Simcoe County Regional Food Distribution Hub

Prepared For: County of Simcoe and Food Distribution Hub stakeholders

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Executive Summary

The County of Simcoe commissioned a research and entrepreneurial team of faculty and professionals at Georgian College to examine the feasibility of establishing a Simcoe County Regional Food Distribution Hub. For the purposes of this report, the definition of a food hub has been adopted from the United States (section 1.2) as a business model rather than a socially driven model. It includes the aggregation and the distribution of food from multiple producers to multiple buyers. The objective of the potential hub would be to increase the distribution and delivery of local food products to local and regional buyers in order to enhance economic and community development within the County.

The overview of current agriculture and food production and distribution methods and trends provided in this report, together with an examination and analysis of current and emerging consumer food trends provide valuable insights from which to draw the conclusions contained in the report. The secondary research findings in the feasibility study also include a review of different food hub models and best practices primarily in the United States, where the concept of food hubs is most developed.

The study also reports the findings of primary research undertaken with producers, food aggregators, and representatives of the food distribution, foodservice and retail industry. All primary research tools, together with an extensive secondary research bibliography are included in the Appendices of this study together with other secondary research findings.

While the analysis of both the secondary and primary research provides the insights needed to develop some of the recommendations and next steps contained in this report, findings are limited, as no comprehensive profile of the agriculture sector in Simcoe County has been undertaken since 1999.

At this time, given the lack of data concerning both the supply and demand of side of agricultural products in Simcoe County as well as the lack of information concerning the movement of food stuffs in and out of the County, it is our recommendation that further research is needed to collect the supply and demand data. It is also recommended that further investigation into existing Simcoe County food aggregation businesses be completed to understand their models of operation and the extent in which they are managing supply and demand with food hub-like qualities. It is suggested that these models, when understood, could become a possible model for expansion.

It is not the intent of this recommendation, based on the evidence gathered, to delay action – quite the contrary. The research uncovered many gaps in information required to make an informed decision on feasibility and therefore suggested several strategies and 'next steps' that would be required to continue this initiative. The research team recommends that these next steps would be critical steps to take to determine the best-fit model for food distribution in Simcoe County.

1.0 Introduction to the Study

1.1 Purpose of the Study

> *"Much of North America's food infrastructure doesn't work for local and regional food producers, which is one reason why food hub development offers such opportunity."*
> *(Kathleen Merrigan, USDA Deputy Secretary, A Food Hub Challenge, May 2012)*

The purpose of this study is to determine if a regional food distribution hub is feasible for Simcoe County (research and analysis on the financial viability of such a food hub was out of scope for this report.)

The overriding goal of a regional food distribution hub is to connect food supply with demand - in other words, to link producers to buyers. A buyer may be an aggregator of supply, a distributor, a foodservice business, a retailer, or a processor. A regional food distribution hub would be a logistics centre where the operations team understands both the buyer and supplier needs and responds to the flow of food into and out of the region in order to satisfy the supply and demand.

The study reviewed data supplied through primary and secondary research including the findings from surveys of and interviews with buyers and suppliers; secondary research of agriculture in Simcoe County, Ontario and Canada; food consumption trends, and other local, national, and international food hub models.

1.2 Food Distribution Hub - A Definition

The concept of food distribution hubs is just now gaining momentum in Canada. In the United States, the concept has gained traction over the past decade (there are currently close to 200 hubs in operation). The US National Food Hub Collaboration consulted with numerous food hub stakeholders to come up with a definition of a regional food hub. The collaboration proposes the following:

"A regional food hub is a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand."[1.]

1.3 Overview of Simcoe County

Simcoe County is one of the largest counties in the Province of Ontario, with an approximate area of 1,064,320 acres and a population of 446,063 in 2011, compared to 422,204 in 2006. According to the Ministry of Finance population growth projections released in 2013, Simcoe County will continue to grow, reaching a 35 percent projected growth to 640,300 residents by 2036. The County is made up of sixteen municipalities, as well as the separated cities of Barrie and Orillia which are the largest urban areas within the County. [2.]

The County has one of the most diverse landscapes in Ontario, extending from the Canadian Shield in the north, to the Oak Ridges Moraine in the south, and from Georgian Bay in the west to Lake Simcoe in the east. The varied environment, combined with a relatively long growing season, provides an opportunity for a highly productive and diverse agricultural industry. Simcoe County is located in the central portion of Southern Ontario, Canada. The County is situated just north of the Greater Toronto Area stretching from the shores of Lake Simcoe in the east to Georgian Bay in the west. Simcoe County forms part of the Greater Golden Horseshoe area, a densely populated and industrialized region centered on the Greater Toronto Area.

1.4 Research Methodology

1.41 Background

This feasibility study is based on primary and secondary research. The secondary research is extensive. It includes reports sourced online and extracted from numerous Statistics Canada and Ontario Ministry of Agriculture and Food reports. Much of the secondary research was gleaned from US-based reports given the preponderance of food hubs and related research in that country.

The primary research was challenging based on the limitation of time but more importantly, the lack of identification of all of the suppliers and buyers of food within Simcoe County. For those reasons, the Steering Committee suggested the primary research focus on 50 suppliers and 50 buyers.

1.42 Secondary Research

Secondary research consisted of an extensive literature review (see Appendix 13) of existing studies on food distribution hubs and local food initiatives. Most of the information comes from the United States, where food distribution hubs are more established.

There are no food distribution hubs of the type contemplated by Simcoe County in operation in Canada. However, through the duration of this investigation, research pointed to several regional and municipal studies now underway in Ontario including Collingwood, Grey County, Huron County and the Greenbelt/University of Guelph Southwestern Ontario studies.

Any evidence for best practices, feasibility, and financial viability of food distribution hubs can only come from places where the hubs have been in existence for some time in order for there to be reliable data. It is important to note that attempts were made to source business and operational plans including financial data from some of these hubs in the United States but operators declined to share this information.

Please refer to the Works Cited (see Appendix 13) and the Literature Review (Appendix 14) for full disclosure of the secondary research sources.

1.43 Primary Research

Limitations and Purpose

It was stated at the beginning of the project that, due to time and budget limitations, statistically representative and conclusive primary research for a supplier and buyer food distribution hub feasibility would not be possible. Instead it was agreed that the purpose of the survey tools would be to gather data from both sides to aide in the development of a food hub vision (including opportunities, barriers, interest, ownership model, possible location, and elements to include in the development of a hub) that could be incorporated into a sound business plan proposal.

The methodology of the primary research is as follows:

Suppliers

A comprehensive survey tool was developed to identify the interest in and the need for a regional food distribution hub from the perspective of local suppliers. It included questions related to opportunities and barriers (Appendix 2).

Georgian College staff and students attended a number of events to capture the sample size of at least 50 surveys. These events included:

- AgKnowledge Forum – Feb. 20, 2014 – Bond Head – The Club
- Central ON Ag Conference – Feb 27-28, 2014 – Barrie — Georgian College
- Sourcing Local – March 3, 2014 – Orillia — Best Western

A total of 58 surveys were completed. The complete summary of findings is included in Appendix 3.

A shortened version of the supplier survey was collected at the Holland Marsh Growers Association Annual General Meeting in December 2013. A total of 21 surveys were completed. The complete summary of results is also included in Appendix 3.

Buyers (Demand)

A comprehensive survey tool was developed to determine the interest in and need for a regional food distribution hub. It included questions related to opportunities and barriers from their perspectives (Appendix 4).

Originally it was planned that the entire buyer sample would be captured using the survey tool and therefore a sample size of at least 50 was stated. However, during the research process, a previous study entitled ***Growing Links, Simcoe County Local Food Distribution Research Report 2011*** (The Resource Management Consulting Group), was discovered. Subsequently, a partnership with the research consulting team was formed and permission was granted to use the data gathered in that report for the basis of the Broad Public Sector input. It was deemed redundant to survey this sector again. Additionally, based on previous relationships developed during the research and writing of ***Growing Links***, it was recommended that distributors not be surveyed, but rather, interviewed in order to be more personal and gather specific detail.

Due to this change in methodology, 50 surveys on the buyer side were not completed, as many buyers were being represented through their input to the ***Growing Links*** report and through the new interviews.

The full buyer side of the primary research now includes insights and data from the following:

Restaurants, Hotels/Resorts and Golf Courses:

- 27 completed surveys were captured at a Muskoka District Chef's Association Meeting, February 10, 2014 in Orillia and through telephone interviews by Georgian College students the week of March 3-7, 2014 (see Appendix 5 for a full summary of results)
  Broader Public Sector:
- Data and findings from the ***Growing Links*** report (Appendix 6) , representing 14 Broad Public Sector institutions
  Distributors/Aggregators:
- Interviews with two major international distributors operating in Simcoe County – Gordon Food Service (GFS) and Sysco, through the Greenbelt Fund
- interviews with three local Simcoe County aggregators (see Appendix 7 for complete interviews)

2.0 Secondary Research

2.1 Methodology

An extensive secondary research was undertaken in order to provide a comprehensive understanding of Food Hubs and their potential feasibility in Simcoe County, given the current state of its agricultural industry and consumer patterns. Over 500 documents, studies and reports were analyzed in order to provide the proceeding section.

The limitations of secondary research for such a study are extensive. The most recent intensive study of the Simcoe County Agricultural sector was performed in May of 1999. Further, as of the writing of this report, there are no Food Hubs in existence in Ontario on which to base any comparison.

In addition to the lack of data concerning Food Hubs, the majority of research that has been done and any Hubs that are in existence are in United States. While this does provide some basis of comparison, the two economies are dissimilar enough to cause some reluctance in making direct comparisons or drawing conclusions.

2.2 Agriculture Industry Trends – An Overview

2.21 Canadian Agriculture Trends

The most up- to-date information concerning agriculture in Canada comes from the 2011 Census of Agriculture in Canada. The following trends are most relevant to this study:

- **Number of Farms is Decreasing**
  From 2006 to 2011 there was a 10.3 percent decrease in the number of farms in Canada. The change resulted from a decrease in small farms, as measured by gross receipts and an increase in large farms.
- **Average Farm Size is Increasing**
  From 2006 to 2011 the average size of farm increased by 6.9 percent.
- **Shift in Production**
  Crop-based farms including cash and market crops grew from 49.1 percent in 2006 to 58.4 percent in 2011, while livestock-based farms decreased over the same period.
- **Gross Farm Receipts**
  Gross farm receipts increased from $49.2 billion in 2005 to $51.1 billion in 2010. Over the same period, farm expenses remained stable at $42.2 billion.
- **Organic Operations**
  The number of certified organic operations increased in Canada by 4.4 percent between 2006 and 2011, and 66.5 percent since 2001. There were 3,713 operations in 2011. Certified organic operations represented 1.8 percent of all farms in Canada, compared to 1.5 percent in 2006, and 0.9 percent in 2001. See Figure 1. [3.]

Number of organic operations, Canada, 2001 to 2011				
Census of Agriculture	Total certified and/or transitional operations*	Certified organic operations	Transitional organic operations	Certified organic as a percent of total operations
2011	4,120	3,713	543	1.8
2006	3,898	3,555	640	1.5
2001	..	2,230	..	0.9
* Farm operations may report both certified and transitional statuses; therefore the total does not equal the sum of the parts.				

Figure 1: Number of Organic Operations, Canada 2001 to 2011

Larger farms and the decreasing number of farms speak to a general trend in agriculture that does not necessarily support the development of a local food hub. As will be demonstrated in further sections, Food Hubs tend to work in conjunction with small to medium-sized producers who do not have access to as many sales channels.The implications of a growing need and demand for organic products does, however, support the development of a local Food Hub. The increased demand of organic products speaks to a growing health consciousness among consumers that can be used to support local Food Hubs with a mandate for sustainability.

2.22 Ontario Agriculture Trends

Changes to Ontario's agriculture sector are reflective of the overall trends in Canada: fewer and larger farms. However, in Ontario, farm receipts remained stable, whereas nationally they are increasing.

Other agricultural trends and highlights in Ontario from 2006 to 2011 are as follows:

- Ontario continued to report the largest winter wheat area in the country. In 2011, winter wheat acreage increased 7.0 percent to 1.1 million acres

- Acreage reported for grains traditionally used for livestock feed decreased in 2011. Barley acreage decreased by 42.6 percent to 126,881 acres, mixed grain acreage fell 38.8 percent to 106,162 acres and oat acreage decreased 46.2 percent to 71,040 acres. Similarly, hay acreage decreased 18.9 percent to 2.1 million acres

- Ontario accounted for the majority (98.6 percent) of ginseng acreage in Canada in 2011. Since 2006, the total ginseng acreage in the province increased by 1.1 percent to 7,232 acres

- The number of maple taps in Ontario increased significantly – a 15.0 percent increase to 1.5 million taps

- Over half (54.2 percent) of Canada's total greenhouse area was located in Ontario in 2011. Total greenhouse area increased by 6.7 percent to 135.1 million square feet. Greenhouse vegetables accounted for 86.2 million square feet and floriculture products for 42.6 million square feet

- In 2011, Ontario had the largest acreage of grapes, apples, peaches, sour cherries, pears, and plums in the country. However, apple acreage decreased 21.5 percent to 15,830 acres in 2011. Grape area also fell by 10.7 percent to 18,383 acres in 2011 — nearly two-thirds (61.3 percent) of all grape area in the country was reported in Ontario

- Ontario had the largest share of the Canadian nursery and sod acreage, with 25,270 acres of nursery and 28,414 acres of sod. This accounted for 42.4 percent and 44.8 percent of Canada's nursery and sod areas, respectively

- In Ontario, no-till methods were used on 33.1 percent of the land prepared for seeding in 2011, a slight increase from 31.2 percent in 2006. Conventional tillage decreased to 37.1 percent of land prepared for seeding, from 43.9 percent five years earlier. Conservation tillage was used on 29.8 percent of the land prepared for seeding, compared to 24.9 percent in 2006

- The 2011 Census marks the first time farm operators were asked to report the area from which crop residue was baled for bedding or sale. In 2010, crop residue was baled from 873,120 acres in Ontario

- In 2011, 44.7 percent of all farms in Ontario were using high speed Internet, similar to the national average of 44.8 percent

- In Ontario, 31.0 percent of all farms reported paid labour for the year 2010, the largest proportion in the country. The census counted 84,878 paid employees, of whom 39.2 percent worked year-round in a full or part-time capacity while 60.8 percent were seasonal or temporary employees[4]

2.23 Simcoe County Agriculture Trends

Agriculture in Simcoe County is trending similarly to Ontario and national agriculture in terms of the number of farms decreasing and the growth of farm size.

- Similar to the larger national and provincial trends, less of Simcoe County is directly engaged in agriculture – 510,572 acres in 2011 versus 533,741 acres in 2006 [4.]

- Despite fewer farms and fewer hectares under agriculture, the average size of farms has increased from an average of 222.19 acres in 2006 to 233.24 acres in 2011[4.] and agriculture still accounts for 44 percent of the total land mass of the county

- The County of Simcoe produces one of the most diverse ranges of traditional and organic agricultural outputs in Ontario. Among our unique offerings, producers in the County grow more than 40 varieties of vegetables, a broad range of fruits, and supply many different meat products ranging from beef to goat to duck to game meat to fresh fish. Also available throughout the County are maple-based products, fresh honey, and fresh dairy products.

- Simcoe County's existing production is predominantly in soybeans, corn and dairy, however, the county has experienced a dramatic change in the areas of production. Amongst the largest was a 33 percent increase in producers of oilseed combined with large losses in all sectors of animal production reflecting a shift rather than an increase in production (Appendix 8). It would appear that acreages cultivating vegetable crops are decreasing overall. See Appendices 8 and 9 showing land use and crude total yields for Simcoe County 2011.

2.3 Simcoe County Agricultural Profile

Agriculture is a key land use in Simcoe County. It dominates much of the landscape and provides many economic, social, and environmental benefits. It should be noted that Simcoe County has not completed a comprehensive agricultural profile since 1999.[5] However, a review of Statistics Canada materials provides some valuable insights.

Simcoe County has a land base (Appendices 8, 9), climate, and a skilled farm community that make agriculture highly productive. The County also has a number of unique features that allow for the production of specialty crops including the 11,000 acres of the Holland Marsh area where nearly 50 different vegetable crops are grown, valued between $47m and $72m each year according to the Holland Marsh impact study [6]. While other aspects of the economy may be growing at a rate that surpasses agriculture, it is probable that agriculture will be a key component of the long-term future of Simcoe County.

The following charts provide the most detailed picture of Simcoe County agriculture available to date. These charts have been created from information available through Statistics Canada and the Ontario Ministry of Agriculture and Food (OMAF).

2.31 Profile of Simcoe County Farmers, Farms and Agriculture

Total area of land under cultivation peaked in 2006 and has since dropped to 557,050 acres, slightly above 1996 levels (See Figure 2). This is primarily due to the aforementioned decrease in number of farms coupled with an increase in the size of farms. However, a case can also be made that a reduction in livestock producers may also be a factor. Livestock production requires a greater area of farmland under cultivation than does traditional crop production. Without further study this is, however, only an assumption.

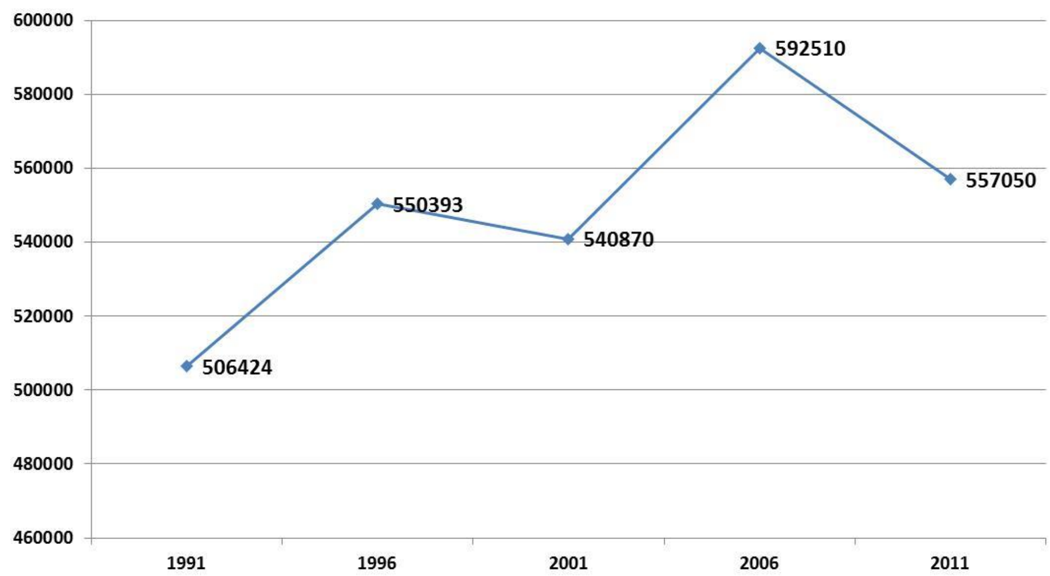


Figure 2: Total Area under Cultivation, Simcoe County (acres)

In 1996, Simcoe County ranked fifth in number of farms in Western Ontario counties (See Figure 3). In 2011, the county again ranked fifth with slightly over 2,000 farms. The decrease in number of farms was 21 percent over this period compared to a 23 percent decrease in number of farms in Ontario.

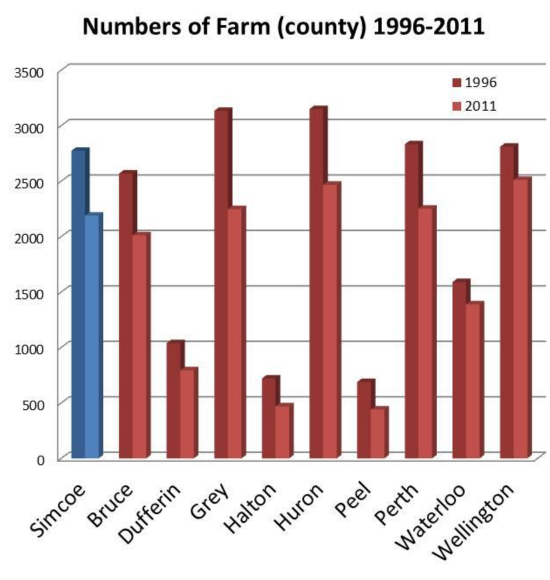


Figure 3: Number of Farms, Western Ontario Counties, 1996-2011

Within Simcoe County, Bradford West Gwillimbury experienced the greatest loss of farms between 1996 and 2011, from 202 farms to 108. New Tecumseth lost the fewest number of farms, from 177 to 173 in the same period (See Figure 4 and 5).

