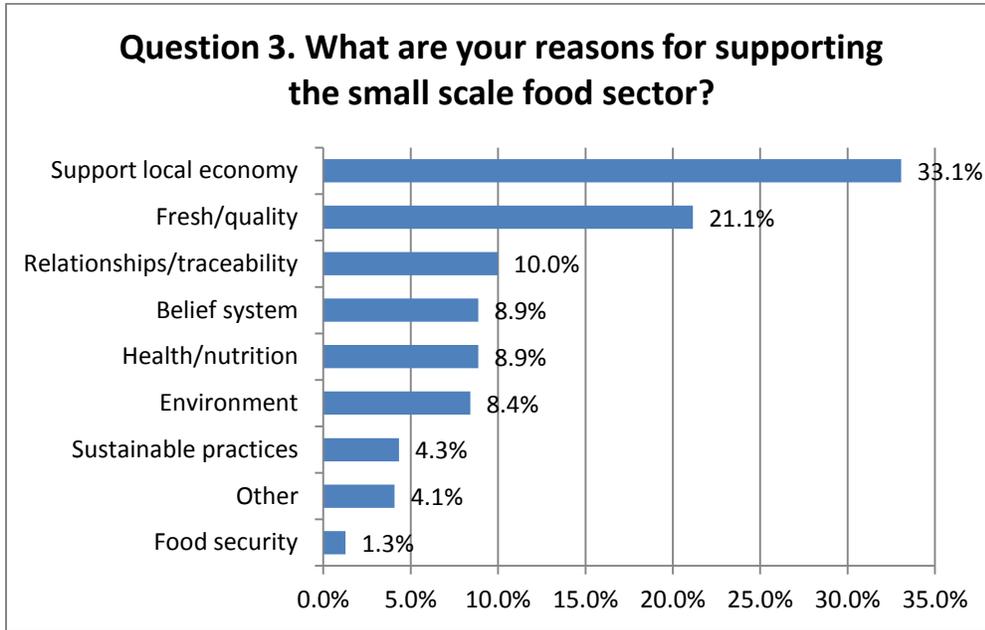


### 2. What city or town do you live in (or is closest to you if you are a rural resident)? (788 responses)

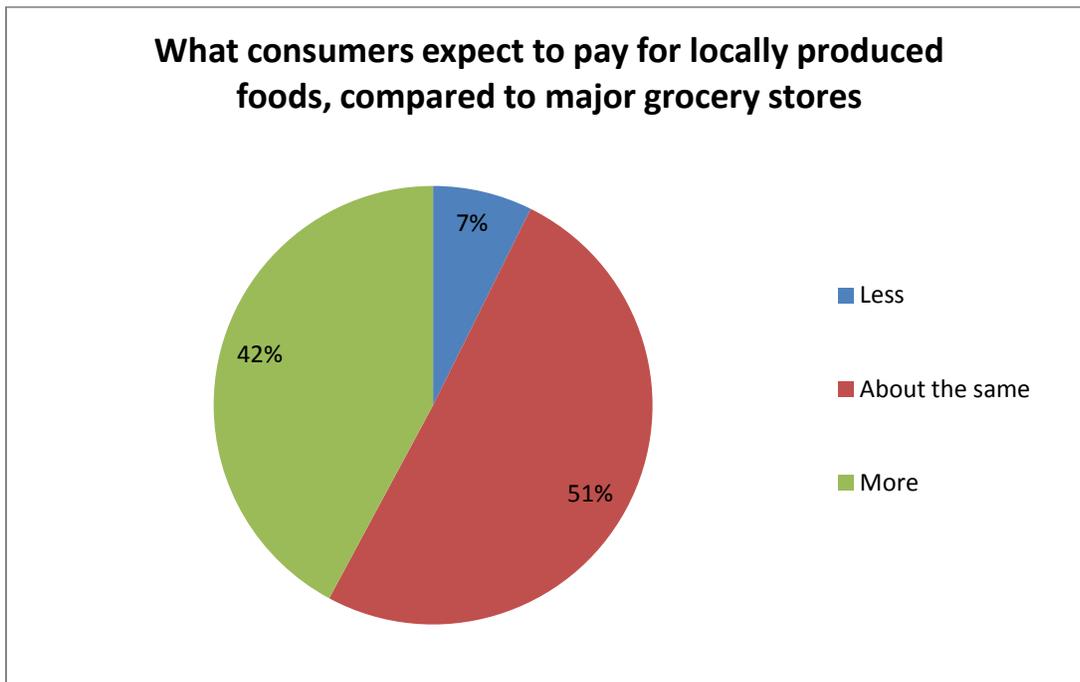


**3. What are your top three reasons for participating in or supporting the small scale, local food system? (782 responses with up to 3 reasons each)**

2,426 responses (some had multiple reasons listed)