Township	% change
Clearview	-28%
Oro-Medonte	-22%
Springwater	-20%
Adjala-Tosorontio	-13%
Severn	-5%
New Tecumseth	-2%
Ramara	-18%
Essa	-22%
Tiny	-17%
Innisfill	-26%
Bradford West Gwillimbury	-47%
Tay	-26%

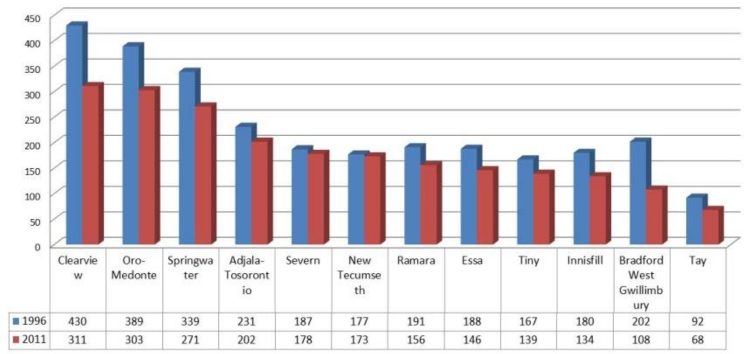


Figure 4: Change in Number of Farms by Simcoe County Municipalities between 1996 & 2011

Source: Statistics Canada; 1996 & 2011 Census of Agriculture

Township	1996 (acres)	2011 (acres)	% of change
New Tecumseth	44,403	50,129	13%
Tiny	22,696	24,959	10%
Springwater	66,616	69,527	4%
Ramara	53,379	55,305	4%
Adjala-Tosorontio	49,767	49,483	-1%
Severn	31,815	31,464	-1%
Simcoe County	550,393	510,584	-7%
Clearview	90,244	78,067	-13%
Innisfill	41,383	34,828	-16%
Tay	13,273	10,978	-17%
Essa	39,373	32,128	-18%
Oro-Medonte	61,868	49,754	-20%
Bradford West Gwillimbury	35,576	23,962	-33%

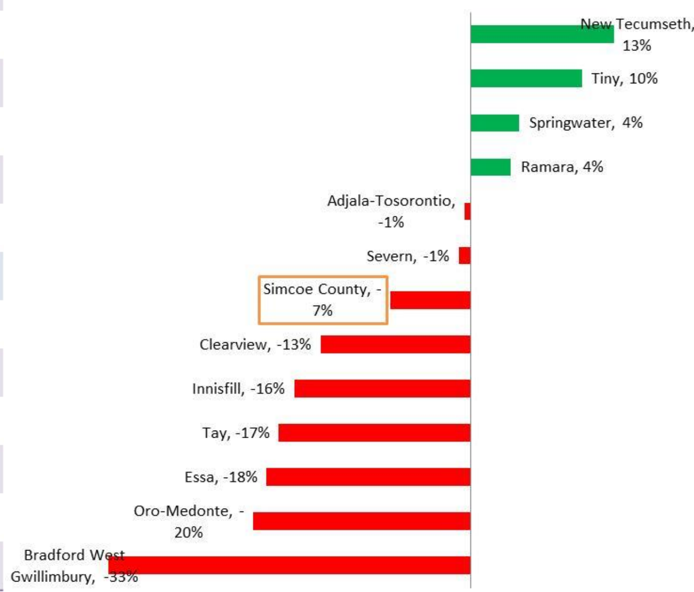


Figure 5: Change in Farm Area, Simcoe Municipalities from 1996 to 2011

Bradford West Gwillimbury had the greatest decrease in farm area from 35,576 acres in 1996 to 23,962 acres in 2011 (-33 percent), whereas New Tecumseth experienced an increase from 44,403 acres in 1996 to 50,129 acres in 2011 (+13 percent).

Of the 12 townships within the County, only four experienced an increase in acreage: New Tecumseth, Tiny, Springwater and Ramara.

As a whole, farmland acreage in Simcoe County decreased by seven percent in the same period.

Farm tenure or ownership within Simcoe County is 56 percent owned by farmers and 39 percent rented or leased from other. The breakdown amongst townships follows a similar pattern with Springwater having the highest ownership to rental mix and New Tecumseth having the lowest. (See Figures 6 and 7).

Simcoe County 2011	Acres	%
Area owned	302,106	56%
Area rented or leased from others	207,799	39%
Other	25,717	5%
Total	535,622 *	100%

Figure 6: Simcoe County Farm Tenure, 2011

Source: Statistics Canada; 2011 Census of Agriculture

Note: *Not all farms reported to this question. Those reporting represented 535,622 acres versus the total acreage of 557,050 in Simcoe County. At this point, it is unclear what "Other" denotes in the study.

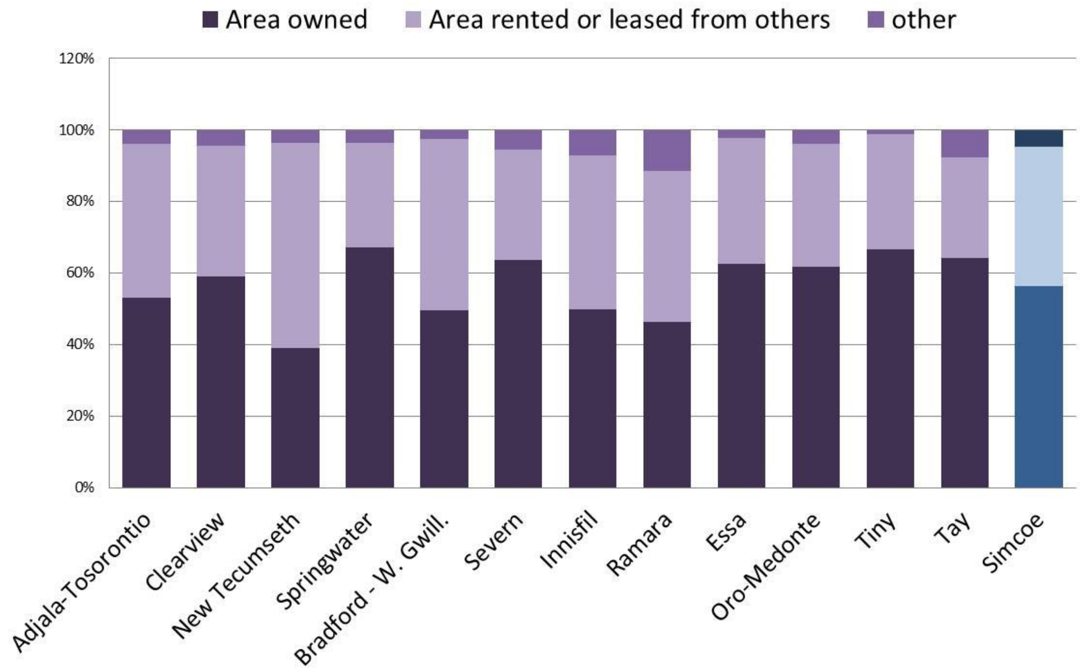


Figure 7: Simcoe County Farm Tenure, By Township2011

The average farm size in Simcoe County is smaller (233 acres in 2011) than the average for Ontario (244 acres in 2011), but slightly larger than Western Ontario (231 acres in 2011).

On average, the municipality within Simcoe County with the largest farms is Ramara, while the average smallest farms in the county are located in Essa Township.

Essa was also the only municipality in Simcoe County to experience a decline, in terms of average size of farm, between 1996 and 2011.

From 1996 to 2011, the average farm sizes increased by 17.5 percent in Simcoe, an increase slightly lower than Ontario as a whole, but similar to the trend experienced across Western Ontario. (See Figure 8).

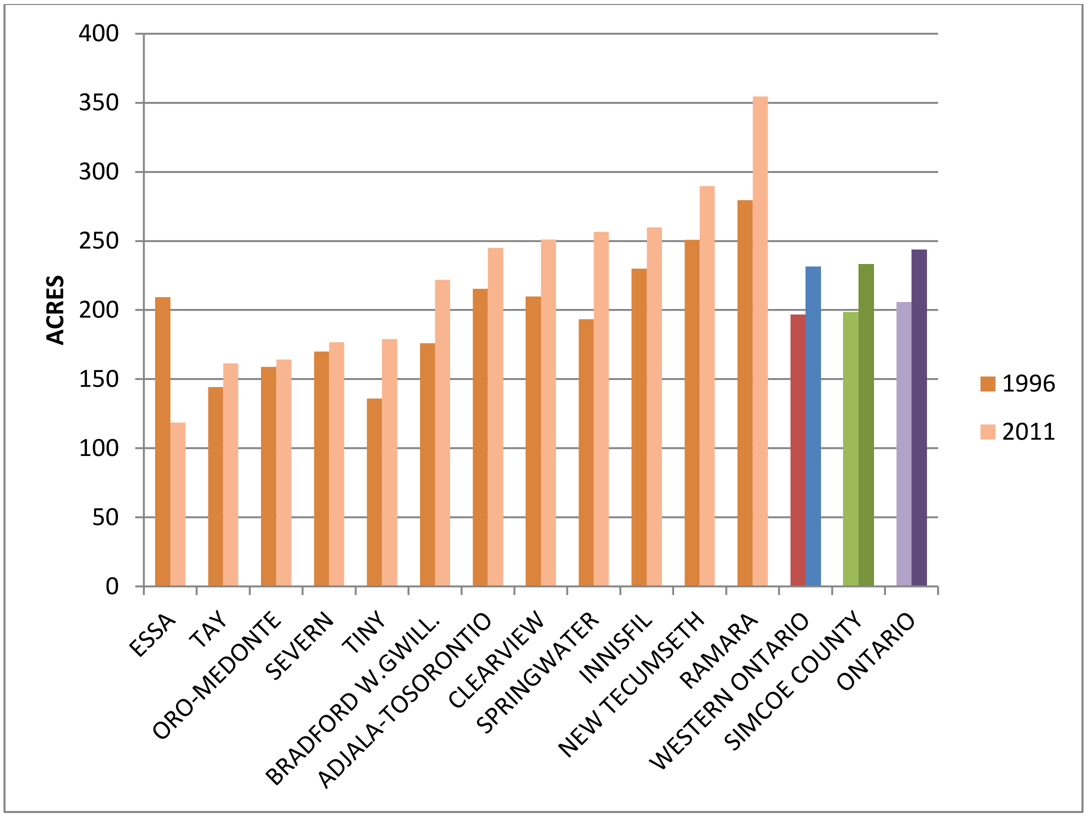
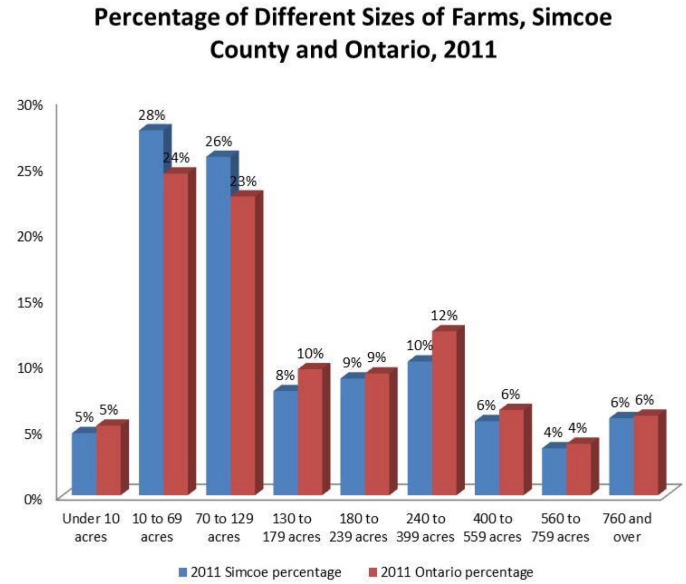


Figure 8: Average Size of Farms, Simcoe Municipalities/Western Ontario/Ontario (1996 to 2011)



	Simcoe 2011		Ontario 2011	
	Number	%	Number	%
Under 10 acres	103	5%	2741	5%
10 to 69 acres	606	28%	12681	24%
70 to 129 acres	562	26%	11779	23%
130 to 179 acres	173	8%	4969	10%
180 to 239 acres	194	9%	4801	9%
240 to 399 acres	222	10%	6460	12%
400 to 559 acres	123	6%	3359	6%
560 to 759 acres	78	4%	2026	4%
760 and over	128	6%	3134	6%

Figure 9: Farm Size: Simcoe vs. Ontario 2011

In 2011, more than 50 percent of the farms in Simcoe County were between 10 and 129 acres in size. This represents a higher percentage of farms in this size range than Ontario as a whole. (See Figure 9).

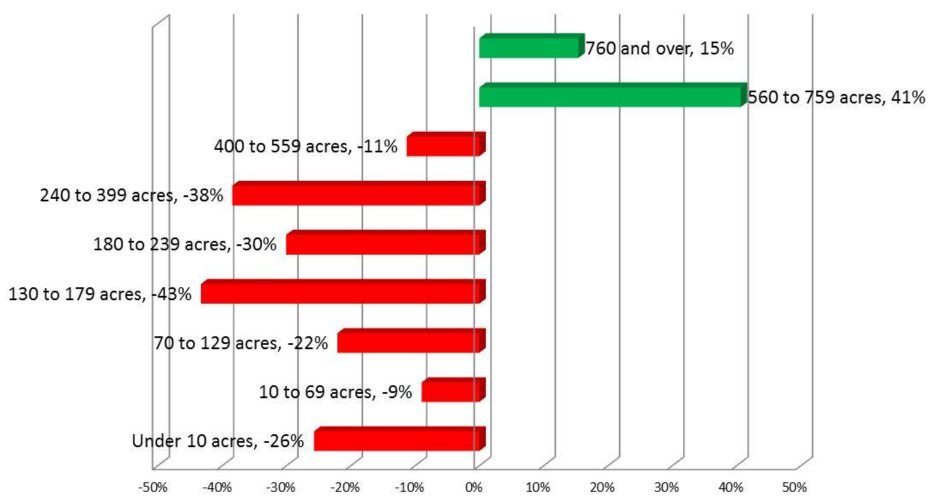


Figure 10: Change in Numbers of Farms of Different Sizes, Simcoe County, 1996-2011

From 1996 to 2011, the largest increase in farms were those over 560 acres. The number of farms below 560 acres decreased over the same period. It can be assumed that this constitutes an amalgamation of the industry rather than an industry in decline. (See Figure 10).

Crop 2011 (acres)	Simcoe	W. ON	%
Potatoes	11962	19054	62.8%
Vegetable	6460	14687	44.0%
Oats	3239	17038	19.0%
Canola (rapeseed)	7415	45890	16.2%
Soybeans	91546	677014	13.5%
Total wheat	64569	494362	13.1%
Fruits	816	6392	12.8%
Barley	6370	68597	9.3%
Total corn	61953	748219	8.3%
Mixed grains	4418	68921	6.4%

Live stock 2011 (number)	Simcoe	W. ON	%
Horses and ponies	5,022	34451	14.6%
Sheep and lambs	20,184	162238	12.4%
Cattle and calves	54,817	848639	6.5%
Goats	2,677	53271	5.0%
Broilers, etc.	8,319,329	211234514	3.9%
Hens and chickens	782,347	21084855	3.7%
Eggs (dozens)	2,944,744	89549723	3.3%
Turkeys	28234	1330823	2.1%
Pigs	31,276	1561912	2.0%

Figure 11: Major Crop and Livestock of Simcoe County, 2011

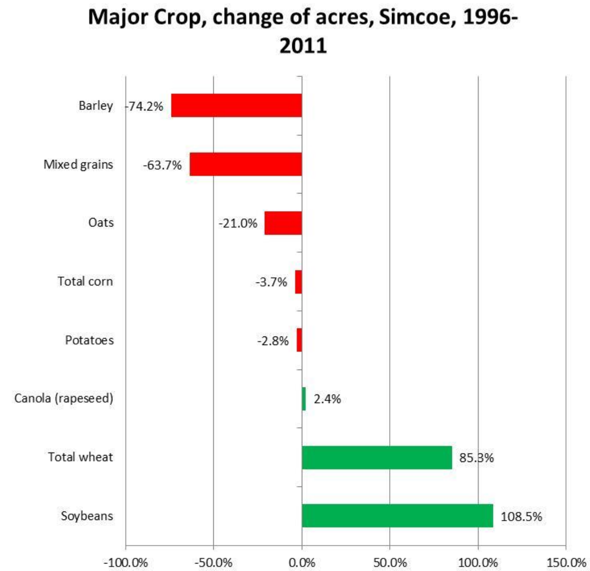
As a percentage of total production Simcoe County produces a small majority of the total potato production of Western Ontario. However, in terms of total production soybeans is Simcoe's number one crop in terms of total acreage under cultivation. The smallest major crop contribution from the county to Western Ontario agriculture is mixed grains.

The total largest contributor in acreage in Simcoe County is soybeans at 91,546 acres, while the smallest contributor in acreage in the county is fruits at 816 acres.

The largest percentage of livestock contribution from Simcoe County to Western Ontario is sheep and lambs.

The smallest percentage of livestock contribution from Simcoe County to Western Ontario agriculture is pigs.

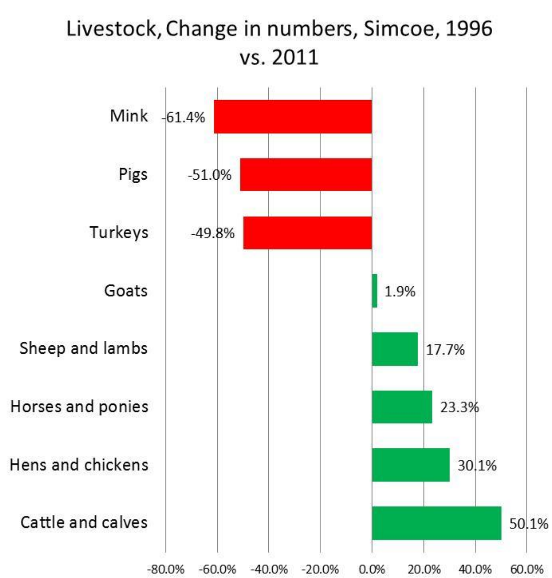
As far as quantity of livestock is reported, Simcoe County contributes 8.3 million broilers versus the smallest quantity, which are goats. (See Figure 11).



Simcoe	1996 (acres)	2011 (acres)	change 96-11
Soybeans	43910	91546	108.5%
Total wheat	34850	64569	85.3%
Canola	7242	7415	2.4%
Potatoes	12304	11962	-2.8%
Total corn	64326	61953	-3.7%
Oats	4102	3239	-21.0%
Mixed grains	12177	4418	-63.7%
Barley	24713	6370	-74.2%

Figure 12: Major Crop, Change of acres, Simcoe, 1996 vs. 2011

From 1996 to 2011, soybeans experienced the largest increase in area under cultivation in Simcoe County. This can be attributed to the increasing demand for soybean products in the same period. Equally important is the fact that there is a relatively low cost of inputs for producing soybeans compared to other field crops. Cereal crops (oats, barley, mixed grain) have declined in production in Simcoe. (See Figure 12).



Live stock	1996	2011	% change
Cattle and calves	36,521	54,817	50.1%
Hens and chickens	601,428	782,347	30.1%
Horses and ponies	4,074	5,022	23.3%
Sheep and lambs	17,150	20,184	17.7%
Goats	2,628	2,677	1.9%
Turkeys	56,244	28,234	-49.8%
Pigs	63,794	31,276	-51.0%
Mink	32,509	12,555	-61.4%

Figure 13: Livestock, Change in numbers, Simcoe, 1996 vs. 2011

Between 1996 and 2011, the number of cattle, chickens, horses, and sheep increased in Simcoe County, while the number of minks, pigs, and turkeys decreased significantly. (See Figure 13).

The number of farm operators has dropped 35.4 percent between 1996 and 2011. (See Figure 14).

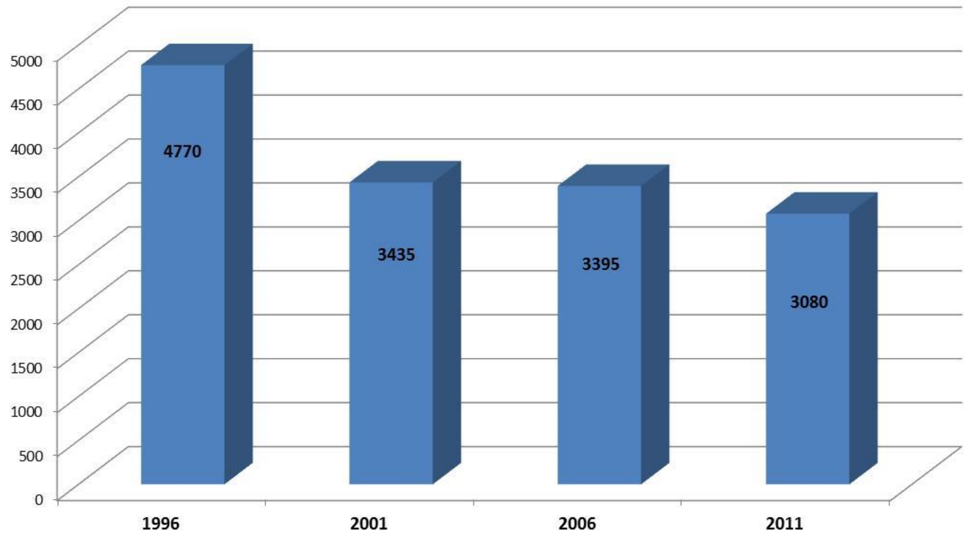


Figure 14: Number of Farm Operators in Simcoe

The total number of farms in Simcoe County has decreased 21.2 percent. (See Figure 15).

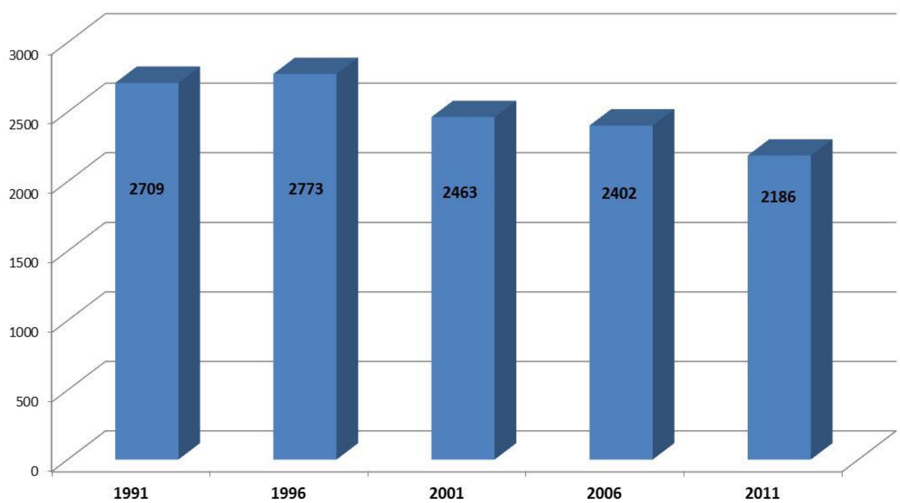


Figure 15: Total Number of Farms in Simcoe

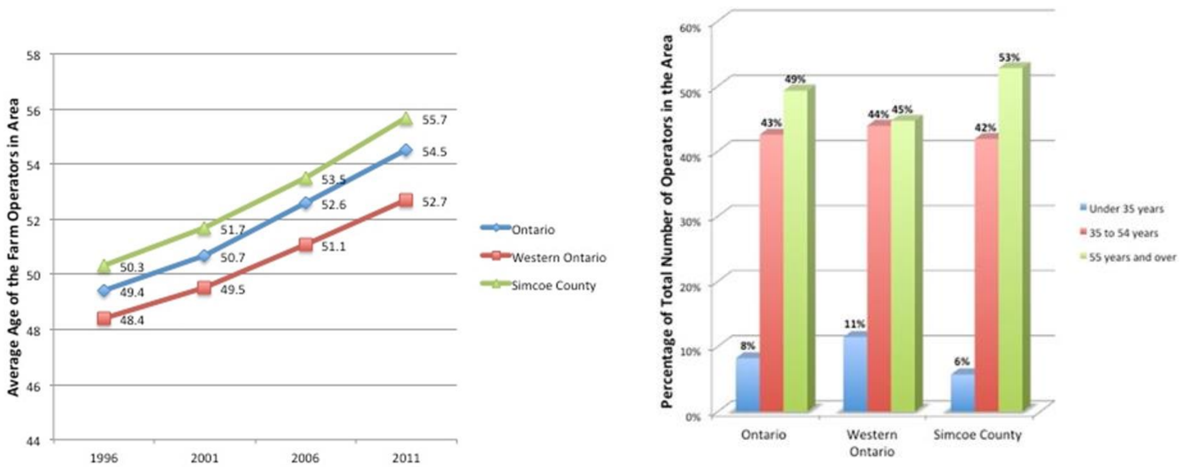


Figure 16: Average Age of Farm Operators and Age Categories

The average age of farmers in Simcoe County is higher than both Western Ontario and Ontario as a whole, standing at 55.7 years. (See Figure 16).

Simcoe County also has the lowest percentage of farmers under the age of 35 years compared to Western Ontario (11 percent) and Ontario (8 percent). (See Figure 16).

2.4 Consumer Food Trends

In order to determine the viability of a Food Hub in Simcoe, it is implicit that a full understanding of Canadian and Ontario consumer trends be explored. The following section illustrates the current trends that are driving consumer demand in food.

2.41 Demand Drives Decisions

It is assumed that the buyers (wholesalers, distributors, and processors) from a food distribution hub are responding to demand from businesses within the value chain and ultimately, the consumer.

The tastes of the Canadian consumer are changing. They are choosing foods based on lifestyle, daily schedules, and demographics such as age, income, ethnicity, etc.

North-American consumer trends seem to be moving in opposite directions. For example, while many households are looking for convenience and ease of preparation, a significant portion of the population is also seeking natural, healthy, and local food choices.

Other trends have emerged and are chronicled in a number of different studies and reports.

Canadian food choices are driven by convenience, health and wellness, pleasure and value. These macro trends are a result of the food industry trying to meet consumer demands. Food products often incorporate more than one trend, but few ever meet all of these needs. There are always some tradeoffs in balancing all characteristics. Consumers are searching to define their personal eating styles by revising their thinking about food and mixing and matching various food characteristics to find the ideal combinations for themselves and their families.

Figure 17 provides a visual breakdown of the demographic and societal factors that are affecting North- American food choices.

Food consumers are segmented by demographics and lifestyles while their consumption patterns are determined by age, gender, income, attitude, perception, and other factors. Understanding and tracking changes in consumer demographics and lifestyles are the underlying bases to understanding most of today's consumer trends. In Canada, demographic, cultural, and economic diversity are increasing. There are more people with different ethnic backgrounds, lifestyles, and tastes than ever before. [7.]

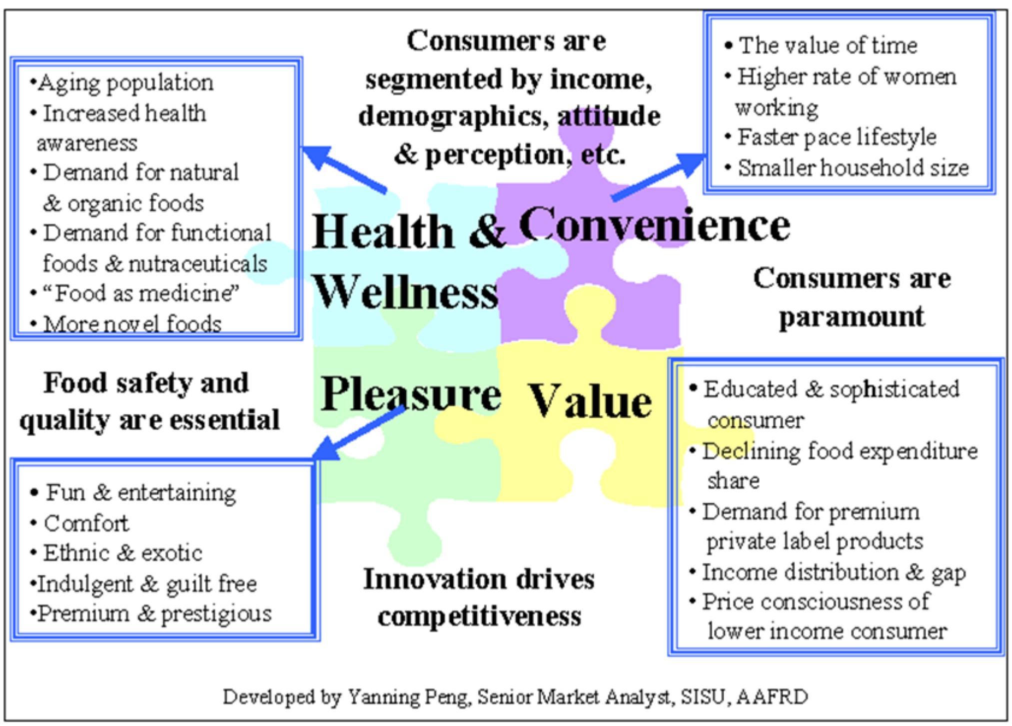


Figure 17: Consumer Demographics and Lifestyle

2.42 Consumer Trends Highlights

It is important to consider consumer food trends to better understand the ultimate buyer in the demand chain.

A recent study by the Business Development Bank of Canada (BDC) ranks five top consumer food purchasing trends in Canada [8].

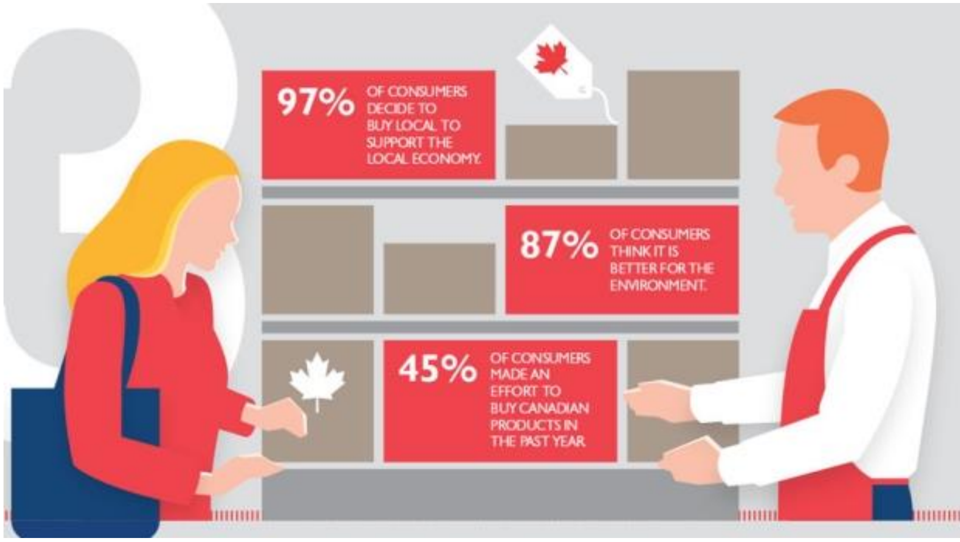


Figure 18: Canadian Top Consumer Trends

The BDC suggests Canadian consumers are making buying decisions based on whether products are made in Canada and/or sourced locally (See Figure 18). Consumers are increasingly looking for healthy and locally made products, according to the BDC study. The study looks at the increasing importance of the internet in decision-making, with half of consumers conducting an online search prior to buying. It identifies five major consumer trends:

- **The buy-local movement:** Consumers are shopping close to home, looking for locally made goods and aware that buying Canadian-made may be a better ethical and environmental choice
- **Rising health awareness**: The aging population is becoming more aware of healthy choices in food, cosmetics and ergonomically designed products. Half of Canadians consider the health impact of a product when making purchasing decisions and one-third are willing to pay a premium for healthy products
- **Frugality:** Canadian incomes are stagnant and debt is high, meaning consumers are cautious about spending. As the baby boomers retire, an increasing portion of the population will be living on fixed incomes
- **The desire for customized goods**: Consumers are looking to get exactly what they want and new technology makes it possible for them to buy it For example, customization is a niche trend that Small, Medium Enterprises (SMEs) can take on with a little innovation according to the study. One company makes a “My Muesli,” which provides exactly what the consumer wants in a breakfast cereal
- **The impact of the internet**: An increasing amount of research about products is done online, even when consumers don’t buy online. At the same time, online shopping is growing and online reviews are critical

Other BDC findings:

- 33 percent are willing to pay more for a healthier product
- One in 3 consumers would pay 15 percent more for an ethically made product
- 45 percent of respondents have made an effort to buy Canadian
- 24 percent have made an effort to buy from their province or region
- Two of 3 consumers say the main factor in a purchase is lowest cost.

The study found 45 percent of consumers had made an effort to buy local in the past year. Eighty-seven percent believed it was more environmentally responsible to do so, and 97 percent said they bought a product to support the local economy.

The Ontario Culinary Tourism Strategy and Action Plan [9] summarized the following North American consumer trends based on a wide variety of reports on the attraction of local foods and growth in Culinary Tourism:

- Growing consumer interest in farm/producer branded products with a story
- The marketing of new cuts of meat (e.g. flat iron pork)
- Growing interest in heritage vegetables, fruits and breeds
- Growing demand for healthy herbs, spices and fruits such as blueberries, rhubarb, shallots and pumpkin seed
- Innovative, non-alcoholic beverages particularly those incorporating local ingredients or flavours
- A growing recognition of the value of partnerships and strategic alliances in tourism for both marketing as well as product innovation
- Increasing use of social media by consumers to access information about culinary opportunities and to comment on these opportunities (such as restaurant reviews), as well as web-coupons and location-based social media (tied to visitors in specific regions)
- Wider use of technology including kiosk ordering for restaurant meals and i-Pad wine lists and Apps.

Restaurants Canada 2014 Chef Survey

According to the Restaurants Canada 2014 Chef Survey (see Appendix 11), the hot new trends in 2014 are:

1. Gluten-free /food allergy conscious
2. Quinoa
3. Locally sourced foods (Locavore)
4. Leafy greens (e.g. kale, Swiss chard, mustard greens, collard greens, dandelion, beet greens)
5. Craft beer / microbrews
6. Food smoking
7. Heirloom fruit and vegetables (e.g. tomatoes, beans, apples)

8. Charcuterie / house-cured meats
9. Food trucks
10. Inexpensive /underused cuts of meat (e.g. beef cheek, brisket, pork shoulder, skirt steak).

The Up and Comers trends expected to grow in popularity included:

1. Ancient grains (e.g. kamut, spelt, amaranth)
2. Simplicity / back-to-basics
3. Superfruits (e.g. acai, goji berry, mangosteen)
4. Culinary cocktails (e.g. savoury, fresh ingredients, herb-infused)
5. House-made soft drinks
6. Ethnic / street food inspired appetizers (e.g. tempura, taquitos, etc.)
7. Natural sweeteners (e.g. honey, maple syrup, agave)
8. Fewer choices on the menu
9. Specialty iced tea (e.g. Thai-style, Southern/ sweet, flavoured)
10. Non-wheat noodles or pasta (e.g. quinoa, rice, buckwheat)

2.43 Other General Trends

Convenience

Canadians have more money, less time, fewer domestic skills and less inclination to devote time to food related chores. Consequently, there is an increased demand for foods that can be prepared in a short period. This is not a new consumer trend; however, it has evolved over time. When convenience foods were first introduced, consumers were willing to accept a lower quality and poorer taste in return for the ability to prepare a meal in a short period. However, today, consumer requirements for convenience foods are more sophisticated than ease and speed of preparation. Today, convenience foods must also include ease in purchasing, clean-up, nutrition, flavour and perceived value.

The top convenience food trends are:

- Ready to Eat/Heat and Eat Foods: Women continue to do the majority of food purchasing, preparation and clean up. As a result, the demand for foods that are easy and quick to prepare yet tasty, fresh, and nutritiously sound continues to grow
- One Dish Meals: Growth in quick one dish meal kits such as stir-fries and stews are expected to grow
- Custom Quick Food: Although consumers have the tendency to not spend a considerable amount of time preparing meals, it still is important for them to feel that they have contributed something to the preparation. Therefore, there will be an opportunity for ready meals or kits, which allow the person preparing to add their own personal touch

- Portability: Eating in vehicles or "Dashboard Dining" as well as eating at your work desk is on the rise. Portability and single service packaging are on the rise to meet the need of "eat-where-you-are"
- Snacks and Mini Meals: Canadians' eating patterns are changing from eating three main meals a day to eating several smaller meals throughout the day. Convenient, nutritious snacks or mini meals will increase in demand (i.e. breakfast bars, wraps, sports drinks)
- Innovation: Convenience foods will continue to be popular but the key to success will be innovation. Portion size, packaging and other areas of product design are all being manipulated to provide greater consumer convenience while product quality continues to improve. [7]

Organic Food

Organic food appears to remain a significant consumer trend, being fuelled by growing social awareness, fair trade, and health concerns. Organic products are now widely available at grocery stores and supermarkets, with the majority of purchases of organic products occurring in supermarket chains. Consumers are particularly interested in organic bakery products, sweet and savoury snacks, ready-to-eat meals, milk, and frozen processed foods. While organic beverages have not been as popular as organic food products in the past, they are expected to continue to rise in demand among consumers. With organic products facing increased competition from other health and wellness products, prices have decreased. This has helped the organic consumer market evolve to include not only higher income consumers, but also lower income consumers [10]. Over the past five years, the organic retail sector in North America has grown dramatically, expanding by 56 percent. According to Packaged Facts, organic food and beverage sales in the U.S. in 2010 grew more quickly than conventional grocery sales and experienced retail sales of US$23.2 billion.

Within Canada, certified organic farms account for roughly 1.7 percent of all farms, with more than 1,200 certified organic food processors and handlers.

Value

Nutrition remains a consideration among consumers, but it doesn't rank as high as it did in the 1990s. Today's consumers are more interested in flavour and quality. Having said that, Canadians are paying some of the lowest prices for food, in relation to income, in the world. The entrance of warehouse retail outlets into the Canadian marketplace has resulted in even more price consciousness. Today, Canadian consumers are demanding increased variety and high quality at very reasonable prices. In other words, Canadian consumers are demanding high value for their food dollar.

Some of the value trends we are seeing in Canada are:

- Fresh Foods: Consumers are switching to fresh foods because they equate "fresh" with better taste, health and nutrition
- Physical and Emotional Energy: Stressed consumers who are seeking energy, power and performance from food are turning to sports drinks, energy bars and snacks
- Private Label: Traditionally, private label has been seen as lower quality and generally less desirable than national brands. However, in recent years, private label has changed dramatically. Stores are starting to introduce premium private label products. Store brands' lower price attracts customers, while the improved packaging and quality is retaining them and developing brand loyalty[7]

The recession of recent years pulled the concept of value into much sharper focus, both for shoppers and for those bringing food to our tables. A recent consumer study found that good value-for-money was the most important factor in determining how food dollars were spent [7]. Ipsos Reid, through their Global Advisor Panel, found that almost two-thirds of global consumers indicated that value for money was most important.

The other key component of value is quality. Canadian consumers define quality in terms of freshness, nutrition, safety, appearance, and flavour, and consistently rank it as one of the most important considerations in their food and beverage decision-making process [8]. A 2009 survey of U.S. consumers found that 72 percent were more concerned with quality than price and that, after the recession, this will increase to 90 percent. [9] At all income brackets, consumers are trying to find ways to maximize the quality of their purchases, while keeping food bills as low as possible.

Authenticity

The interest in authentic food and drink stems from a desire to slow down from hyper lifestyles, increased awareness of health and environmental issues, and a more affluent society wanting products differentiated from the mass-market appeal of a supermarket. Authentic products generally incorporate a mixture of attributes such as geographical provenance, ethnicity, nostalgia, or a historical or expert production technique. Organizations have even developed around the concept of authenticity, the most well-known being the Slow Food movement. (See http://www.slowfood.com/)

An important aspect of establishing authenticity with consumers is the story behind the product. This story has to be compelling, credible, and hold up to public scrutiny. It might be based on the differentiating attributes of the product or the history of the company, but often it is the origin of the product that establishes authenticity, as consumers believe that the source, be it local or exotic, gives the product superior quality. Many food and drink products are associated with a specific location, whether it be a town, region, or country. Although this provenance is associated more with European foods, Canada is starting to position its products this way, with VQA wines, artisanal breads and cheese, quality meats, and regional specialties.

Authentic products, being associated with quality, can also be linked to consumers' interest in health, particularly in terms of production method. This has driven demand for products that are positioned as natural, organic, and local. Although these are all perceived slightly differently, all imply a certain quality, or level of purity, that takes them beyond the ordinary and implies a sense of trading-up.

Authenticity also gives consumers a sense that they are acting in a responsible or ethical manner with their purchase. The growth of fair trade is an example. Fair Trade is a movement that aims to establish equitable trading partnerships with suppliers based on dialogue, transparency, and respect. The intention is to contribute to development by offering better trading conditions to, and securing the rights of, marginalized producers and workers—especially in developing countries. Fair Trade organizations support producers, raise awareness, and campaign for changes in the rules and practices of conventional international trade. [11]

Health and Wellness

Over the last year, there has been a renewed interest in the Atkins diet. Although it is not known how many Canadians are adhering to the Atkins diet, it has been reported that in 2003, approximately 4 percent of Canadians are on some form of low carbohydrate diet [12]. The increased interest in low carbohydrate foods has led many manufactures to introduce a low carbohydrate version of a traditional product (i.e. low carbohydrate beer) and many retailers are setting up new sections to meet the increased demand. However, the big question in the food industry is "Are low carbohydrate foods here to stay or is it a more opportunistic short term trend?"

Early indications are that low carbohydrates are here to stay - most likely as "reduced carbs". In fact, many manufactures in the United States are reformulating their products to not only capitalize on this trend, but also in anticipation of new federal regulations and definitions for low-carbohydrate health claims.[7]

Watching carbohydrate consumption is not the only food concern among Canadians. Others are:

- Trans Fats and Saturated Fats: Canadians remain concerned about fat intake and health concerns associated with trans and saturated fats. As a result, consumption of low-fat cereals, dairy products and frozen meals is rising
- Gluten-Free: Canadians are eating up gluten-free foods in record numbers. A study from research company Packaged Facts shows sales ballooned to $458.9 million in 2013, up from $178.9 million in 2008. That works out to an impressive compound annual growth rate of 26.6 percent.[11]
- Correcting Condition: Food and food ingredients continue to increase in popularity as a method for self-medication and disease prevention. As a result, the demand for functional and nutraceutical foods will continue to increase and new products will be developed

- Weight Loss Products: Interest in weight loss products continues to be high. However, the number of obese Canadians has increased rapidly over the last few years causing vast public concerns
- Food Safety: Consumers are increasingly interested in food products that provide assurances about food safety
- Organics: Health-conscious consumers are also increasing the demand for organic and natural products.
- Food & Allergies: Food intolerance and food allergy consumers represent a niche market that is growing [7]

Sustainability

Consumers are interested in the sustainability of our food systems and many aspire to be good stewards of the earth. Terms such as 'food miles', 'carbon footprint', and 'locavore' have become popular expressions of the sustainability movement. Local farmers' markets, which allow consumers to buy directly from food producers, are also linked to the sustainability concept.

There are now more than 500 farmers' markets across Canada, providing community shopping experiences and local products. Although not used by the majority of shoppers, these markets attracted 28 million shoppers in 2008 who spent, on average $32.06 per visit, for a total direct sales value estimated to be $1.03 billion. Fresh fruits, vegetables and bakery products are the main draw; however, market customers also appreciate a growing range of available products. [13]

The concept of "food miles" is used to describe the distance that food travels from the location where it is grown or raised to the location where it is consumed.