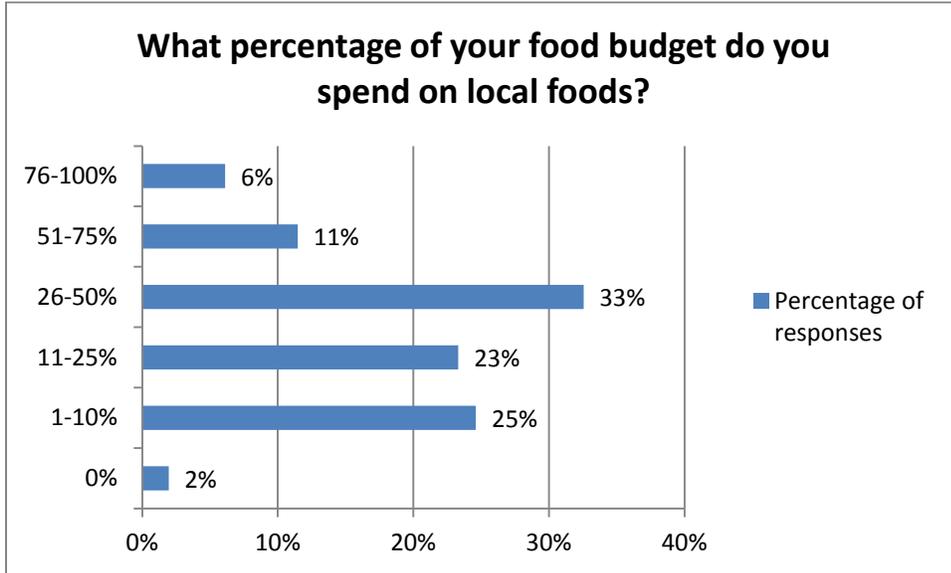


**4. What prices do you expect to pay for locally produced foods, compared to major grocery stores?**



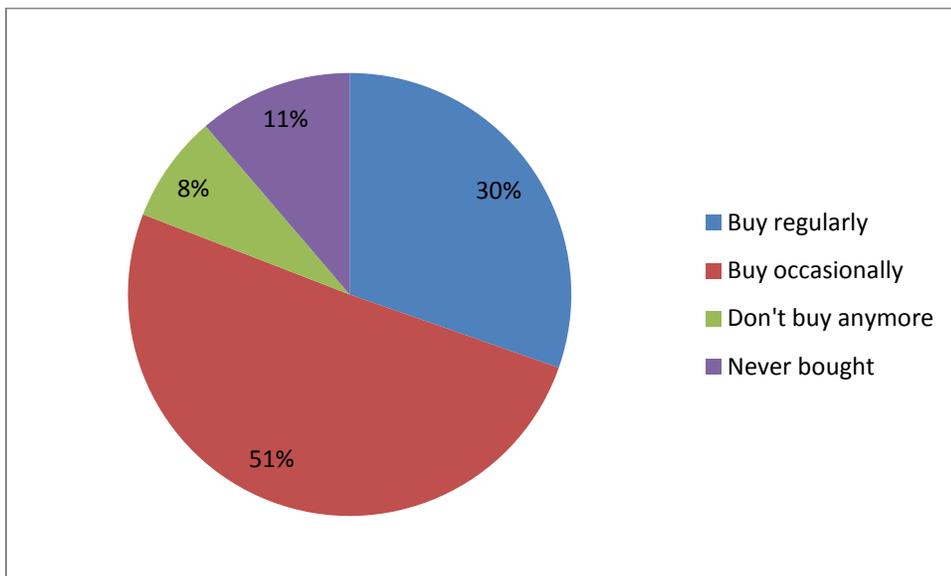
**5. What percentage of your total grocery bill do you spend at a farmers' market or buying directly from a farm from May to October? (758 responses)**

Average expenditure is 32.5% of grocery budget (May – October)

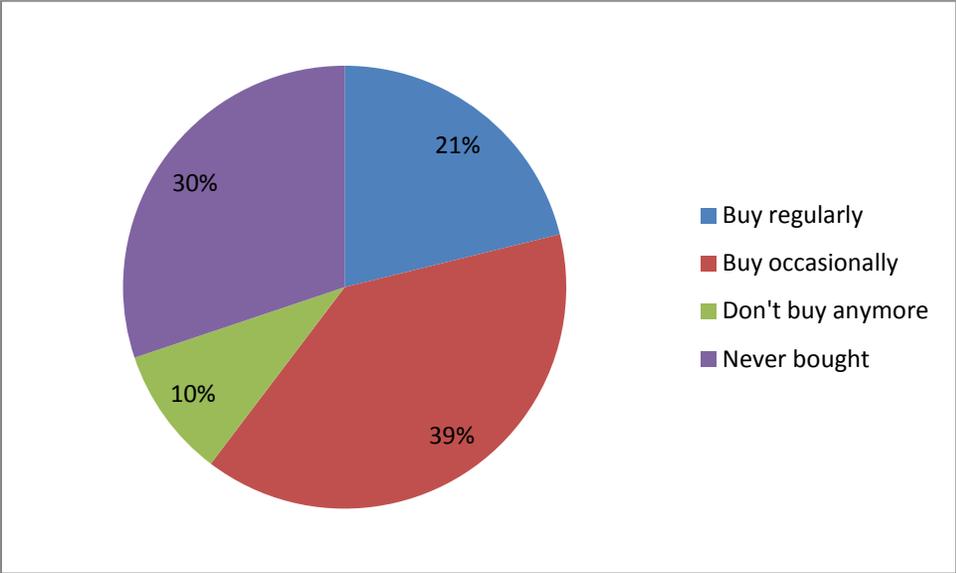


**6. Please select the statement that best describes how frequently you purchase each product through direct marketing or the farmers' market system during the peak season (May to October).**