Although no similar studies could be found for Simcoe County, a study for the Waterloo Region reports that imports of 58 commonly consumed foods travel an average of 4,497 km to Waterloo Region. These imports account for 51,709 tonnes of GHG (Greenhouse Gas) emissions annually, contributing to climate change and air quality, both of which have an effect on human health. [14]

Since all of the studied food items could be grown or raised in Waterloo Region, a significant opportunity exists to reduce the contribution to global climate change and air pollution by replacing imports with local food products sourced from Waterloo Region or South-western Ontario. By doing so would produce an annual reduction in GHG emissions of 49,485 tonnes, equivalent to taking 16,191 cars off our roads. Strategies to strengthen the local food system and make purchasing local food more convenient for consumers have the potential to reduce the environmental impact of food miles in Waterloo Region.[14]

Local Food

"The academic study of gastronomy itself, other than in a nutritional sense, is very recent. To make sense of gastronomy and hence gastronomic tourism, one must look at its position within society, and the relationship between food, culture, place and authenticity."[15]

Canadian consumers are increasingly interested in local food products. The most recent studies suggest that while local food consumers are demographically diverse, they are similar in their motivations for buying local food. The majority of respondents to a national survey on local food cited freshness (82 percent), supporting the local economy (75 percent) and knowing the source of the product (58 percent) as the reasons for buying local food. [13]

In the restaurant industry, fresh and locally grown products are purchased for their perceived superior quality and freshness, to meet customer requests, to access unique products and support local businesses. From the restaurateur's perspective, local produce adds consumer appeal and provides a differentiating strategy from the competition. [16]

For restaurants, the important factors that influence the decision to buy local products are: minimizing environmental impact; being located in an agricultural area. Among institutions, being pesticide free was a determining factor. [16]

The implications of these general trends would seem to support the concept of a local food hub. Increased Canadian consumer concerns over local, sustainable, organic foods and an increased interest in health and wellness are all strong determinants for an initiative to provide these products. What is not known is whether these general Canadian trends are applicable to Simcoe County.

Primary research by this study seems to indicate that they might be; however, further research is required.

2.44 Canadian Consumer Food Spending

Food is a major budget item for Canadian consumers, representing the fourth largest household expenditure. In 2002, the average household expenditure on food totaled $6684, compared to $4131 in 1982. (See Figure 19). This represents an average annual growth rate of 2.4 percent, compared to 2.7 percent for the corresponding food component of the CPI. [17]

All numbers have been adjusted for inflation. It is unfortunate that Industry Canada has not updated the comparison since 2002.

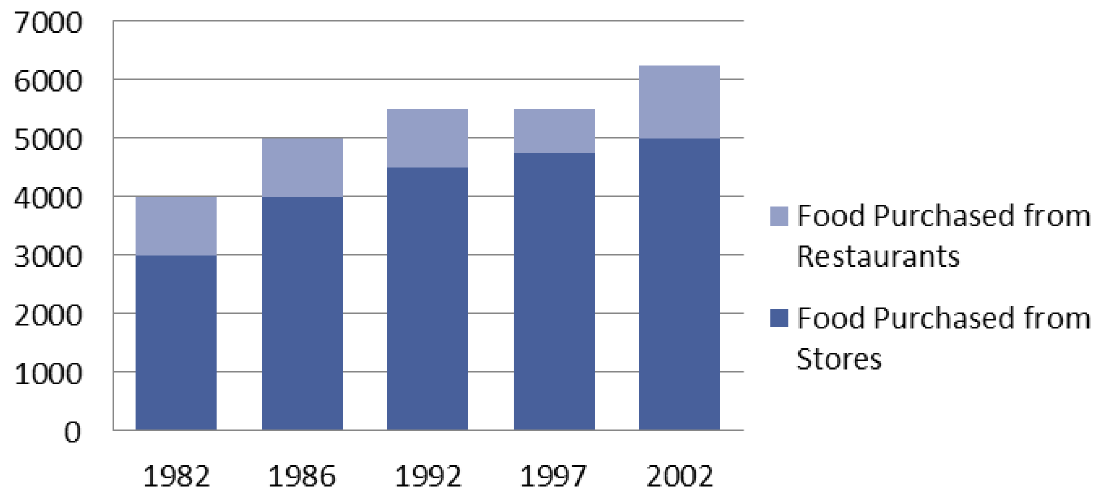


Figure 19: Canadian Consumer Spending of Food – Restaurant vs. Store Purchases - 1982 - 2002

In 2011, more than three quarters of the average household food expenditure went towards purchases from stores (as opposed to restaurants). This spending has increased by an average annual rate of 2.4 percent since 1982, slightly below the 2.5 percent rise in the stores' component of the food price index.[16]

The following two charts detail the average consumption of foodstuffs in Canada and Ontario. In general the consumption patterns for Ontarians conform to those of the entirety of Canada. What is not known at this point is if Simcoe County consumption is similar to Ontario and Canada.

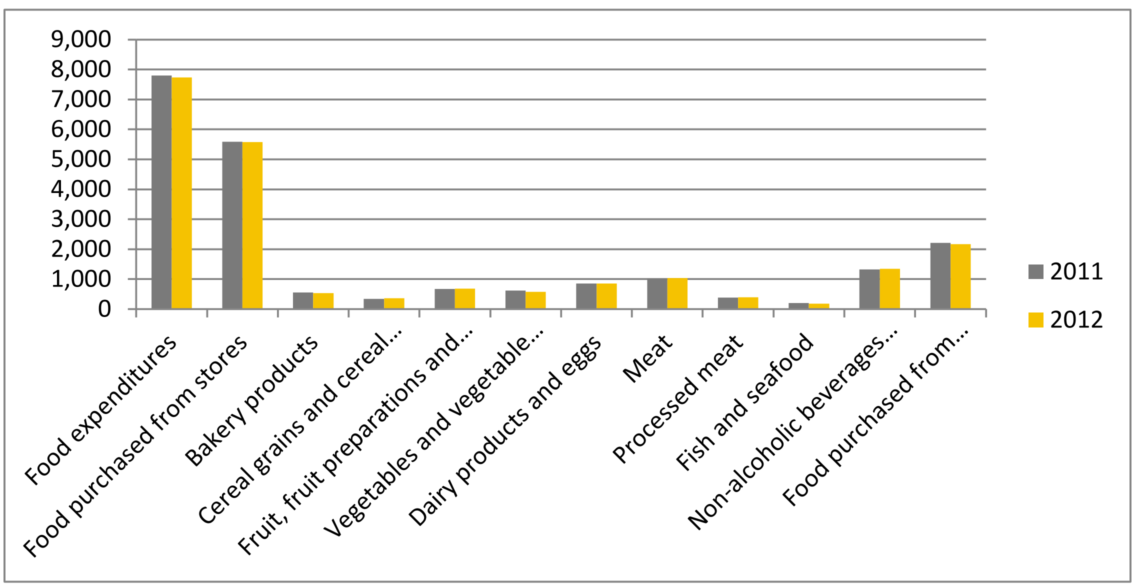


Figure 20: Average household food expenditure, by province (Canada)

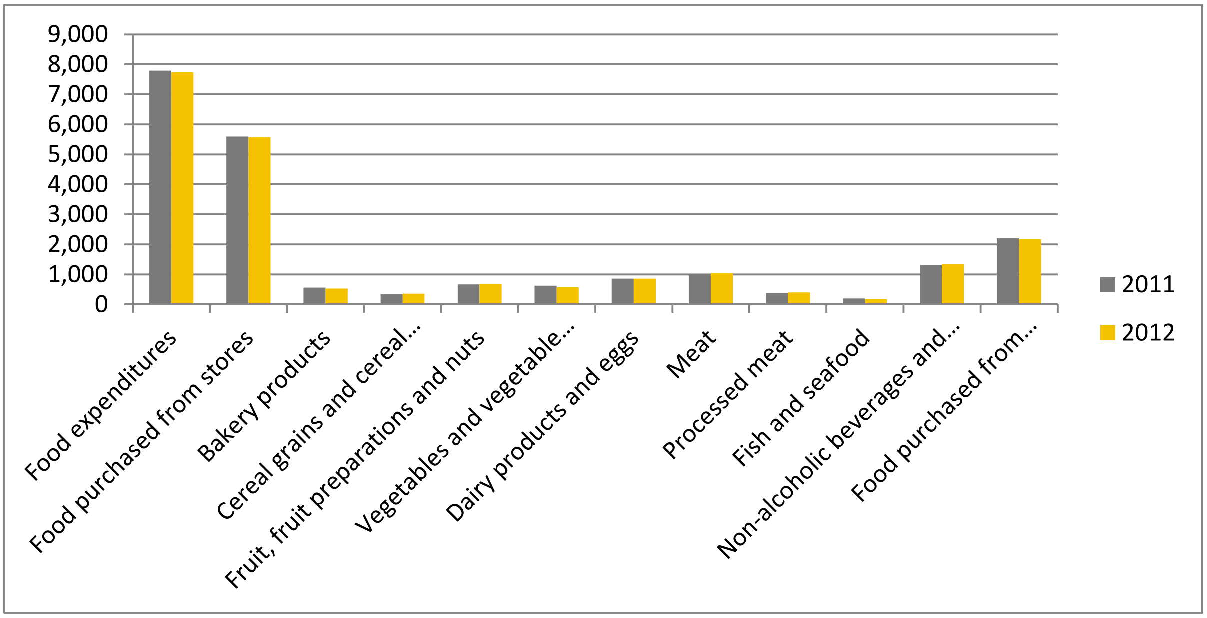


Figure 21: Average household food expenditure, by province (Ontario)

2.45 Canadian Food Retail Industry

Industry sales for retail food stores, regardless of size, are estimated at $85.5 billion in 2011 (See Figure 22) and it is projected to grow at a rate of 4.6 percent annually, as more Canadians choose to eat at home. The grocery market is highly concentrated and vertically integrated into food distribution, meaning that many of the largest grocers are also shareholders in processing and transportation and other parts of the supply chain. The top five retailers account for about 80 percent of total food sales.[18]

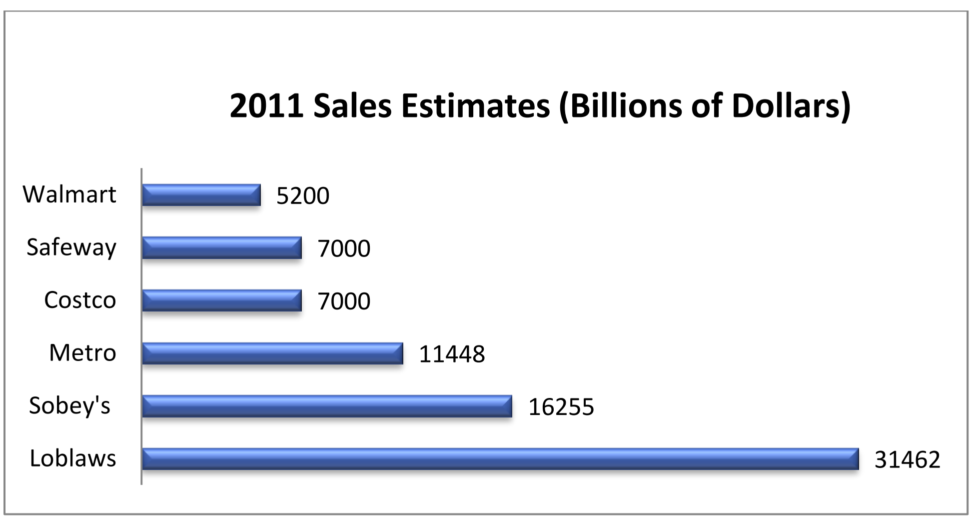


Figure 22: Top Canadian Food Retailers

2.46 Ontario Food Retail Sales

The following charts [19] illustrate total sales by classification, comparing Ontario to Canada over three years. The terminology used in the charts can be defined as follows:

Institutional Foodservices: includes restaurants, educational institutions, transportation, health care, correctional, remote, private, and public sector dining and military foodservice.

Retail Foodservice: includes foodservice operated by department stores, convenience stores, and other retail establishments.

Other Foodservices: includes vending, sports and private clubs, movie theatres, stadiums and other seasonal or entertainment operations.

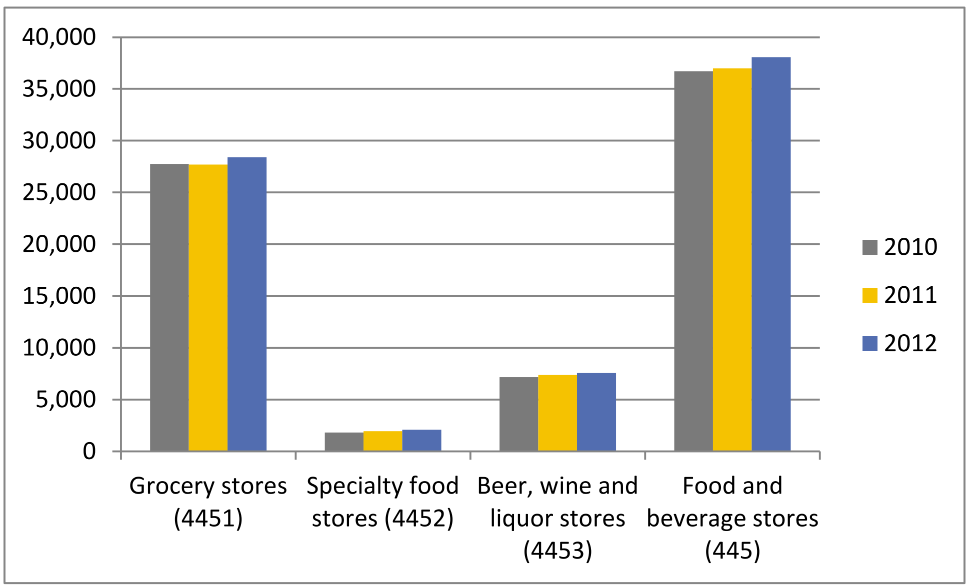


Figure 23: Food Store Sales (Canada) North American Industry Classification System (NAICS) ($ million)

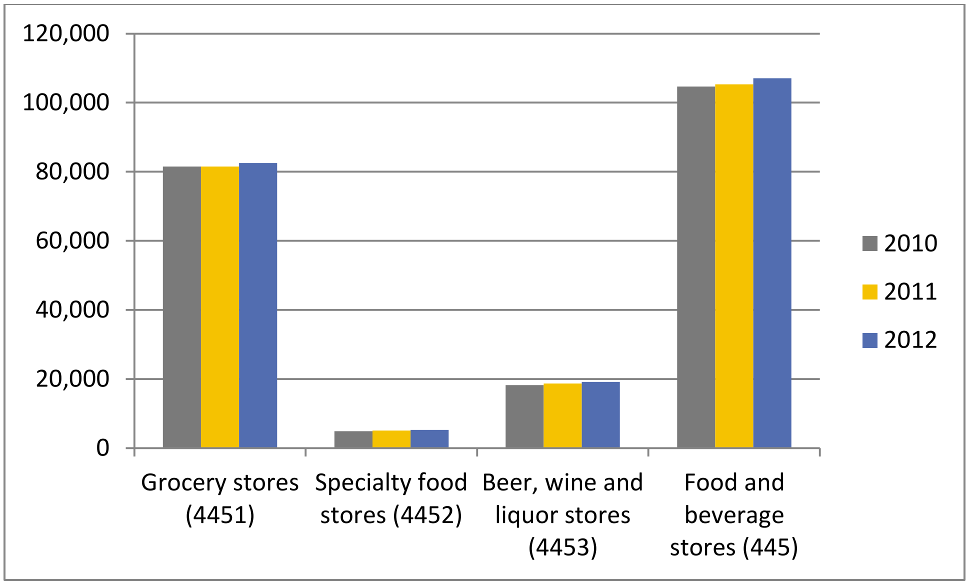


Figure 24: Food Store Sales (Ontario) North American Industry Classification System (NAICS) ($ million)

Type and (Classification)	Ontario			Canada		
	2010	2011	2012	2010	2011	2012
Grocery stores (4451)	27,767	27,697	28,417	81,490	81,545	82,556
Specialty food stores (4452)	1,803	1,939	2,083	4,903	5,074	5,308
Beer, wine and liquor stores (4453)	7,145	7,368	7,568	18,275	18,719	19,187
Food and beverage stores (445)	36,716	37,004	38,067	104,667	105,338	107,051

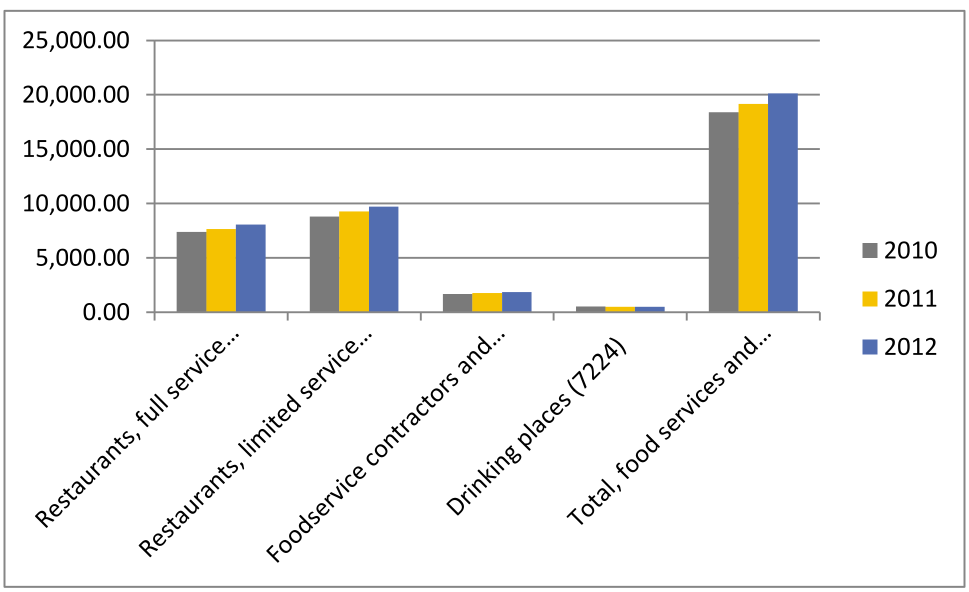


Figure 25 : Foodservice Industry Sales (Ontario) (NAICS) ($ million)

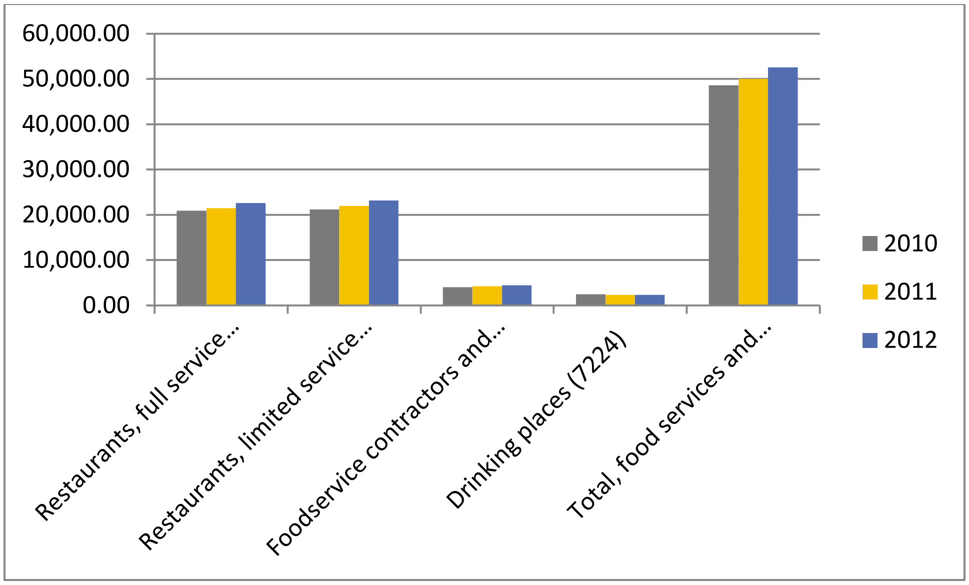


Figure 26: Foodservice Industry Sales (Canada) (NAICS) ($ million)

Type and (Classification)	Ontario			Canada		
	2010	2011	2012	2010	2011	2012
Restaurants, full service (7221)	7,381.5	7,652.8	8,065.7	20,931.4	21,486.0	22,631.1
Restaurants, limited service (7222)	8,792.4	9,266.6	9,722.9	21,219.7	21,962.0	23,139.7
Foodservice contractors and caterers (7223)	1,676.3	1,754.4	1,840.2	3,997.6	4,213.5	4,443.6
Drinking places (7224)	531.2	485.3	508.3	2,467.7	2,362.4	2,355.6
Total, food services and drinking places (722)	18,381.4	19,159.0	20,137.1	48,616.3	50,024.0	52,570.1

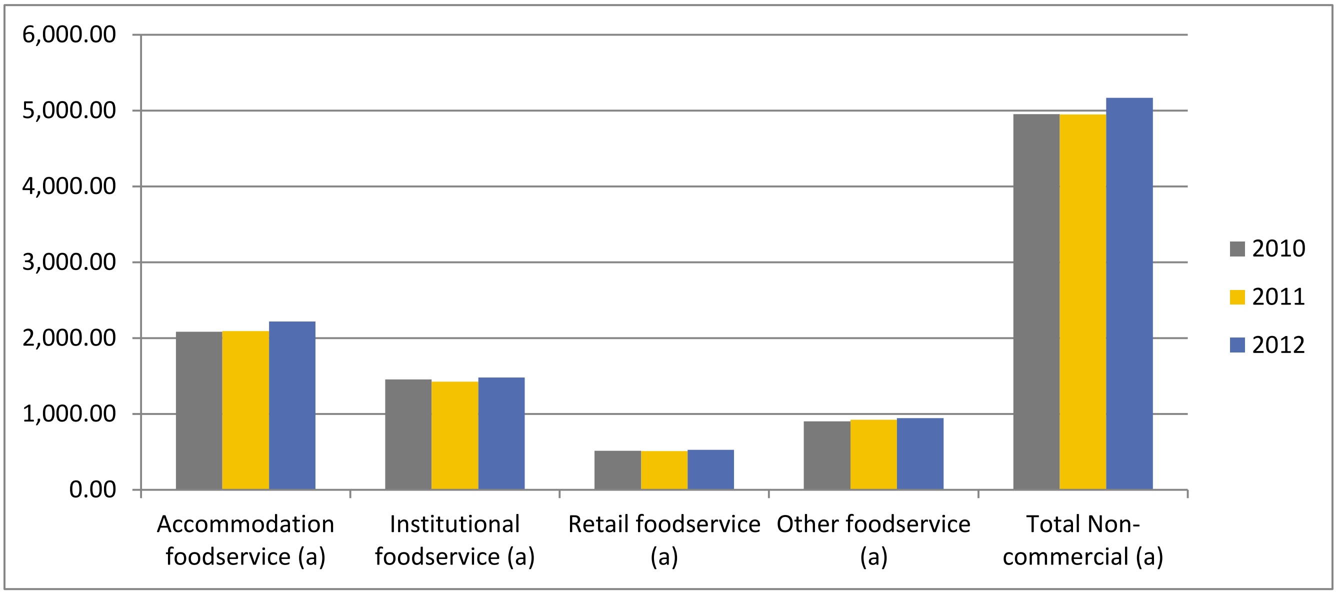


Figure 27: Foodservice Industry (Ontario) Sales ($ million)

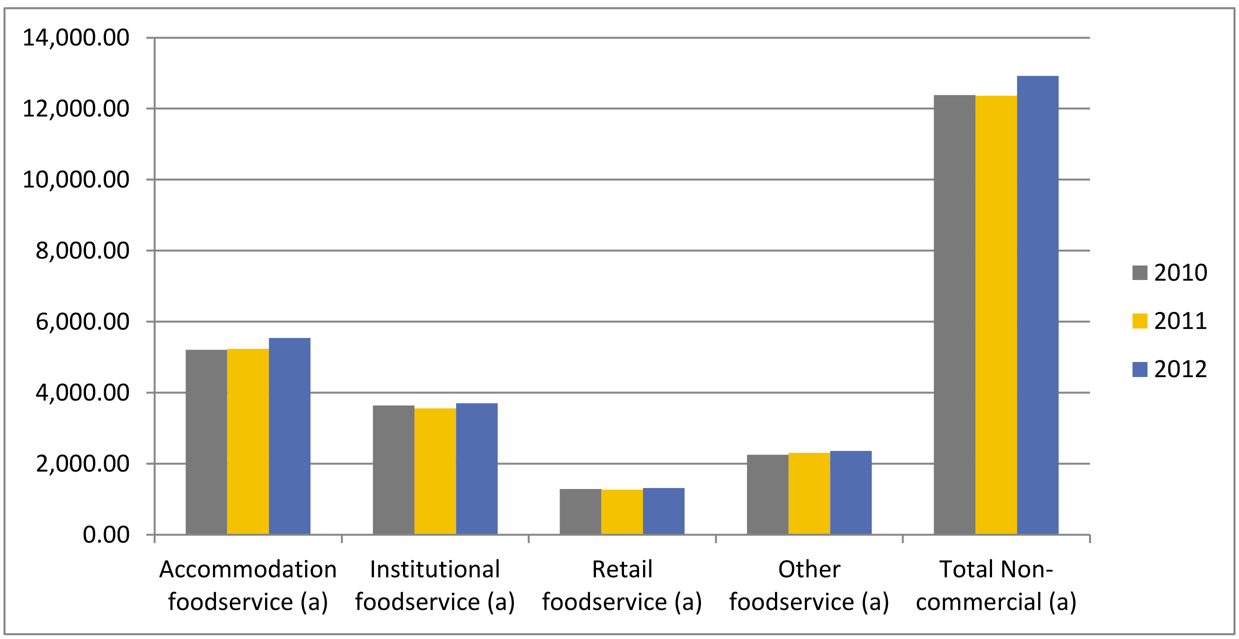


Figure 28: Figure 28: Foodservice Industry (Canada) Sales ($ million)

Type and (Classification)	Ontario			Canada		
	2010	2011	2012	2010	2011	2012
Accommodation foodservice (a)	2,082.4	2,092.2	2,217.6	5,206.0	5,230.5	5,544.0

Institutional foodservice (a)	1,454.2	1,424.7	1,479.2	3,635.5	3,561.8	3,698.1
Retail foodservice (a)	513.8	507.0	525.8	1,284.6	1,267.6	1,314.5
Other foodservice (a)	901.9	921.8	944.8	2,254.8	2,304.4	2,362.0
Total Non-commercial (a)	4,952.3	4,945.7	5,167.4	12,380.9	12,364.3	12,918.6

(a) For Ontario, estimated at 40.0 percent of Canadian total.

2.5 Food Distribution Canada, Ontario and Simcoe County - Highlights

2.51 Canada

Canada's food distribution sector represents the final link in the food supply chain from food producers and processors to consumers. The supply chain is a large and complex system that includes supermarkets, grocery stores, convenience stores, restaurants and fast food operations, as well as the wholesalers, distributors and brokers that supply them.

Canada's food distribution sector consists of the food retail and foodservice sub-sectors. There are approximately 24,000 retail stores and close to 63,000 foodservice establishments in the country, with total consumer sales of $131 billion in 2005. The sector employed 1.4 million people, and accounted for four percent of Canada's total Gross Domestic Product. [20]

The food distribution sector interacts directly with consumers and helps to interpret and convey consumer trends and demands to the rest of the food value chain. As such, it helps to address consumer concerns in areas such as food safety, quality, tracking and tracing, innovation, variety, value and convenience, in the ongoing evolution of food products and the agri-food industry.

The current distribution system focuses on maximizing efficiencies by aggregating large volumes of product to serve many different clients. This has resulted in a very small number of food distribution channels controlling a majority of the food supply

Retail Sub-Sector

The food retail sector sold about $71 billion of food and non-alcoholic beverages in 2005. Approximately 73 percent of these products were distributed through traditional food stores including both the large chains (e.g., Loblaw, Sobeys and Metro) and independent grocers. A growing portion (27 percent of food sales are now coming from other formats, such as drug stores, warehouse clubs [e.g., Costco], mass merchandisers [e.g., Wal-Mart], dollar stores and convenience stores).[20]

Foodservice Sub-Sector

The foodservice sub-sector had sales of about $45 billion in 2005. The majority of sales (78 percent) come from commercial establishments including full service restaurants (e.g., Swiss Chalet, Eastside Mario's, etc.) and quick/counter-service restaurants (e.g., McDonald's, Burger King, etc.). The balance is from non-commercial foodservice establishments that include hotels, institutions (e.g., hospitals), recreational facilities such as theatres and arenas, vending operations, and foodservice establishments in department stores.[20]

Typical Flow of Food from Suppliers to Buyers

This model (see Figure 29) depicts the flow of local food to regional/provincial aggregators that range from local producers to wholesalers and brokers. Traditionally, the food is sold to large national or multi-national distributors who, in turn, distribute to retailers, foodservice companies, and processors, who are in this model considered the consumer.

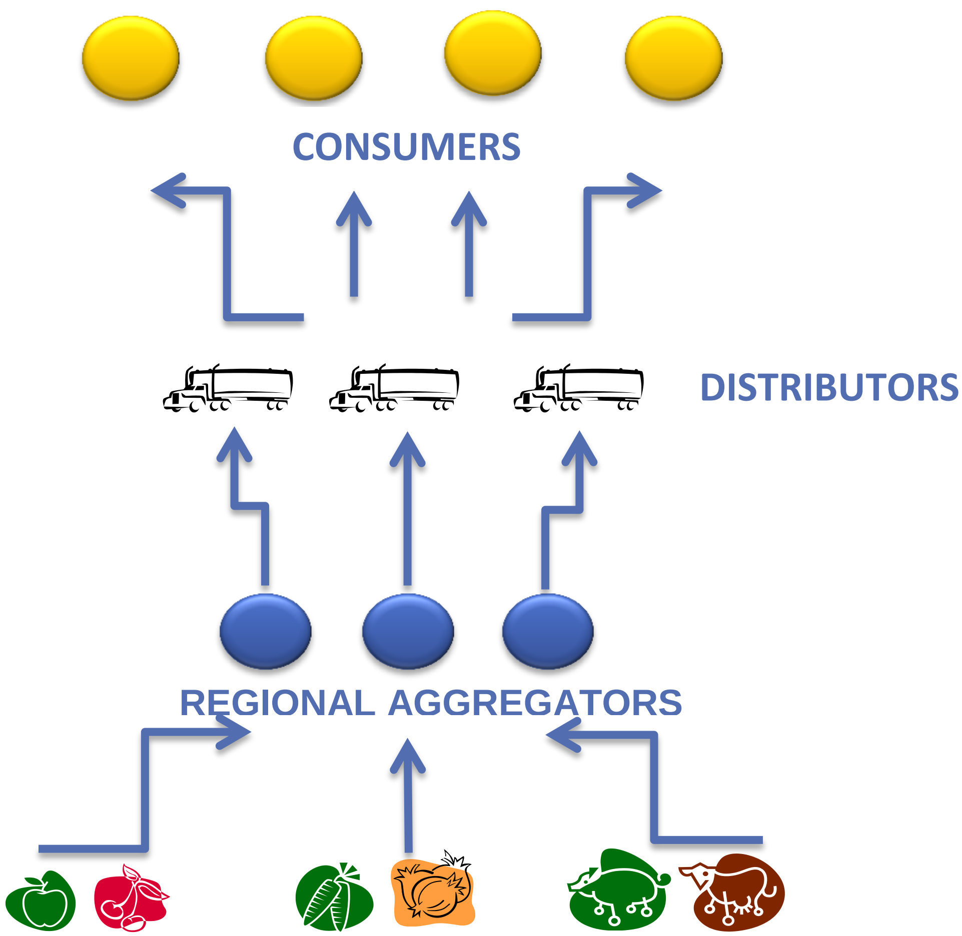


Figure 29: Typical Flow of Food from Suppliers to Buyers

Typical Food Supply Chain

Note: Not all elements would appear in every chain between the producer and the consumer. Some chains may bypass a processor or broker and move more directly between the producer and the distributor. At every point along the value chain, the participant, individual or organization must be paid for their efforts. Therefore, the more extensive and less direct the chain is, the more expensive the end product is to the end user.

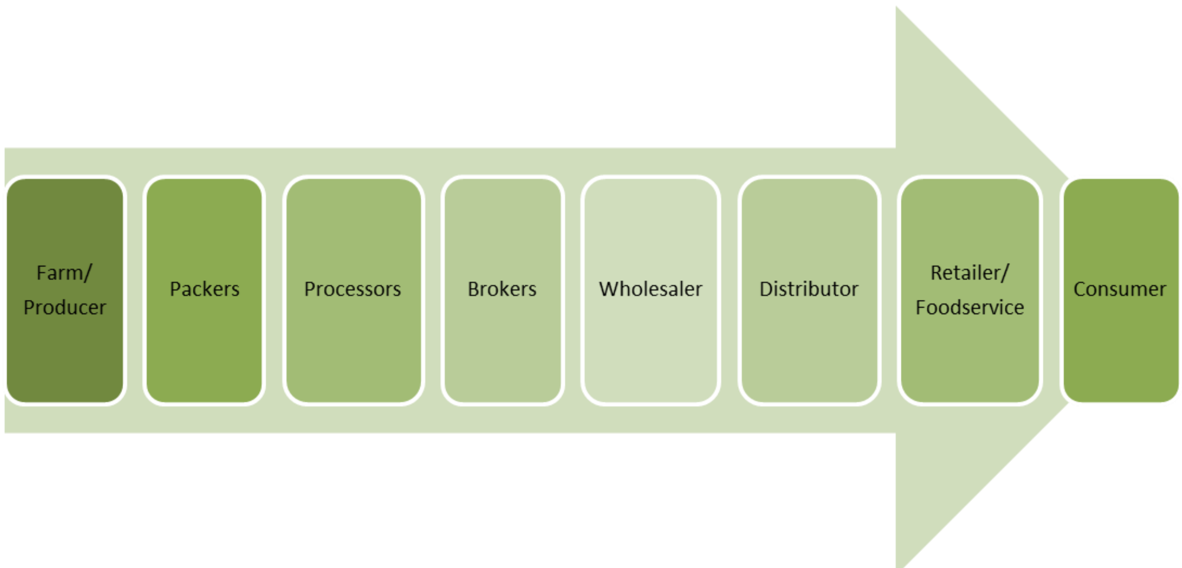


Figure 30: Typical Food Supply Chain

2.52 Ontario –Ontario Food Terminal (OFT) - the Food Distribution Channel for Ontario

The Ontario Food Terminal (OFT) is the epicenter of Ontario food distribution. It was built in 1954 and is the largest wholesale fruit and produce distribution centre in Canada, and the third largest North American food terminal outside of Los Angeles and Chicago. The Terminal sits on 40 acres next to the Gardiner Expressway, at the foot of the lakeshore in Etobicoke, a part of the sprawling metropolis of Toronto. The Terminal is not open to the public and acts entirely as a wholesale market, serving approximately 5,000 registered buyers. Over one million tonnes of produce goes through the terminal on an annual basis translating into approximately 5.5 million pounds per day.

Fruits and vegetables are shipped to the Terminal from Ontario farms from across Canada as well as from the United States and Mexico. Approximately 27 percent of produce originates from Ontario.

There are 21 warehouse tenants at the Terminal each with a 30-year renewable lease. Each tenant pays a nominal rent which goes towards the ongoing operational costs of the OFT, allowing each tenant the ability to sell their product without a substantial increase to their food product prices.

The OFT has remained opened for deliveries 24/7, 365 days of the year, except for a brief interruption during the 2003 North American Blackout.

Long hallways connect different parts of the facilities, from its 80,000 square feet of cold storage to its 10-acre outdoor farmers market. Buying and selling starts at 2am every day and does not let up for about eight hours. While much of the product shipped to the OFT comes from international growers, the farmer's market is well represented by local farmers who truck in their product daily.

The OFT operation is overseen by the Ontario Food Terminal Board of Directors.

2.53 Simcoe County

Within Simcoe County, food follows the same value chain as described in the 'typical food supply chain' previously mentioned (See Figure 30). The chain and process may be lengthened or shortened depending on products, producers, and needs of buyers.

Within Simcoe County, food is distributed in a number of different ways. For example:

a. Producer direct to Consumer through Farmgate, Farmers' Markets, Community Supported Agriculture (CSAs)
b. Producer to Producer/Aggregator to Distributor to Retailer/Foodservice to consumer
c. Producer to Processor to Distributor/Consumer
d. Producer direct to Foodservice
e. Producer directly to Retail

3.0 FOOD HUB MODELS

"The success of regional food hubs is fueled by entrepreneurial thinking and sound business practices coupled with a desire for social impact "[1]

A critical aspect of the food hub is defining its ownership, governance and management. These parameters will be a determining factor in how the hub is funded and whether it is financially viable.

The distribution of foods can take a variety of forms as producers, logistic companies and buyers invent more creative ways of servicing the demand for local foods in the community. Similarly, the model of the food hub can take on many forms as certain factors such as geographic location, filling certain market needs or business finance, shape the business model. As a result, most hubs are unique in their structure and function.

The design, organization, and function of a food hub can vary tremendously based on a multiplicity of factors, including: goals, target market, infrastructure, start-up funds, organizational management experience, and existing relationships. This portion of the report first provides a general typology of existing food hubs, including their dominant characteristics as well as their chief benefits and risks. This section also briefly outlines the various contexts to consider while examining the potential of a regional food distribution hub. Overall, the goal of this section is to provide a framework to guide the planning of a food hub in Simcoe County.

For specific Case Studies and profiles of existing Food Hubs refer to Appendix7.

3.1 Basic Functions of a Food Hub

As mentioned earlier in this report, the U.S. national Food Hub Collaboration defines a regional food hub as a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.

The UC Davis research team offers the following working definition: *"A food hub is a physical site for aggregation, storage, light processing, and distribution of food products from small- to mid-scale farms within a region. Additionally, food hubs can foster economic vitality, equity (social welfare of farm workers and consumers) and environmental sustainability in a region."*[21]

Regardless of the definition used, research indicates that the majority of existing food hubs offer a core group of minimum services as listed below:

<u>1. Aggregation/distribution</u>

A food hub can operate as a drop-off point for multiple farmers and/or a pick-up point for distributors/wholesalers/retailers who want to buy source-identified local and regional food.

2. Active coordination

The business management team of the food hub actively coordinates various supply chain logistics such as identifying markets for producers and coordinating efforts with distributors, processors, buyers, consumers, etc.

3. Permanent facilities

There must be some identified space and equipment for food to be stored, processed, packed, palletized, labeled, etc. (An exception to this is a virtual hub, which can serve as an online directory, database, and/or marketplace).

4. Other possible roles tied to community services

A food hub can provide space for wholesale and retail vending, health and/or social service programs, community kitchens, meetings, etc. A more detailed analysis of these roles is discussed in Section 4.7

3.2 Ancillary Services

Food hubs vary greatly in the scope of services and activities they offer to their customers, producers and their community. In general, to be considered a food hub, the facility must offer at least aggregation and distribution services. Brokering services between producers, storage facilities and consumers could be considered ancillary services for food hubs, unless they are virtual in nature.

In most cases, food hubs offer more than just the core services as detailed in the Basic Functions section (3.1). In order to increase revenue streams, or fulfill a more social agenda, or become a tourism destination, many food hubs will offer additional ancillary services.

Services provided by food hubs tend to fall into two categories: producer-oriented and consumer-oriented.

Figures 31 and 32 illustrates some of the operational services offered by food hubs as well as the frequency with which they are offered.

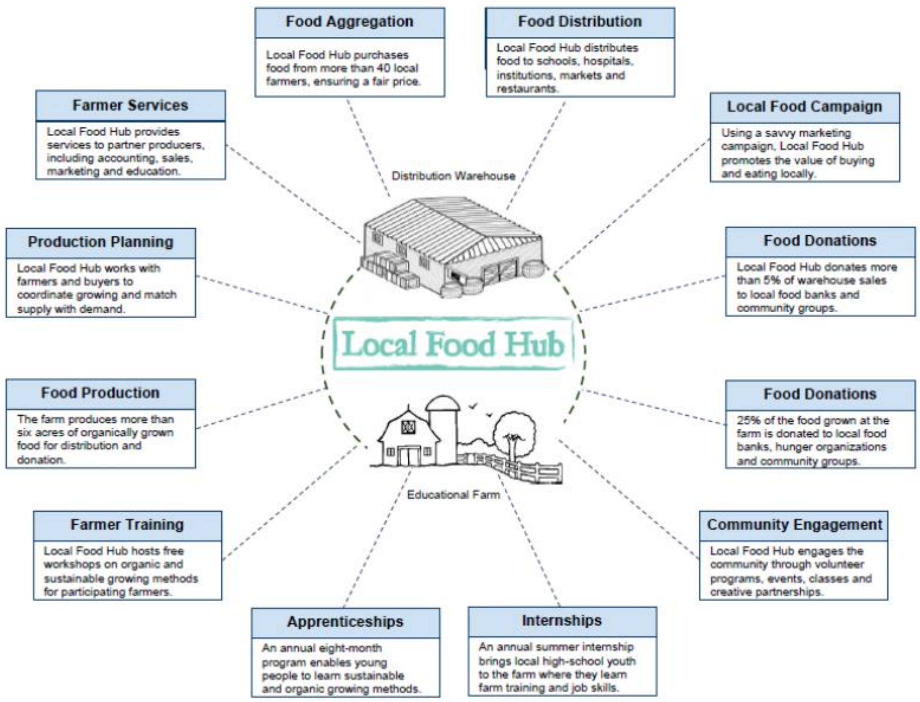


Figure 31: An example of a local food hub and their ancillary hub services (Local Food Hub, North Carolina)

Figure 32: Frequency of Offered Services

3.3 Market Segment Model/Product Ownership

Consensus seems to have been reached in the literature review concerning the existence of three models to consider when envisioning a food hub by its intended market. The three models display three different intended markets as well as three differing options of product ownership.