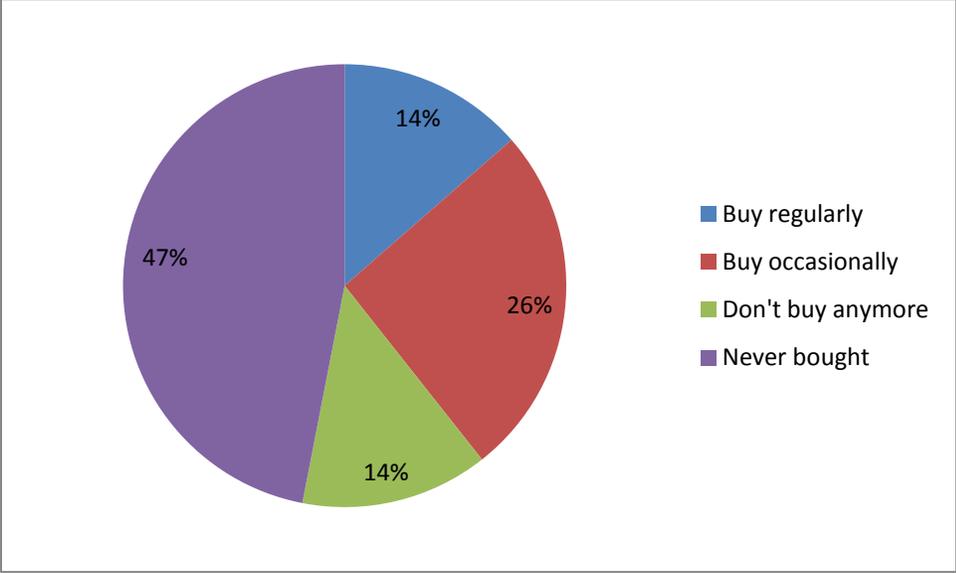
**Bakery Products**



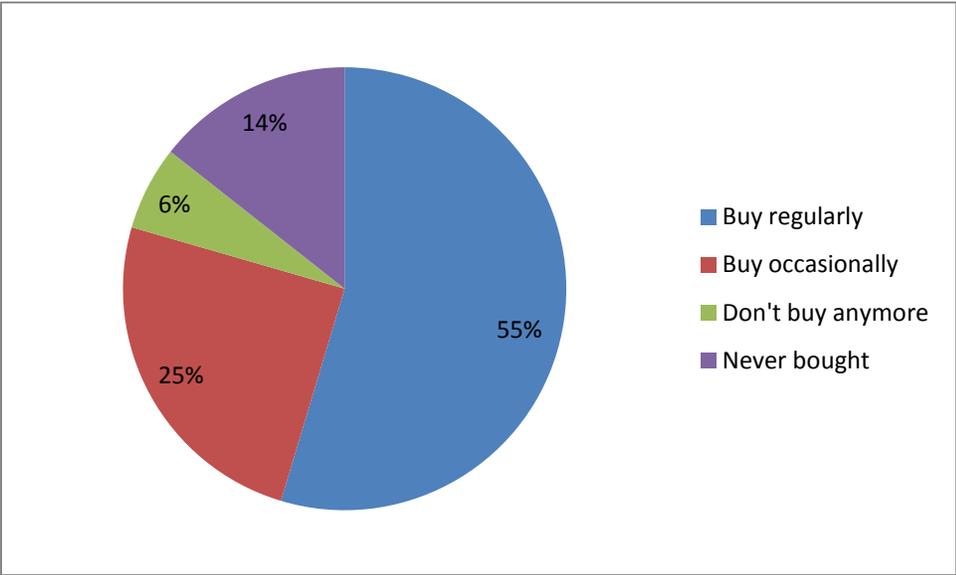
**Cereal products (flour, grains, corn)**