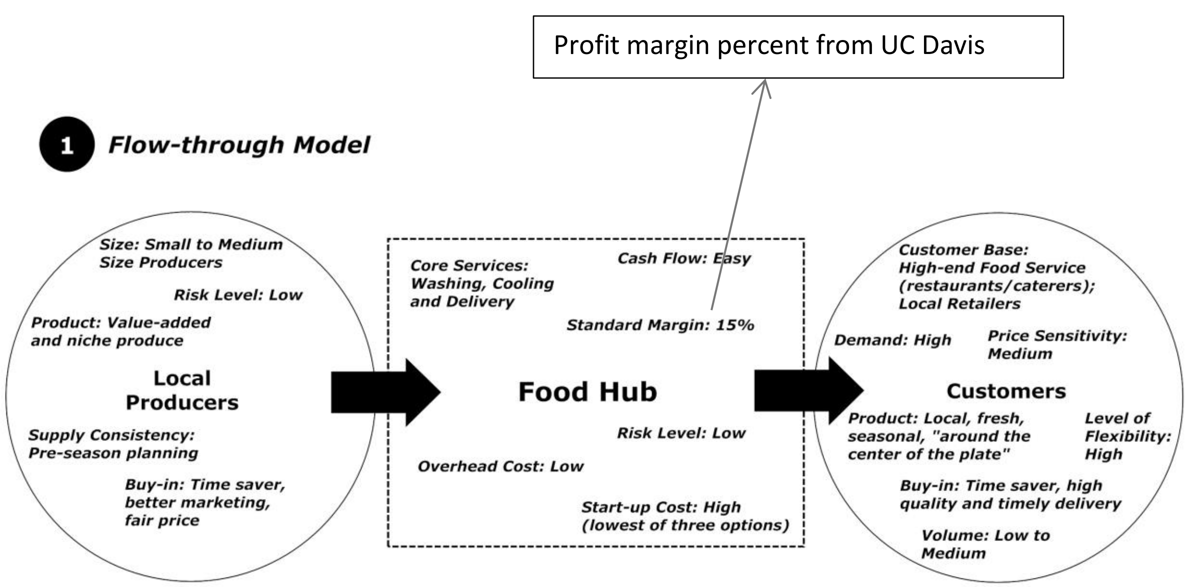
3.31 Hub Model 1 – The Flow-Through Model

The flow-through model (See Figure 33) is characterized by a rapid flow of a relatively low volume of product over a short period of time. In general, the hub never takes ownership of the product; rather it is taken, stored, and sold on consignment and the hub earns its revenue through a commission.

The primary services of such a food hub typically consist of cold storage, delivery and the sale and marketing of local products.

Because of its relatively low volume, the hub is limited to servicing smaller users such as local restaurants and gourmet food markets and shops. However, the advantage is that the hub takes on little financial risk and liability, and the capital investment in infrastructure, equipment and staff tends to be low, as the volume does not require large space or intensive storage and regeneration facilities.

This model of food hubs is often associated with strong normative criteria such as a mission to support local, sustainable, and organic agriculture, as its overriding reason for existence, rather than a profit or economic motivation.



PRODUCER CHARACTERISTICS (SUPPLIERS)	HUB CHARACTERISTICS	CONSUMER CHARACTERISTICS (CLIENTELE)
Small to medium sized producers are the basis of this Hub model	Core Services tend to be ,limited to washing, cooling, delivery and storage	The customer base consists of high end independent food service and local retailers
The risk level for producers is low as they are not committing the totality of their production to this one market	Cash Flow for the hub is not onerous as the ownership of product never changes hands from the producer to the Hub	The price sensitivity of these consumers is medium. They will absorb a slightly higher price for local products
CONSISTENCY OF SUPPLY Not as critical given end user needs	A mark-up of 10-15 % is charged by the Hub for its services	The customers are interested in local fresh, seasonal and possibly organic
Products tend to be value added or niche rather than staples and commodities	The risk level of the Hub is relatively low	The buy-in for consumers is the Hub tends to be a timer saver as it aggregates a number of products. It also is attractive because of the quality and delivery of the product
The attraction of the Hub for producers is that it offers a new market, it saves the producer time and offers a fair price	Overhead costs for the Hub tend to be low as there is limited equipment and capital involved	The volume required by the consumer is low to medium
	The start-up costs are the lowest of the three options	

Figure 33: Flow-Through Model - Hub Characteristics

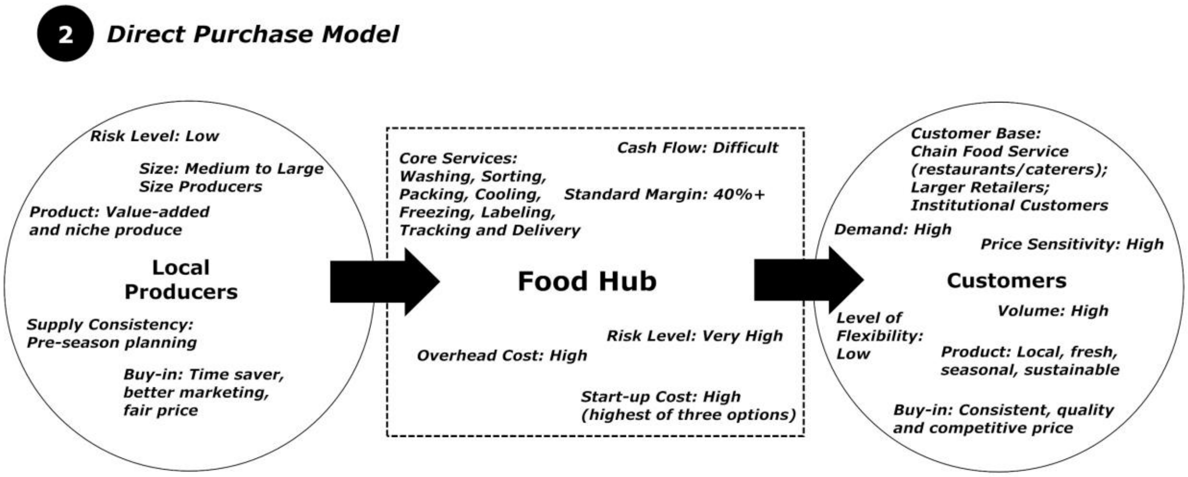
3.32 Hub Model 2 – Direct Purchase Model

The direct purchase model (See Figure 34) requires that the hub takes ownership of the inventory by direct purchase from the producer. This obviously puts a greater onus on the hub to manage cash flow in a fiscally responsible manner as well as sell its entire inventory in a timely manner. In transferring ownership, the food hub now has a responsibility to sell the product in a timely manner as any loss or spoilage now becomes the responsibility of the hub.

The hub also becomes solely responsible for any fluctuations in the price of the commodities and must be prepared to absorb those costs. Due to the larger inventories required, there is also a larger service requirement in the form of washing, sorting, grading, packing, labeling, cooling, freezing and delivery.

The advantage of this model is that it has larger margins and therefore more potential for profitability and, due to the larger inventories required, it now opens the way to servicing larger institutions such as chain food service, institutional food service and larger retailers.

In almost all aspects, this model is the highest risk and the most costly in terms of capital investment. However, it does offer the greatest potential impact to the local economy, access to local food and establishing local food sustainability. By dealing in larger volumes more revenue is generated and the resulting jobs create a larger economic footprint.



PRODUCER CHARACTERISTICS (SUPPLIERS)	HUB CHARACTERISTICS	CONSUMER CHARACTERISTICS (CLIENTELE)
Medium or large sized producers are the basis of this Hub model	Core Services tend to more extensive than the previous model: Washing, sorting, packing cooling, freezing, labeling, tracking and delivery	The customer base consists of chain food service, large retailers and institutional food service
The risk level for producers is low as they are selling their product to the Hub	Cash Flow for the hub is more difficult as the Hub is now purchasing the product from the producer.	The price sensitivity of these consumers is high. Due to the large quantities they are buying the price must be competitive with other sources
CONSISTENCY OF SUPPLY Not as critical given end user needs	As a result of higher equipment and capital costs, services offered as well as risk the margin is higher- 40% +	The customers are interested in local fresh, seasonal and possibly organic
Products tend to be value added or niche rather than staples and commodities	Ownership of the product plus higher capital investments means that the risk level is very high.	The buy-in for consumers the product consistency and competitive price. Local and seasonal is not so great a deciding factor for these consumers
The attraction of the Hub for producers is that it offers a new market, it saves the producer time and offers a fair price	Overhead costs for the Hub tend to be high as there is increased equipment and capital involved	The volume required by the consumer is high
	The start-up costs are the highest of the three options	

Figure 34: Direct Purchase - Food Hub Characteristics

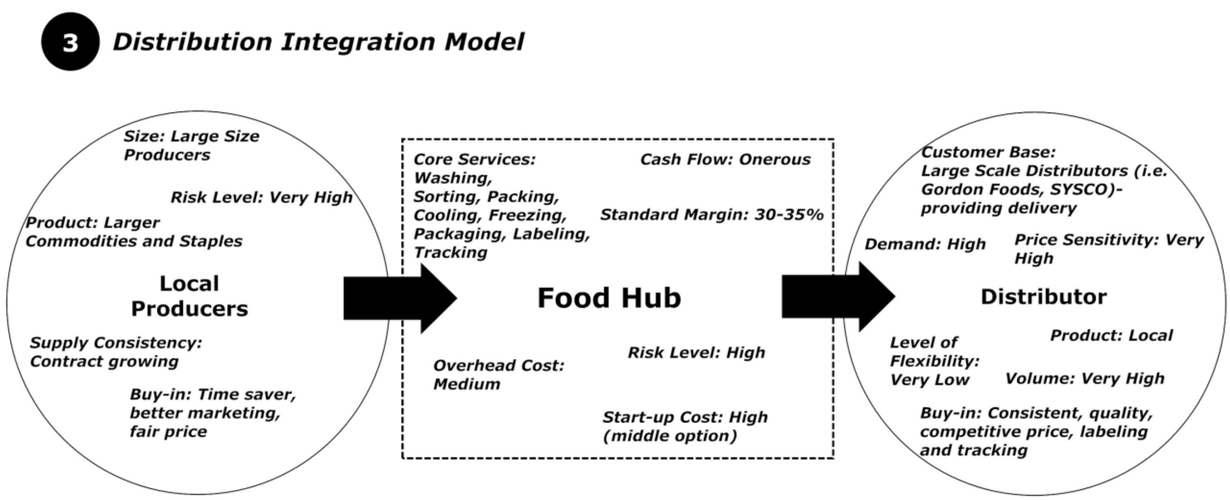
3.33 Hub Model 3 – Distribution Integration Model

This final model (See Figure 35) requires the food hub act as an additional distributor to the existing distribution market. The hub works in conjunction with the distributors such SYSCO and Gordon Food Service (GFS) by aggregating quantities of local product and feeding it into the distribution system.

The issues with this model are similar to model two. The food hub assumes ownership and therefore liability for the inventory and the ensuing cash flow issues can be onerous.

The advantages of this model are that it allows a food hub to create and control an entire distribution channel. Due to the fact that this model can only deal in much larger volumes, the realized profits and revenues will also be correspondingly larger.

A further issue is that in dealing with large distributors the hub would be responsible for fulfilling contracts based on volume. In attempting to fulfill these contracts, the food hub may find it imperative to go beyond its geographic boundaries to service its agreements. The product line of such a hub often shifts to commodity items and staples and away from niche and value added products.



PRODUCER CHARACTERISTICS (SUPPLIERS) 	HUB CHARACTERISTICS 	CONSUMER CHARACTERISTICS (CLIENTELE) 
Large sized producers are required to service the end users	Core Services tend to more extensive than the previous model: Washing, sorting, packing cooling, freezing, labeling, tracking and delivery	The customer base consists of large scale distributors(i.e. GFS and Sysco)
The risk level for producers very high for producers as they must commit a great deal of their total product to the contracts that the Hub arranges	Cash Flow for the hub is very difficult as contracts need to be arranged well in advance and are not paid for until delivery	The price sensitivity of these consumers is very high. Due to the large quantities they are buying the price must be competitive with other sources
CONSISTENCY OF SUPPLY Consistency is key as the producer is now a contact grower	As a result of higher equipment and capital costs, services offered as well as risk the margin is higher- 35-40%	The customers are interested in local
Products tend to be large commodities and staples	Ownership of the product plus higher capital investments means that the risk level is very high.	The buy-in for consumers is consistency,, quality, competitive pricing, labelling and tracking
The attraction of the Hub for producers is that it offers better marketing and fair prices	Overhead costs for the Hub tend to be high as there is increased equipment and capital involved	The volume required by the consumer is very high
	The start-up costs are the highest of the three options	

Figure 35: Distribution Integration - Food Hub Model Characteristics

3.4 Revenue Model

The revenue model or the legal business structure of the food hub will have a definite impact on tax liability, general risk management and liability exposure, as well as determine opportunities for growth and expansion by leveraging capital expansion.

USDA's Regional Food Hub Resource Guide divides the structure of food hubs into several organizational categories.[1] Based on a working list of 168 food hubs, the report finds that privately held businesses are the most common type of food hub, accounting for 40 percent of the legal entities. Nonprofits – many of which are producer-owned and may function as a co-operative – are the next most common legal structure, accounting for 32 percent of all food hubs, followed by for-profit co-operatives at 21 percent. Refer to Figure 36.

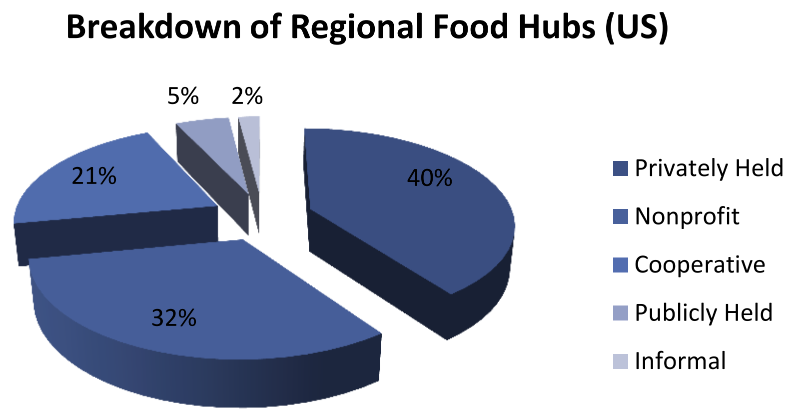


Figure 36: Breakdown of Us Regional Food Hubs by Revenue Model

The USDA has mapped out the current Food Hubs in the United States. To review this map, see Appendix 12.

3.41 For-Profit Food Hubs

A majority of food hubs are run as profit-centered organizations and they generally fall into five categories;

1. Producer/Entrepreneur
2. Public Sector
3. Wholesale/Retail
4. Consumer Driven
5. Virtual

For the purposes of this discussion, the virtual model will not be discussed. On the advice of the steering committee, the intention of this study is to determine the feasibility of a stand-alone, physical aggregation facility. Through the research, we have learned that most food hubs also have a virtual component to support ordering and logistics.

Producer-Entrepreneur: This is a for-profit model to help growers access new markets and take advantage of the opportunities these markets offer. Operations are often started by a consortium of farmers and/or entrepreneurs who see gaps in the local food distribution system that they can fill, at a profit.

Public Sector: Some governments value the economic and/or community and social development that food hubs offer. From an economic or social agenda, local and/or provincial governments may choose to invest. Research of the US system, reveals few food hubs of this type, with the exception of subsidized local farmer's markets.

Wholesaler and Foodservice: Based largely on the food co-operative model, some retail stores have used their facilities and combined consumer support to launch successful food hubs. These hubs also create wholesale market opportunities with large distributors and food retailers, providing product pick-up and distribution, supply delivery service, and refrigerated storage for local farmers and producers. This particular model is currently being explored by 10 Fold Farms and Ciboulette et Cie, of Midland, Ontario.

Consumer Led: In this model, a group of consumers buys produce from producers and wholesalers to distribute among their members and sell to other consumers.

3.42 Food Hubs as Non-Profits

USDA data shows that nearly a third of food hubs are non-profit. Non-profit organizations are usually mission driven i.e. they are usually defined by some greater social mission other than profit and this social motivation drives their development.

One example of this is Red Tomato of Canton, MA. Its web site notes, "Our work connects the innovation, practicality and (sometimes the sheer adrenaline) of business, with the deliberation and creativity of nonprofit social change. We connect local, family farm production with fair pricing and supermarket availability; fresh, in-season, perfectly ripe produce with high standards of ecological stewardship; beautiful packaging with sustainable materials; risk-taking with fair trade for farmers; and science-based research with deep respect for traditional agriculture." [22]

3.43 Co-operative Structured Food Hubs

A co-operative structure usually falls into one of three forms: producer-led, retailer-led, or consumer-led. There are several advantages inherent with co-operatives, not the least of which is their membership fees which become a substantial source for the overall revenue stream. Co-operatives are managed by a Board of Directors, elected by the members who manage the organization to meet the needs of member, such as providing fair returns on products sold, arranging transportation of goods and contract negotiation.

Many food hubs of this variety have evolved into multi-stakeholder co-operatives where the business structure consists of consumers, workers and producers in the same business entity. An example of this type of hybrid is the Weaver Street Market in Carroboro, NC. [23]

Model type	Benefits	Risks
Non-profit driven	More likely to attain government or grant funding More likely to focus on community development aspects of food system (e.g. needs of low-income producers/consumers)	May not have the business or technical background necessary to create a viable operation Once seed funding has exhausted, may face difficulty with economic viability
Producer/entrepreneur	More likely to have adequate business/technical background	May not have necessary seed funding
	More likely to have solid knowledge of local food systems	May not focus on normative criteria (mentioned in Introduction)
	Likely to feel a high level of "investment" in the success of the hub because personal economic viability is involved	
State/Municipality-driven	Potentially more stable (than previous two) if a steady flow of funding is secured Coordination with other relevant government agencies may lessen ?red tape (e.g. coordination with Economic Development Offices and Agriculture Ministries) Local government has vested interest in stimulating local economy Likely to focus on normative criteria	With shrinking budgets for local governments, securing povernement-driven support/funding may be difficult May not have relationships with necessary actors (farmers, processors, etc.)
Wholesale/Retail	More likely to have business savvy and existing connections to consumers and producers	Producer may be over-reliant on the retailer
	May have existing infrastructure	May not focus on normative criteria
		Governance structure can vary dramatically; administration/coordination model must be identified early
Consumer-driven	Reflects existing consumer demand Often a way to connect consumers and producers with limited use of "middle men" If sole purpose of hub is exchange,there will be limited infrastructure needs	May not have necessary business/agriculture background necessary to inititaite/operate the business Will need to identify who will be responsible for coordination May not have relationships processors, etc so the hubwill need to identify partners along the food system chain depending on needs/wants of hub May not focus on normative criteria
Virtual	No (or limited) new infrastructure costs	Governance - who would operate this model type?
	High amounts of information available online	May not focus on normative criteria
	Can connect producers with buyers "real-time" and in a way that can be easily tracked, processed (paid) and recorded online	

Figure 37: Summary: Benefits and risks of the various models

3.5 Governance

All that can be said at this time about a governance model for a Simcoe County regional food distribution hub is that the form of governance will be dictated by the food hub model that is selected. A suitable governance model will help to establish a strong operational model, including a management team that will run the different components of a food hub to best serve producers and consumers of the region.

Co-operative ownership models generally lend themselves to a governance structure that incorporates a board, made up of representatives from stakeholder groups. Board members generally have equal say and voting rights in determining broad issues of policy and operation.

An entrepreneurial ownership model will also incorporate a board. However, these boards do not necessarily require equal representation of stakeholder groups, nor do they operate democratically. Chairs or directors are often appointed to make decisions or to decide deadlocked issues.

There are several board models to be considered:

Advisory Board Model: This model emphasizes the helping and supportive role of the board. It is frequently used when the leader of an organization (whether official or unofficial) is also the founder. The board's role is primarily one of helper/advisor to the founder. Board members are recruited for three main reasons: they are trusted as advisors by the non-profit founder; they have a professional skill that the non-profit needs but cannot pay for; they may be helpful in establishing the credibility of the organization for fundraising and public relations purposes.

The Advisory Board model can work well for a short time in many organizations. However, it exposes board members to significant liability because it doesn’t have the accountability mechanisms that are required of boards of directors. By law, the board has an obligation to manage the affairs of the organization and it can be held accountable for certain actions of employees and committees. It must therefore maintain a superior position to the non-profit organization’s founder.

Patron Model: The Board of Directors in the Patron Model has less influence over the organization than an advisory board does. These boards are generally composed of wealthy and influential individuals with a commitment to the mission of the organization. The Board serves primarily as a figurehead for fund-raising purposes. Such boards meet infrequently as their real work is done outside of board meetings. Writing cheques and getting their friends to write cheques is their contribution to the organization.

Some non-profit organizations maintain a patron board in addition to their governing board, as they are particularly useful in capital campaigns and establishing credibility. However, they cannot be relied upon for governance tasks such as vision development, organizational planning, or program monitoring.

Co-operative Model: This model is non-hierarchical. All responsibilities are shared, and there is no leader of the board or of the non-profit organization. Decision-making is normally done by consensus and no individual has power over another. Because the organization is required to have a board of directors, they strive to fit it into the organization’s philosophy by creating a single managing/governing body composed of official board members, staff members, volunteers, and clients.

Many view this model as the most democratic. However, it can also be the most difficult structure to maintain, as it requires a shared sense of purpose, an exceptional level of commitment by all members, a willingness to accept personal responsibility for the work of others, and the ability to compromise.

Management Team Model: Most non-profit organizations adopt this model, organizing their committees and activities along functional lines. In larger organizations, the structure of the board and its committees usually reflects the structure of the organization's administration. Just as there are staff members responsible for human resources, fund-raising, finance, planning, and programs, the board creates committees with responsibility for these areas.

Where there is no paid staff, the board's committee structure becomes the organization's administrative structure, and board members are also the managers and deliverers of programs and services. Individually, or in committees, board members take on all governance, management, and operational tasks, including strategic planning, bookkeeping, fund-raising, newsletter, and program planning and implementation.

Criteria used in the selection of members tends to focus on a candidate's knowledge and experience in a specific field, such as business or accounting; or on their membership in a special interest group that the board considers to be an important stakeholder.