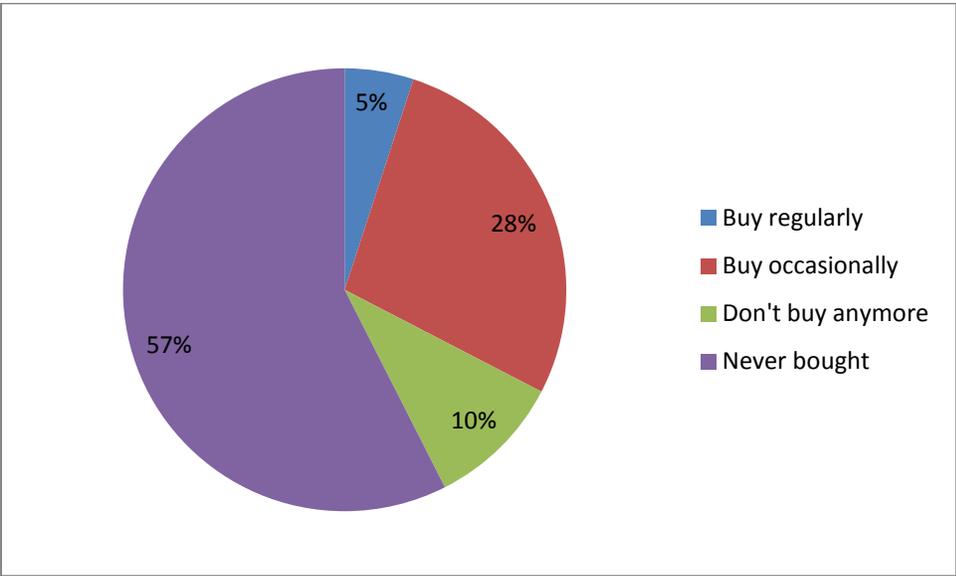
**Dairy products**



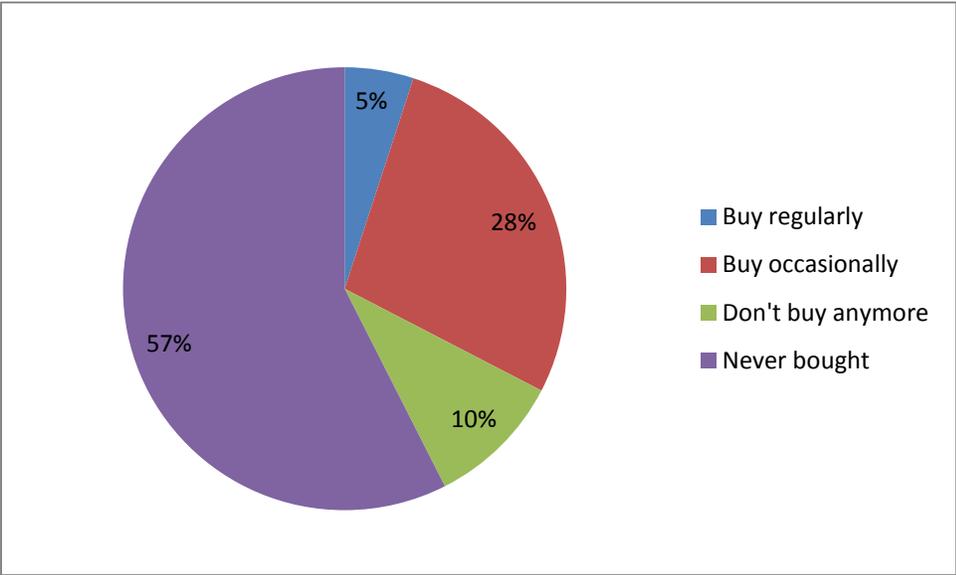
**Eggs**



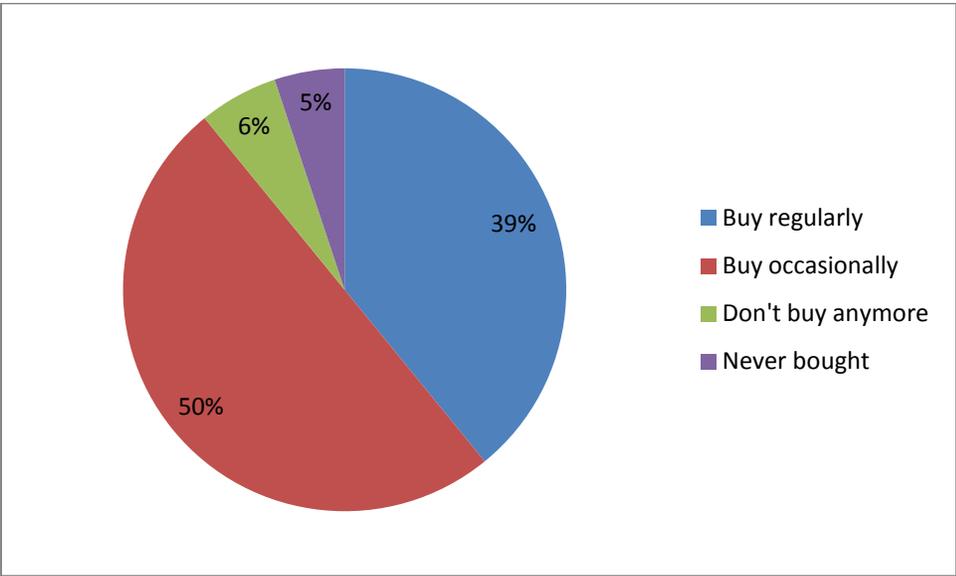
**Fibre, wool and leather products**



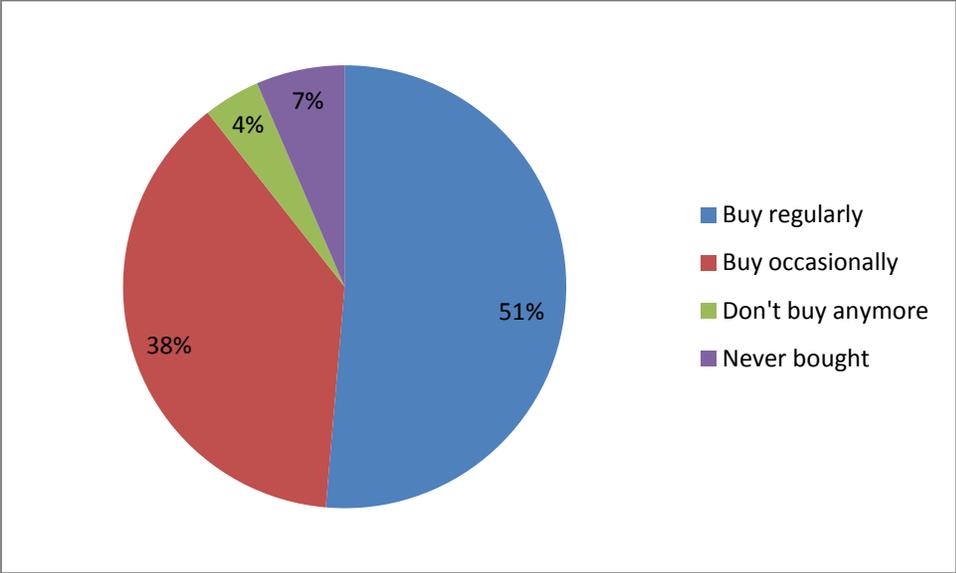
**Fish**



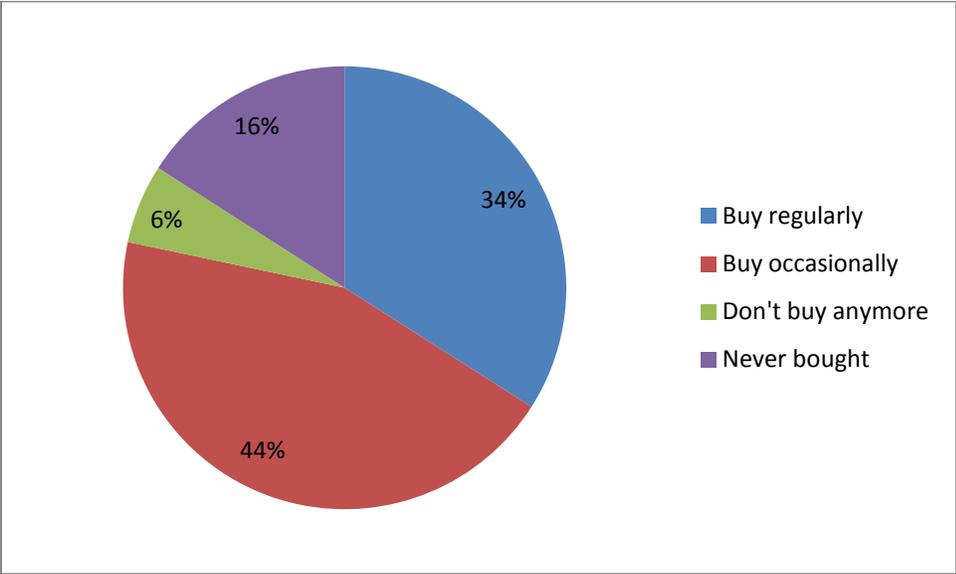
**Fruit**



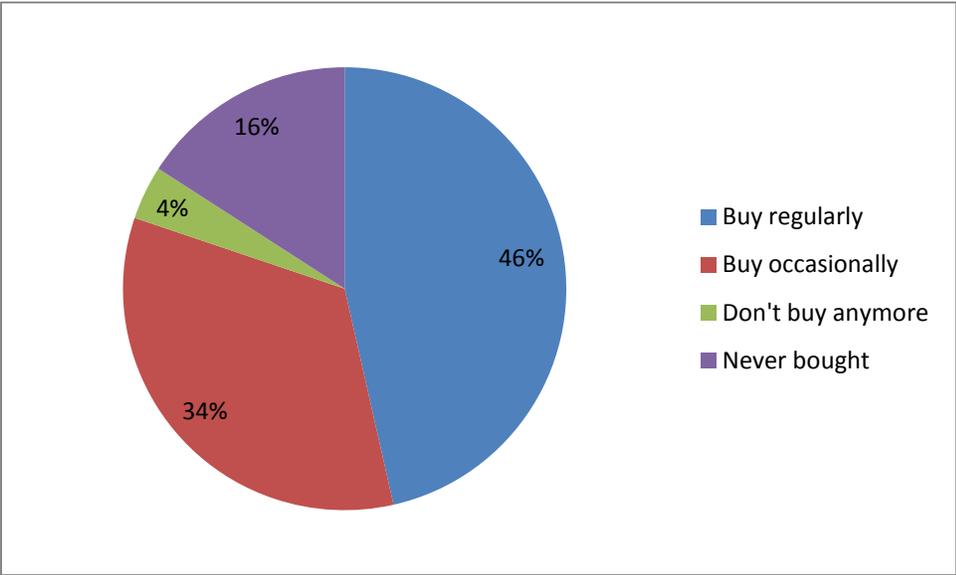
**Honey**



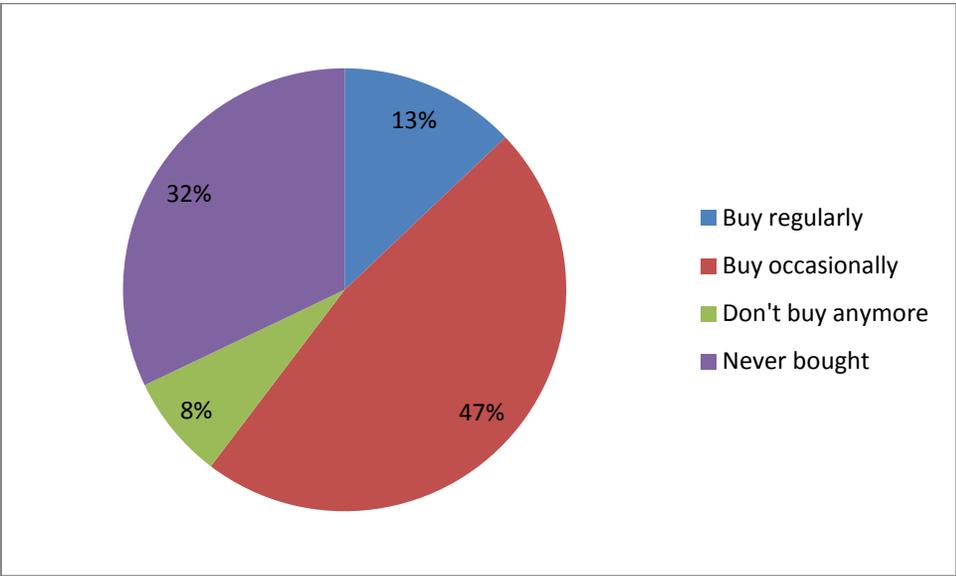
**Greenhouse plants**



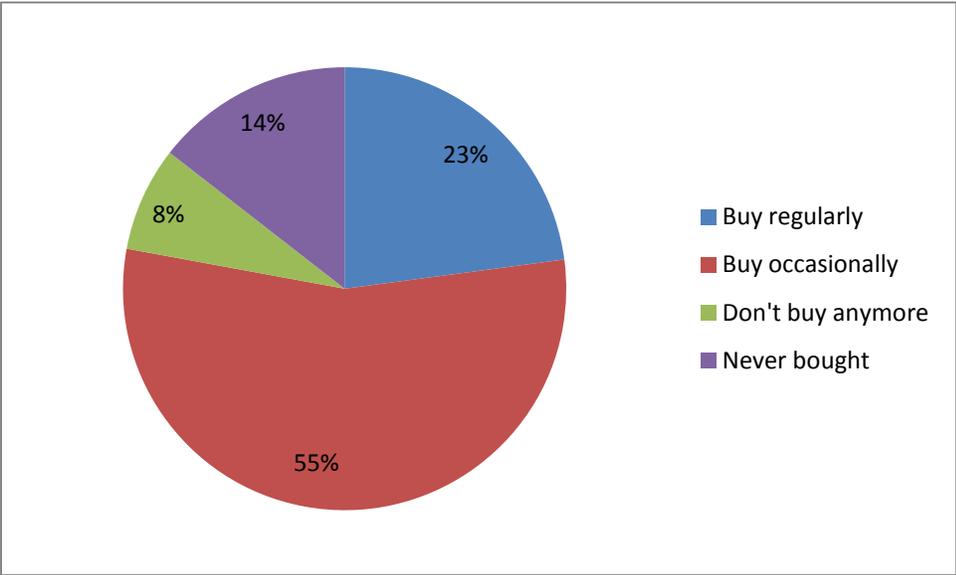
**Meat products**



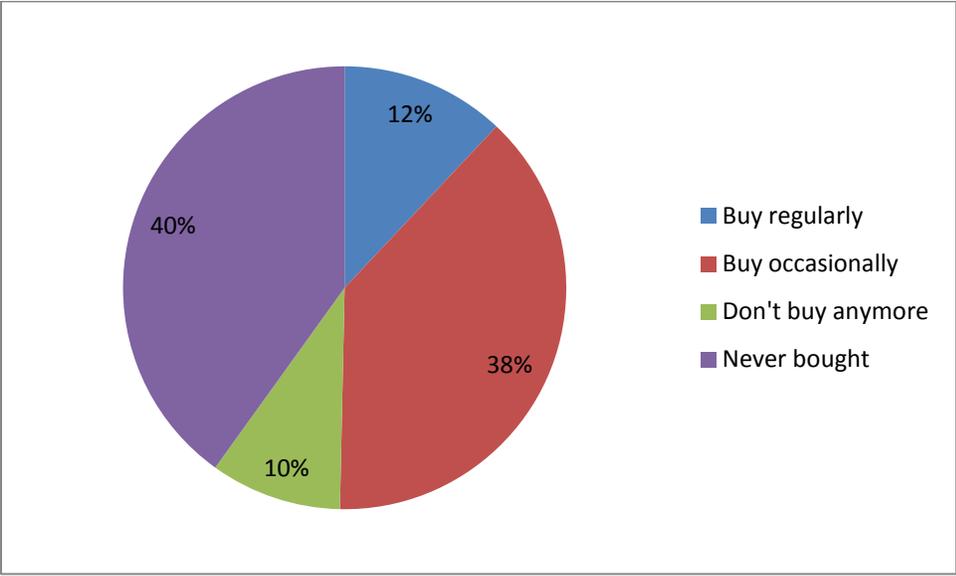
**Pickled foods**



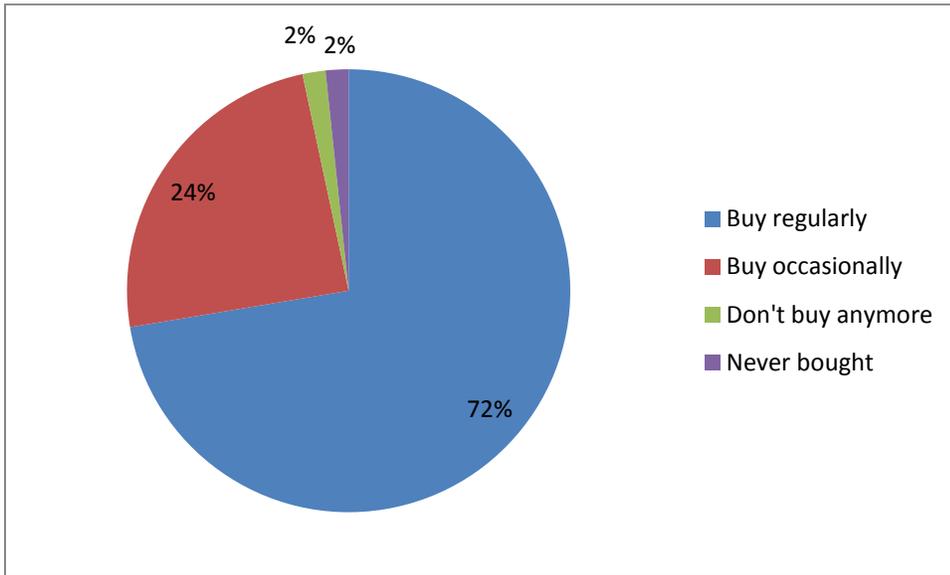
**Preserves, jams, condiments**



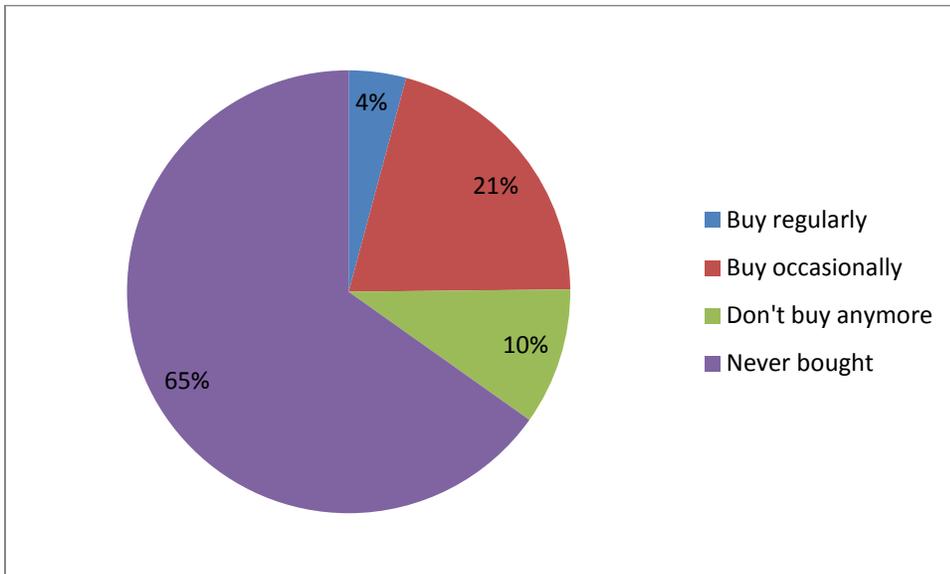
**Syrup**



### Vegetables

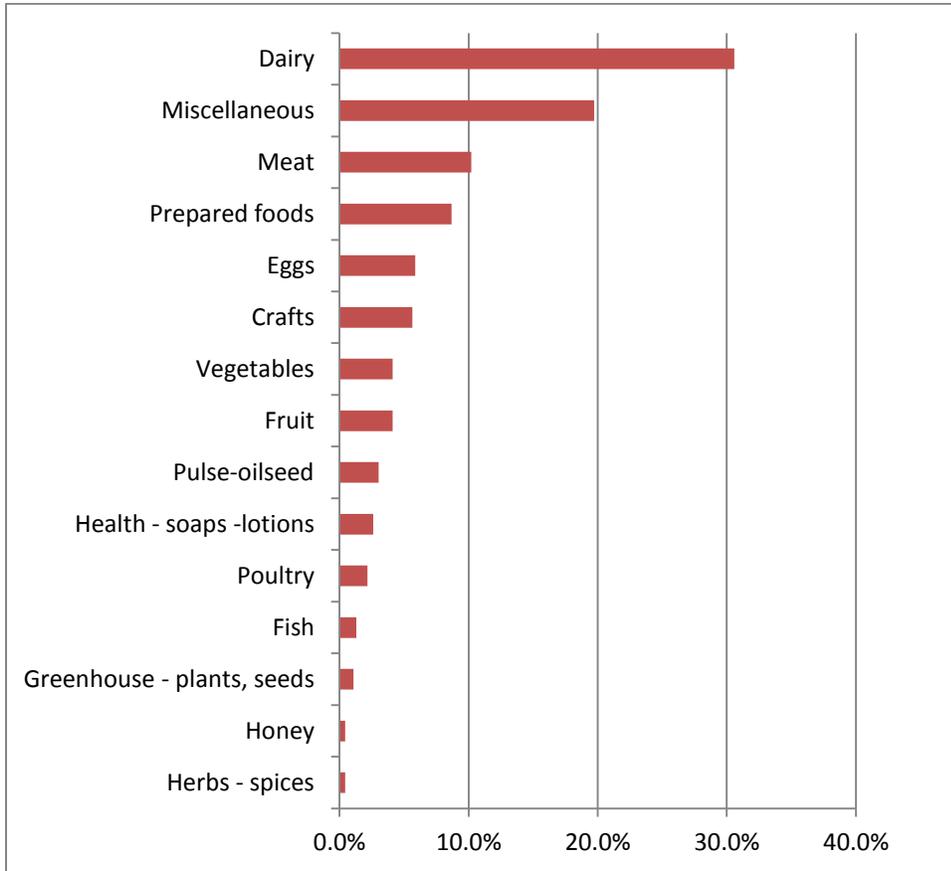


### Wood products



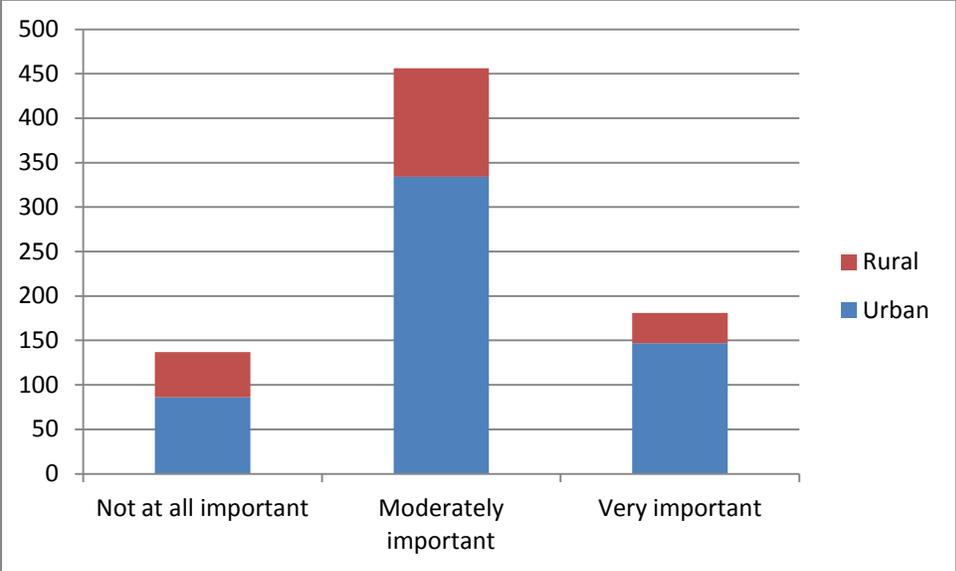