Policy Board Model: Under this model, the organization views that the responsibility of the board is to establish the guiding principles and policies for the organization. For instance, this could include delegating responsibility and authority to individuals who are responsible for following the principles and policies. They may also be expected to monitor compliance with those principles and policies and, they take responsibility for ensuring that staff and board are held accountable for performance. Members are selected based on their demonstrated commitment to the values and mission of the organization. This model works best in a well-established organization where a complete and trained staff is in place.

3.6 Economic Impacts

"When Ontarians choose local food, we all benefit. It keeps our dollars circulating locally, creates jobs and reinvigorates our communities".[24]

Ontario's agri-food sector contributes $34 billion a year to the provincial economy and provides employment for more than 700,000 people across the province. [24] In 2013, an estimated 86,800 people in Ontario were employed in agriculture and related services, representing roughly two percent of the provincial labour force. When compared to the labour force in manufacturing, which is 18.4 percent of the overall labour force, this figure seems low. However, the two percent figure does not account for people who are employed in industries that are linked to the primary agriculture sector. Within Ontario's manufacturing sector, for example, 8.8 percent of the labour force is employed in food manufacturing, which includes meat and poultry products, fruit and vegetable industries, dairy products, flour and feed industries, and others.[5]

In 1996, the agriculture and related sector was the twelfth largest employment sector in Simcoe County, with an estimated 4,770 employees, which represented 4.1 percent of the agriculture and related labour force in Ontario. By comparison, real estate, finance/insurance and the communication sectors each employed between 3,000 and 4,500 people. [5]

Food hubs provide opportunities for local procurement on a larger scale, which in turn, creates jobs, generates business taxes, and increases earnings throughout the region. A recently completed food hub feasibility study in southern Wisconsin estimated that a food hub running at full capacity could potentially create 400 jobs and inject an additional $60 million into the local economy. Furthermore, it would be able to serve as many as 50 family farm businesses with the potential to increase their overall farm revenue by $900,000 to $1.8 million. [25]

Regional food distribution hubs create jobs directly in the operation of the hub, and indirectly, supporting the growth of job opportunities along the entire supply chain.

Increasing community agriculture improves community, municipal, and provincial/state economies due to the multiplier effects from direct sales of locally-produced goods. Limited local supply and high demand for local produce can establish an environment in which new businesses flourish, especially in nearby metropolitan and rural communities. By extension, this can create new jobs within the supply chain as well as additional services that grow out of a flourishing local food economy. [25] These types of businesses are usually involved in the processing, modification or disposal of local food products. Food hubs allow producers an opportunity to capture a higher value for the products they produce. A recent USDA study revealed that producers involved in local supply chains received a greater retail price than they did from a mainstream food supply chain. [25]

Producer shares of retail revenues and the proportion of wage and proprietor income retained in the region, vary across products and locations. The producer’s share of revenues generally decreases with distance to market and the number of intermediaries involved in the supply chain. The percentage of final consumer price retained by producers can vary from 12 percent to roughly 60 percent. [25]

3.61 Producer-oriented Food Hubs

The majority of these food hubs offer aggregation and distribution services as well as selling products to wholesale and retail customers. Other services could include the provision of marketing, brokerage and promotional services to the producers.

A smaller subset of these food hubs offer post-harvest handling services such as grading, washing, packaging and various forms of processing such as canning, cutting and labeling. A fewer number of these food hubs will engage in these services, as they tend to be capital-intensive, and the regulations governing these facilities can be onerous.

In Ontario, for instance, there are more than 50 municipal, provincial, and federal regulations that food processors must be in compliance.

3.62 Consumer-oriented Food Hubs

Consumer-oriented food hubs tend to be community service oriented, and they usually only sell to retail customers. All of the food hubs of this sort, operating in the U.S. revolve around participation in food-assistance programs such as SNAP (Supplemental Nutrition Assistance Program) and WIC (Women, Infants and Children).

The shared-use kitchen concept some of these food hubs offer, are of interest to both producers and consumers. These kitchens are generally rented by the hour and are commercial in nature. They allow farmers to conduct value-added processing of their excess produce. Local food entrepreneurs who require commercial food-grade space to develop recipes and process products may also use these kitchens. Local caterers and restaurants that lack production capacity, may also make use of these facilities. The Foodworks Incubator Kitchen in Michigan is a good example of this kind of consumer-oriented food hub. [26]

3.7 Best Practices, Opportunities and Risks

"The challenge cited most often by interviewed food hub operators was the difficulty of balancing supply and demand. Most of these hubs are finding the demand for locally produced food is simply greater than their regions can supply, especially within certain product groups".[1]

The development of a regional food distribution hub for Simcoe County offers both opportunities and risks. However, there are best practices that illustrate ways to help mitigate some of the risks and provide guidance on how to draw on the opportunities such ventures offer. The following chart offers generic best practices as outlined in a Deloitte study of best practices in local food [26].

3.71 BEST PRACTICES

BEST PRACTICES	
Activity	**Description**
Analysis	Conduct environmental scan to determine assets and gaps in small to mid-scale local food aggregation and distribution infrastructure.
Plan	Determine feasibility, core functions, business plan, governance, ownership structure and site for a central food hub.
	Identify product mix, scale of operation, and equipment requirements for a food hub (e.g., refrigerated vehicle, loading dock, and warehouse).
Survey	Conduct stakeholder consultations with businesses, government, and non-profit participants directly involved in supporting the food hub operations, alongside potential local food industry participants, including institutional food buyers, distributors, retailers, municipal departments such as planning and health units in order to assess the need for a food hub and level of interest.
Infrastructure	Provide vacant or underutilized government assets (e.g. building, storage facilities, vehicles) that can be retrofitted to be used for the food hub initiative.
Human resources	Consider human resources requirements, including:
	• Food hub manager who is responsible for the financial oversight, business development and grant applications
	• Sales and community animator who works with stakeholders and promotes the food hub within the community
	• Warehouse manager/distribution coordinator who organizes and oversees day-to-day facility operations
	• Delivery person who works as a liaison between the hub and its customers and requires high degree of knowledge regarding all products
Operations	Facilitate pre-season planning with producers based on established market demand.
	Monitor trends in sales and growth, and identify expansion opportunities in advance to plan ahead for infrastructure and facility resources.
Communication	Create ongoing outreach communication materials such as face-to-face and online communities of practice to facilitate networking with other food hub operators.
Marketing	Develop a marketing strategy using the local farm “story” that creates a sense of connection between the producers and consumers.
Partnership	Consider public-private partnership, in which the municipality provides needed infrastructure (e.g., land, warehouse, equipment) and a private company operates the facility as a tenant without seeking full ownership of the property. Same model can be achieved with non-governmental organizations.

Figure 38: Food Hub Best Practices

3.72 OPPORTUNITIES AND RISKS

Opportunities

Almost all the food hub operators who participated in the 2011 National Food Hub Collaborative (NFHC) survey and follow-up interviews indicated there are opportunities to expand their operations. Tapping new markets and increasing their product offerings were cited as the two clearest paths for expansion.

As part of the 2011 survey, respondents were asked to list their primary and secondary market outlets; primary markets being those market channels that comprise a majority of sales, and secondary markets being those channels in which they participate but comprise a smaller portion of their overall sales. The top market outlets for food hubs include: restaurants (84 percent), grocery stores (69 percent), colleges and universities (62 percent), food co-operatives (53 percent), other distributors (53 percent), and school foodservice providers (53 percent). It is worth noting that colleges and universities remain more of a secondary rather than a primary market for food hubs, a trend reflected in other institutional markets as well. For example, only 16 percent of the surveyed food hubs listed hospitals as a primary market, but 27 percent listed them as a secondary market.

In terms of the types of products that food hubs offer to their clientele, the 2011 NFHC survey shows that almost all food hubs (96 percent) sell fresh produce. The majority of them also sell a variety of other products including, including eggs (76 percent), dairy (64 percent), meat (62 percent), poultry (62 percent), and grains (56 percent).

While fresh produce remains central to most of the food hubs' overall sales, many operators indicated in follow-up interviews that they intend to increase their product offering to include more proteins, grains, and value-added products. This is seen as a way to keep pace with customer demand and to ensure that they can offer products year round. Several food hubs see processing as a potential way to use "seconds," reducing waste and increasing revenue for producers. [1]

Risks

Capacity Limitations

Food hubs often rely on small and medium producers as their core business partners. These same producers often find it difficult to meet intermediary demands of high volume, consistent quality, timely delivery and out of season demand for their products.

The USDA Agricultural Survey indicates that the incentive for these producers to expand and become more efficient is diminished as they spend more time off-farm, performing entrepreneurial activities such as marketing and participating in farmers markets. For this reason, the food hub has an important role to play in helping to keep the producer engaged in their primary activity. [1]

From the farmer's perspective, the risks of selling in local markets include low sales volumes, price competition from multiple sellers, rejection based on quality requirements and an inability to meet specifications. There are additional challenges meeting logistical requirements and maintaining buyer contracts. A local food hub can help producers overcome these challenges.

Restaurateurs and buyers also face challenges including sourcing consistent quality products, availability, finding reliable local suppliers, purchasing directly from producers, dealing with multiple suppliers, and a lack of knowledge about the variety of locally produced products. [27] Local food hubs can also assist this group.

The lack of infrastructure in local food distribution has been identified as one of the greatest barriers to restaurants and institutions. The local food supply lacks mid-scale, aggregation and distribution systems that can move local food into the mainstream markets in a cost effective manner. The lack of investment in supply chain infrastructure such as transportation, specialized vehicles, storage facilities and processing plants, can be a significant barrier to starting a local aggregation and distribution businesses. [27] Commonly cited barriers for these types of businesses include the cost and associated technologies of logistics software.[2]

Traceability

Once products are aggregated with others, they are no longer identifiable by the origin and production processes of a particular farm. Without being able to trace products, buyers must assume higher levels of risk and liability for cases of foodborne illness. In order to mitigate these risks, buyers often look to established recordkeeping processes before purchasing local food from a supplier. Small and local producers tend to lack the knowledge and resources necessary to create product monitoring systems that would facilitate quick and easy product identification and traceback. [1] Adoption of easy-to-use recordkeeping devices including farm-level labeling helps to identify the source of products during an outbreak of foodborne illness, and will also encourage more large commercial buyers to purchase more local food products.

Limited Farmer Expertise and Training

Research suggests that local growers often need education and training, at the local level, to meet market and regulatory requirements and expand their access to local customers. Areas they must consider include post-harvest practices, record keeping, certification and liability insurance requirements. [27]

Balancing Supply and Demand

The challenge most often mentioned by food hub operators is the difficulty of balancing supply and demand. Most of these food hubs find that the demand for locally-produced food is greater than their regions can supply, especially within certain product categories. One operator, whose organization handles organic foods exclusively, says that there are not enough organic farmers in his region to satisfy the demand for locally produced organic foods. Another operator identified seasonal fluctuations in supply as a particularly difficult challenge, noting that there is often not enough product available for purchase, especially during winter months.

Growers are not interested in 'switch seasons' farming. This requires reducing production in the summer and increasing production in the winter with season-extension practices. Other operators found it challenging to manage supply and demand for a variety of products. As one Midwest food hub operator stated, "We have an oversupply of meat and an undersupply of fresh produce and value-added products." [1]

Price Sensitivity

Despite indications of growing consumer demand for locally and regionally- produced foods, many wholesale buyers still resist paying more for products from a food hub than they would pay from another distribution entity. A buyer's resistance to paying a premium for local and regionally grown food can discourage wholesale buyers from making long-term purchasing commitments. As one food hub manager stated, "the businesses have to care about buying a higher- priced product," and not all of them do. This problem is accentuated by the fact that the distance from rural production areas to urban markets can be lengthy, time-consuming and costly, making it even more difficult for food hub managers to deliver merchandise at a mutually satisfactory price.[1]

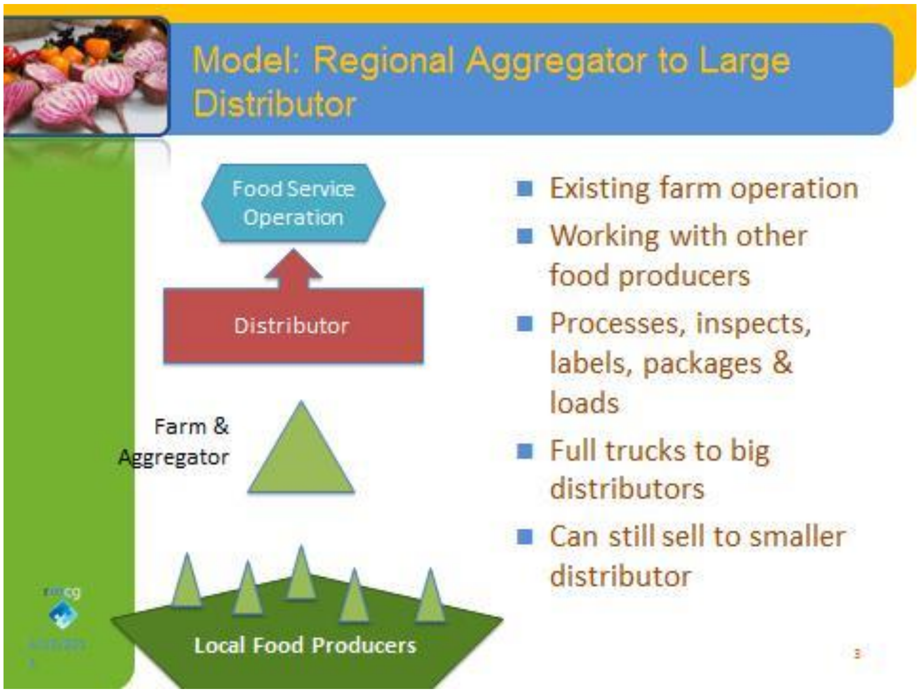
Managing Growth

Many food hub operators cited the challenge of effectively managing growth to keep pace with market demand. As one operator stated: "We've grown to an extent where we have outgrown our capacity in terms of our physical infrastructure and business system. We are faced with the need to expand our cooling facility and implement more sophisticated accounting and management systems. [We] didn't invest adequately in infrastructure as we were going along, we just didn't know what the potential was."[1]

3.8 Models for Food Distribution Hubs that exist in Simcoe County

3.81 Model 1- Regional Aggregator

A large farm operation works as the middle entity to aggregate food products from a number of local farms, then processes, inspects, labels, and packages for delivery to a large food distributor.



Advantages

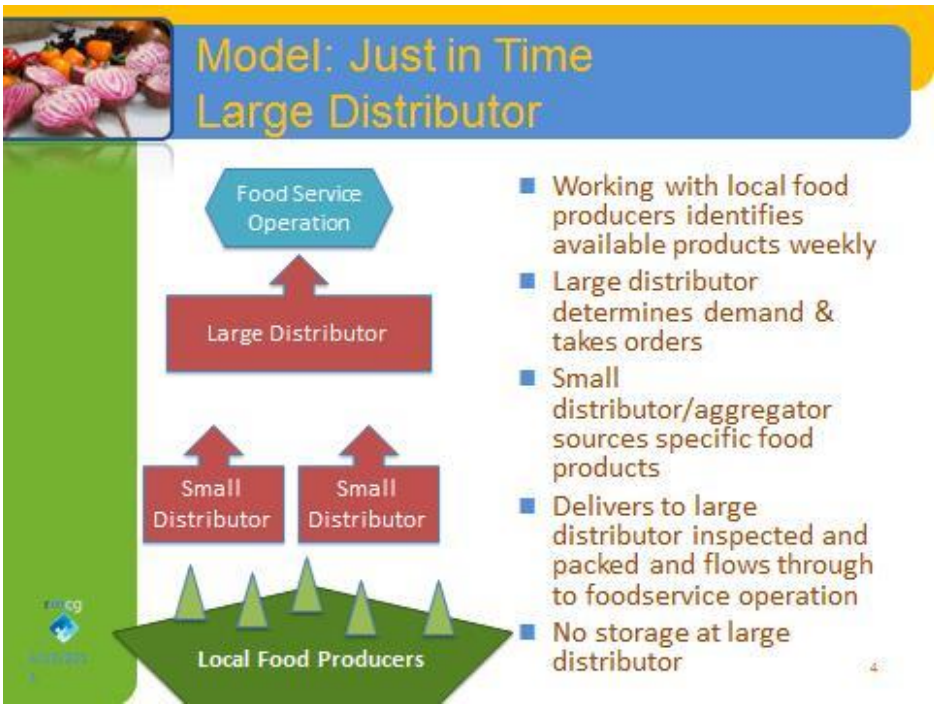
- As a local producer, the aggregator works in a peer-to-peer relationship with other farmers and has familiarity with product knowledge, quality and price points needed by the producer
- Local food producers supplying the aggregator have shorter delivery distances
- Full truckloads travel to the large food distributor therefore creating greater efficiency for unloading (i.e. shorter wait times, fewer bays & fewer trucks with half loads).
- If provided, value added services supplied by aggregator on behalf of farmers and distributors including post-harvest handling, quality assurance/grading, some processing, tracking, labelling, and packing/packaging
- Distributors get access to wider range of local food products at a single location
- Distributor holds contract with single supplier (aggregator)
- Provides additional profit margin to aggregator for services rendered
- Provides one-stop purchasing for distributor.

Disadvantages

- Aggregator may have limited storage and processing capability limiting the number of producers able to participate
- Limited to farmers who have capacity to enter into a large distribution contract
- Without sufficient types of storage, may limit range of products (off gases from one may impact other products).

3.82 Model 2   Just-in-Time Distribution to Large Distributor

Large distributor works with a regional aggregator/wholesaler to identify local food products on a weekly basis to source local foods for delivery on a just-in-time basis. Large distributor notifies food service operations of available food products on a weekly basis for placements of orders by a set time each week. Once all orders are in, regional aggregator sources, inspects and packages orders for delivery to large distributor for immediate delivery to foodservice and/or retail operations.



Advantages

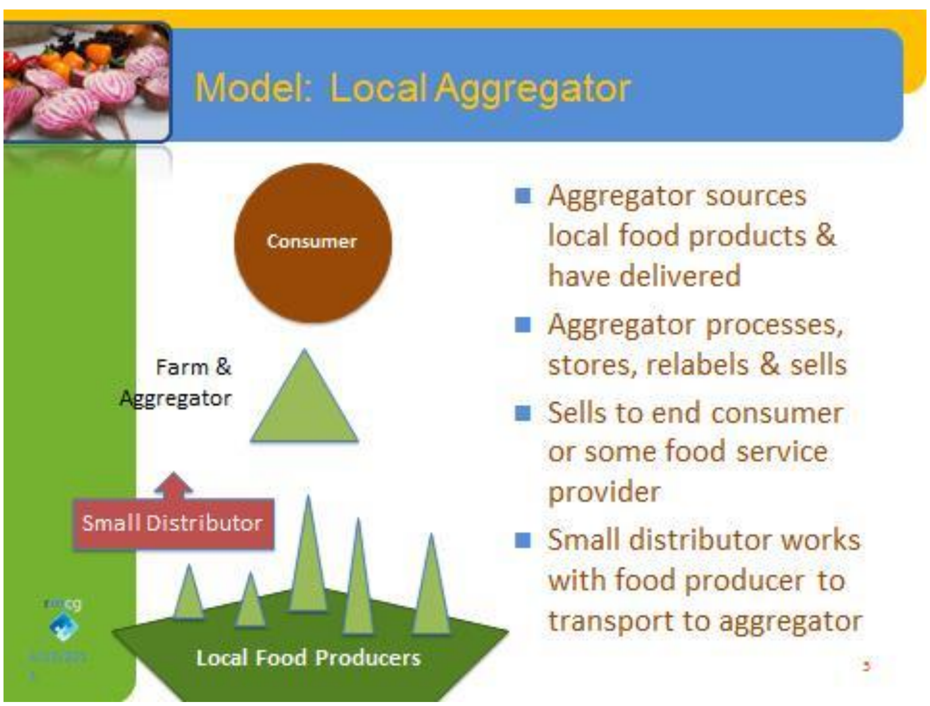
- Food producers can gain a positive reputation by consistently offering quality products, production, labelling, and packaging
- Local, just-in-time food products can be priced at higher prices as ‘seasonal’ and specialty items. They do not have to be marked down to meet wholesale price points or marked up to meet retail prices
- No storage is required by large food distributor
- Just-in-time, local producers and aggregators gain access to large foodservice networks of large food distributors, on a consistent basis
- Local producers have the advantage of being given indication of a seasonal needs in advance of production and can plan for the following year with the benefit of advance information and/or contracts.

Disadvantages

- Food producers must have ability to supply products with regular frequency in order to participate
- Takes time to build relationship and trust with chefs as end users
- The market may not request products grown
- Slight discount of products may be required to get a contract
- Must maintain top quality on a consistent basis.

3.83 Model 3 - Local Aggregator

Local aggregator is the middle entity that sources local and Ontario products for smaller and specialized retail stores that they may own, and in some cases, smaller food service operators such as restaurants. A variation of this model is an online ordering system that offers packaged products for customer pick up at a centralized retail outlet in a local community. This aggregator/distributor may source products from a variety of producers but label them as a house brand.



Advantages

- One stop shop for consumers wanting a variety of local products
- Aggregator provides added value to producers by offering some processing, labelling and possibly packaging
- Builds strong relationships with both food producers and consumers
- Meets consumer demand for local products

- Advantageous for small to medium food producers ("backyard gardens) who have single crops and limited growing season
- Helps meet high demand for specialized and/or local products.

Disadvantages

- Limited market to primarily local consumers depending on location
- Requires extensive storage facilities: three kinds of cool storage (e.g. apples only), cool & dry (e.g. potatoes and squashes) & cool and humid (e.g. leeks & zucchini)
- Limited exposure to distribute to larger foodservice companies, processors or other retailers
- Requires transportation costs if dealing with producers across or beyond the County
- Often requires specialized systems, labelling and traceability.