**7. What other product(s) would you like to see become available through direct marketing or at a farmers' market?**

**Percentage of responses**



**8. How important is it to have documented food certification/food safety programs for small scale food production and processing?**

**Number of responses (urban versus rural residents)**



## Conclusions from the consumer survey

There is considerable interest from consumers in the small scale food sector. Almost 75 per cent of respondents were from urban areas, indicating urban consumers are very interested in supporting small scale agriculture and food and making a direct connection with the producer. Winnipeg and area was slightly over-represented in the survey, accounting for 64 per cent of the respondents but only 55 per cent of Manitoba's population.

Consumers who frequent farmers' markets from May to October spent on average, one-third of their food budget on locally produced foods, with a smaller percentage (17 per cent) spending 50 per cent or more of their food budget. Very few shoppers (seven per cent) expected to pay less for their local food than what was charged in major grocery stores. Almost all expected to pay similar or higher prices.

There are several reasons why consumers frequent farmers markets. Perhaps most striking was the sense of loyalty by consumers to support the local agricultural economy and the opportunity to meet directly with producers. It was frequently mentioned that "knowing where our food comes from" was very important, and several mentioned they wanted their children to experience this at the farmers' market. The pleasant social, community-building aspect of farmers' markets was mentioned several times as being one of the reasons people shop there.

Freshness, taste, nutritional quality and wholesomeness of the food were very important considerations. Nearly 30 per cent of the responses cited these as reasons for supporting small scale food production. Many commented on the great taste and variety of foods available, even if only for a short season. Some consumers wanted to buy foods with special attributes (organic, not genetically modified, pasture-raised, etc.). Others felt that small scale agriculture contributed to sustainable farming practices and environmental stewardship, specifically a lower carbon footprint because food did not travel great distances. A few mentioned increased food security as a reason for supporting local food production.

In the comments received, many reiterated strong support for the concepts of locally produced food, supporting producers and purchasing tasty, high quality foods that contributed to better health and nutrition. There was a special trust relationship between consumer and producer that was inherent in the direct marketing system and several comments indicated consumers should be allowed to freely buy products that are now restricted, such as raw milk, ungraded eggs and meat products, including hunted game.

However, most respondents (82 per cent) viewed documented food safe programs as either somewhat or very important. This reinforces the view that food safety is the cornerstone upon which all marketing systems, including direct marketing systems, must be built. The public assumes the food purchased is safe, with minimum food safety standards in place. There was a difference of opinion among respondents about how the food safety system should function. Nearly 40 per cent felt a small scale industry group or association should lead in setting the standards and nearly 70 per cent felt the association should have a significant role in inspecting their members.



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