3.84 Summary of Food Hub Models

Based on the review of these three existing models, a number of key insights are provided:

- All of the above models were full-time operations or operating as pilot projects led by the Greenbelt Fund
- Aggregation among a number of local food producers was successful when the aggregator provided added-value services such as:
    - Established relationships among food producers and consumers
    - Inspection and labelling for quality and traceability
    - Selected washing and processing
    - Some level of packaging and loading facilities for distribution
- Scale of the food producer operation influenced which model was the best fit. There appears to be a continuum where a small food producer can operate at a farm gate and farmers market level
- A small – medium producer would consider aggregating with other farmers to sell more of their product by creating a one-stop shopping opportunity for a range of local food products
- Larger food producers seem more interested in reaching larger markets and therefore, would prefer to work with a larger aggregator working with a larger distributor
- One of the barriers to entry into an aggregator model is the critical need for proper infrastructure such as the three types of storage needed for produce (i.e. cool for fruit, cool humid and cool dry) and in addition, refrigeration. Costs of building new infrastructure can be prohibitive while retrofitting an existing facility could make the operation feasible
- Traceability computer software for geotagging food products appears to be valuable to all players along the food chain – from producer to consumer

- In the future, real-time communication among a network of regional food distribution facilities could optimize regional food distribution
- Connecting regional food distribution to the Broader Public Sector and commercial food services appears to be an opportunity that warrants further investigation
- Finally, and most important, consumers need to express their wishes for local foods to foodservice operations and retailers to encourage more local food procurement and a greater variety of local products

4.0 Primary Research Results

Limitations and Purpose
It was stated at the beginning of the project that due to time and budget limitations, statistically representative and conclusive primary research for supplier and buyer food distribution hub feasibility would not be possible. Instead it was agreed that the purpose of the survey tools would be to gather data from both sides to aide in the development of a food hub vision (including opportunities, barriers, interest, ownership model, possible location, and elements to include in the development of a hub) that could be incorporated into a sound business plan proposal.

4.1 Producers/Suppliers

A total of 58 completed surveys provide the following insights from Simcoe County producers/suppliers.

Producer Profile
A comprehensive overview of survey results indicate respondents have an abundance of experience with 64 percent in the industry for more than 15 years, farming on average 300 acres of land. As noted in Figure 39, some of the farms are producing more than one type of crop with 40 percent producing vegetables, 29 percent meat and 26 percent grain.

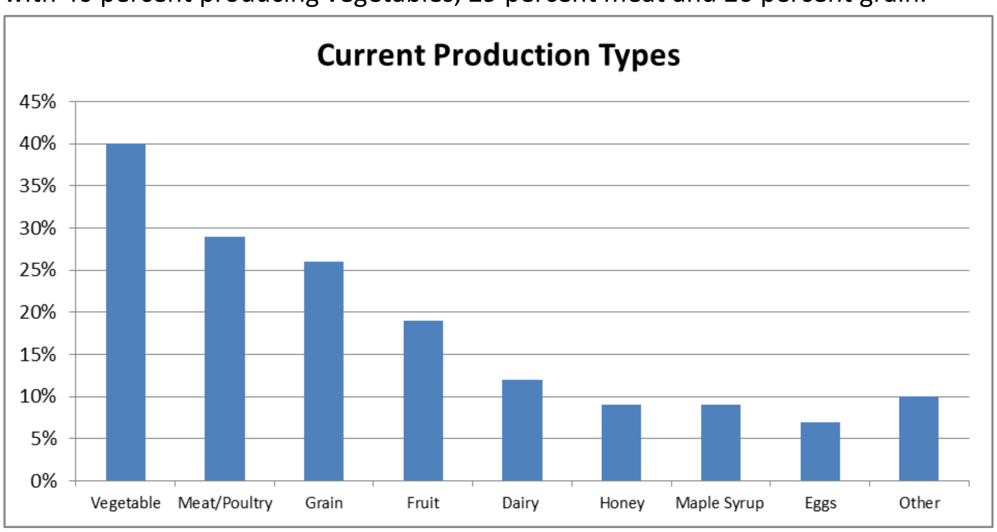


Figure 39: Survey Results-Current Production Types

Based on the findings of the survey, the respondents' financial situations appear strong. Respondents employ an average of seven employees during the peak season and have an average estimated gross income of $609,792 (n=24). Additionally, 56 percent of the respondents stated that they expect their financial situation to improve while 28 percent expect their finances to remain the same. Of those who responded (n=51), 61 percent stated that they would be willing to increase production if there was a demand for their products (22 percent stated they "strongly agree" while 39 percent stated "agree").

Sale of Products

Sales channels are an important aspect of product distribution and ultimately, farm success. Many respondents are already focusing on sales close to home. On average, 63 percent of products are sold locally (county and surrounding area). As noted in the chart below, many producers rely on multiple sales channels. Almost one half of respondents sell their products at farm gate, while 35 percent sell to retailers. In addition to these sales channels, another sales channel that was commonly mentioned as "other" was online sales. Finally, 71 percent of respondents said they either "agreed" (43 percent) or "strongly agreed" (28 percent) that they were looking for more sales opportunities.

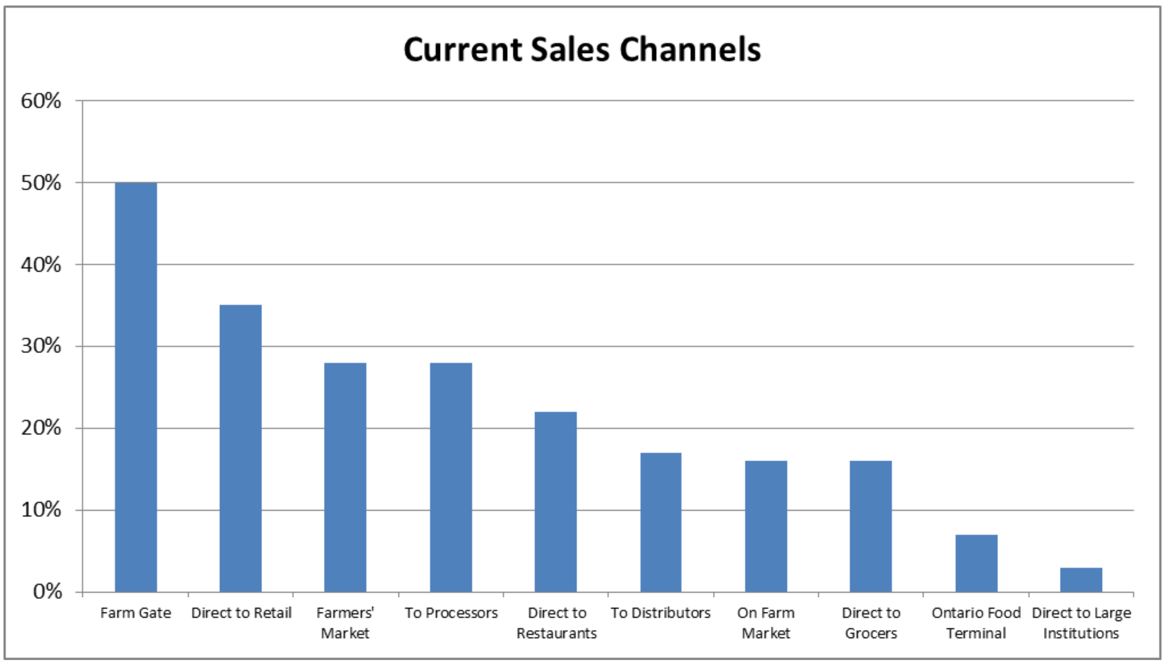


Figure 40: Survey Results Current Sales Channels

There are many other aspects of the sales process in addition to sales channels. Producers must also consider the packing and delivery of their products as part of the process. Of responding producers, 28 percent stated they never wash and pack their own products, while 48 percent stated they always do (n=50). With respect to product delivery, 13 percent stated they never deliver their own products, while 32 percent stated they always do (n=54).

Views on Creation of a Food Distribution Hub in Simcoe County

After reading a definition of a food hub (see page 5), respondents were asked to rate both the possibility of and the need for a food distribution hub in Simcoe County. As noted in the table below, a higher percentage felt "strongly" that there was a need for a hub, but rated the possibility of such a hub slightly lower.

	Not at All	2	3	4	Extremely
Possible	0%	11%	24%	37%	28%
Need	4%	4%	22%	28%	42%

According to the producers, the top three barriers limiting the possibility of a food distribution hub in Simcoe County included; lack of processing (40 percent), seasonality of products (38 percent), and finding buyers (36 percent). Respondents noted other concerns, including funding, lack of storage (all temperatures), transportation, and price (all approximately 30 percent of respondents). Forming relationships with buyers was viewed as "very strongly" as a means of reducing sales barriers, as was having a processing facility.

Given the barriers and concerns, 10 percent of respondents stated that they would be "extremely interested" and 35 percent would be "somewhat interested" in supplying a food distribution hub if some of the barriers were removed.

Of those interested in supplying product to a food hub:

- The three most important services a hub should provide are marketing support, cold storage and pricing assistance
- 75 percent think the hub should be a co-op owned by producers, processors, buyers and distributors
- 40 percent would be willing to travel 26-50 kilometers to a hub, while 27 percent would travel up to 75 kilometers
- When asked where a hub should be located Barrie/Central to the County was the top mention (see appendix 2 for a complete list of locations mentioned)

Comments about Food Distribution Hub Opportunities and Concerns

Many opportunities were expressed including the ability to deal with surplus products, having access to new buyers, providing more local products to consumers and institutions, and improved transportation/distribution of products. Concerns however were also mentioned relating to having only one location for a food distribution hub, the distance to the hub, and the economics, cost and capital needed to create a new hub.

Summary of Findings

Overall there is an ongoing interest in increasing sales channels thereby creating a need for a Food Distribution Hub in Simcoe County. Due to the numerous barriers mentioned, the possibility perception is impacted in terms of actual implementation and success, thereby resulting in a fairly low interest (on a scale of one to five where 1 = not at all and 5=extremely likely, 19.6% said not at all likely, 3.9% scored a 2, and 31.4% scored a 3) in supplying for a hub at this time. There is support for the multitude of opportunities coming with a hub including new buyers and better distribution; however concerns over hub costs and distance could indicate that multiple hubs perhaps at existing locations might be more supported. It is recommended that more research is conducted related to the creation of multiple hubs and the interest in supplying for such a model versus the single hub model.

Holland Marsh Survey

A shortened version of the supplier survey was distributed at the Holland Marsh Growers Association Annual General Meeting and 21 surveys were completed, providing the following insights:

Sale of Products

A strong commitment to local (county and surrounding area) sales is evident among the Holland Marsh producers surveyed, with 14 percent of respondents selling 100 percent of their product locally, 30 percent selling most (80-95 percent) of their product locally and 30 percent selling 50 percent of their product locally.

After reading a definition of a food hub (see page 5), respondents were asked to rate the possibility of a food distribution hub in Simcoe County. As noted in the table below, a higher percentage felt a hub was “somewhat possible “and only a small percentage said the hub was” extremely possible.”

Possibility of a food distribution hub in Simcoe County

	Not at All	2	3	4	Extremely
Possible	0%	0%	38%	57%	5%

According to the Holland Marsh producers, the top four barriers limiting the possibility of a food distribution hub in Simcoe County are; finding buyers (67 percent), seasonality (48 percent), funding (38 percent), and price (38 percent). Producers expressed other concerns as well, including, transportation issues; labour and ability to meet demand (all approximately 30 percent of respondents).

Given the above-mentioned barriers and concerns, only 20 percent of respondents stated that they would be “extremely interested” in supplying to a food distribution hub if some of the barriers were removed. However, 50 percent would be ”somewhat interested “ in supplying to a food distribution hub if some of the barriers were removed.

Comments about Hub Opportunities and Concerns

Holland Marsh producers noted many of the same opportunities a Simcoe County food distribution hub would offer as other producers, namely: the ability to deal with surplus products; greater access to new buyers; providing more local products to consumers and institutions; and improved transportation/distribution of products. They also noted the opportunities for payment protection and the increased opportunity for niche or specialty crops.

Summary of Findings and Recommendations

Holland Marsh producers appear to have similar views about the possibility of a food distribution hub in Simcoe County. However, fewer Holland Marsh respondents stated that it is “extremely possible,” while more stated it is “somewhat possible,” in comparison to the larger producer group.

They mentioned similar barriers including; finding buyers, transportation issues and price. It does appear that a higher percentage of Holland March producers are interested in supplying to a food distribution hub if the barriers could be reduced.

An attempt was made to hold a focus group with the Holland Marsh producers to gather further information about their interest in a food hub and the opportunities in this unique growing area of Simcoe Country. However, not enough participants were interested in attending. It is therefore recommended, based on the greater interest among this group in supplying a food distribution hub, that another attempt be made to gain further insights from them about the opportunities.

4.2 Buyers

As mentioned under section 1.4 Methodology, due to a change in methodology, 50 surveys on the buyer side were not completed, as many buyers were represented through previous work and new interviews.

The buyer research (total n=46) now includes insights and data from the following:

Restaurants, Hotels/Resorts and Golf Courses:

- 27 completed surveys (Appendix 4)

Broader Public Sector

- Data and findings from ***Growing Links*** report (Appendix 6) which represents 14 Broad Public Sector institutions

Distributors/Aggregators

- Interviews with two major international distributors operating in Simcoe County – Gordon Foodservices (GFS) and Sysco
- The Greenbelt Foundation Project Manager working with Sysco
- Interviews with three local Simcoe aggregators (see Appendix 3 for complete interviews)

Buyer Profile -Restaurants/Hotels/Golf Courses

This “demand” survey captured the views of those associated with restaurants, caterers, hotel/resort, golf and a few retail locations. A review of the survey results indicates a fairly experienced, mostly male group with 52 percent of respondents having over 10 years of purchasing experience and 75 percent being male. Many of the respondents have multiple roles within their organization: 70 percent noting chef and an additional 44 percent listing owner as a role. Also noted were purchaser (39 percent), food and beverage manager (17 percent) and general manager (13 percent). The financial outlook appears to be bright for these organizations with 64 percent (n=22) stating that finances are expected to improve over the next two years and 32 percent expecting things to remain about the same.

Purchases

An important consideration when determining demand for a potential food distribution hub in Simcoe County is an understanding of the volume and type of products currently being purchased.
Of the respondents profiled above, 37 percent buy less than $100,000 worth of products annually, while 45 percent purchase between $100,000 - 499,000 and 19 percent purchase between $500,000 and $999,999.

As noted in the graph below, the purchases currently being made by respondents are primarily fruit, meat and vegetables.

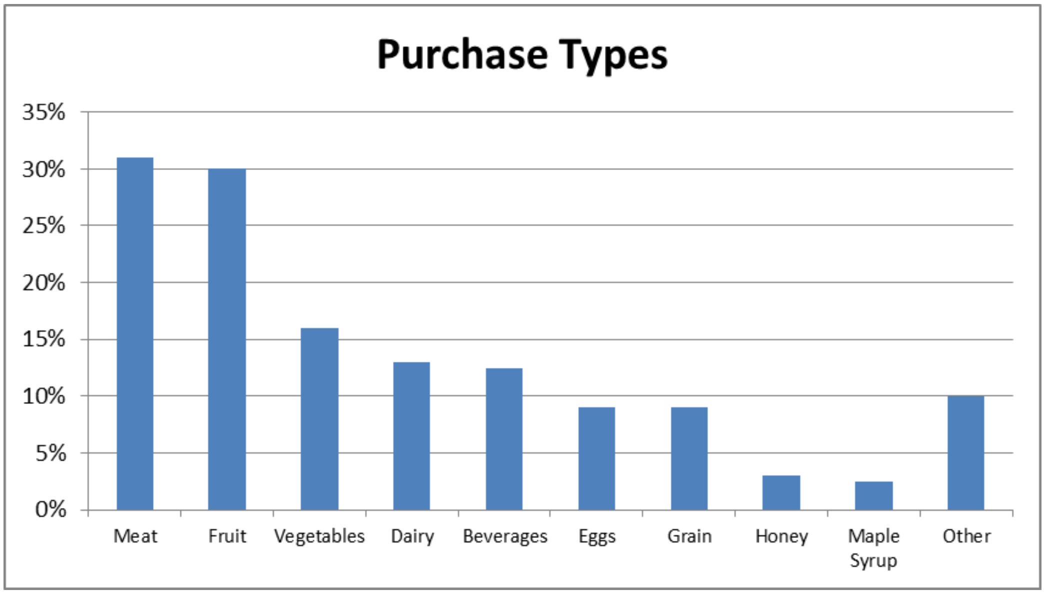


Figure 41: Survey Results-Purchase Types

In addition to the volume and type of purchases made, current purchasing channels must also be considered. As the chart below indicates, many respondents purchase from multiple channels including distributors, processors, and grocery stores. It also appears that there is an interest in and attempt to purchase close to home with respondents stating that on average, 41 percent of their purchases are sourced locally (county and surrounding area).

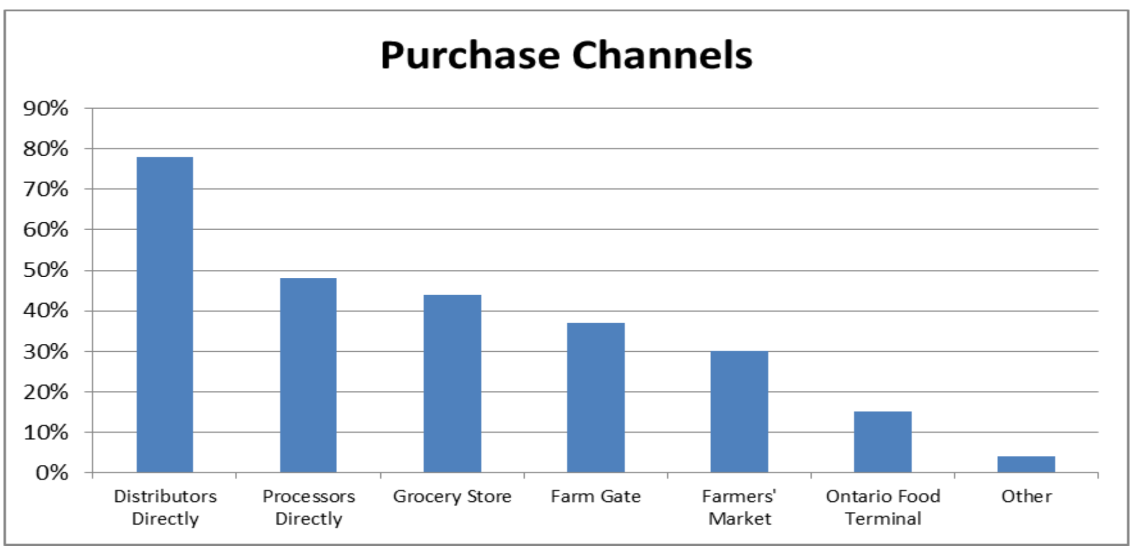


Figure 42: Survey Results - Purchase Channels

The majority of respondents (62 percent) stated they make purchases at these locations a few times a week, while 27 percent purchase once a week and 8 percent purchasing daily. The three most important factors related to purchasing decisions noted by respondents were top quality, timely delivery, and best price.

Views on Creation of a Food Distribution Hub in Simcoe County

After reading a definition of a food hub, respondents were asked to rate both the possibility of and need for a food distribution hub in Simcoe County. As noted in the table below, and similarly to the producers surveyed, a higher percentage of buyers felt strongly that there was a need for a regional food distribution hub but they rated the possibility lower.

	Not at All	2	3	4	Extremely
Possible	4%	8%	27%	38%	23%
Need	0%	4%	31%	34%	31%

According to the buyers, the top three barriers limiting the possibility of purchasing from a hub in Simcoe County included; competitive prices (63 percent), adequate supply (58 percent), and timely distribution (54 percent). Other concerns noted included seasonal product availability, product quality, and food safety standards. The suggestions for reducing the barriers/concerns included: having a hub in every town or several smaller hubs throughout the County, partnering with larger buyers and having a strong business plan.

If some of the barriers/concerns could be removed, 39 percent of respondents stated that they would be “extremely interested” and 31 percent would be “somewhat interested” in purchasing from a food distribution hub.
Of those interested in purchasing from a food hub:

- The top three most important considerations in making decisions about purchases from a food distribution hub are” top quality”, “product availability” and “delivery to my location”
- Other considerations regarding food distribution hubs included considering smaller or mobile hubs and considering cross marketing and partnerships
- 74 percent stated the hub should be a co-op (owned by producers/ processors/ buyers/ distributors)
- 33 percent stated that they would be willing to travel up to 25km to get to a hub while 29 percent stated they were willing up to 50km
- Potential hub locations included Barrie, Midland, Orillia, Springwater, Collingwood and in every community
- Potential buyers stated that on average they would purchase 88 percent of their honey, 67 percent of their eggs, 67 percent of their vegetables, and 62 percent of their fruit at a hub.

Comments about Hub Opportunities and Concerns

Respondents identified a number of opportunities associated with a food distribution hub including the ability to access more local produce, more awareness of local food and job creation. However, a number of concerns received mention several times including competing with existing local wholesale and produce companies, regulations related to meat and fish, and delivery issues.

Summary of Findings

Overall, there is fairly strong interest in purchasing from a food distribution hub if some of the barriers can be removed. However, given the variability among purchasers that a hub is possible in Simcoe County, and the significance they placed on the barriers and concerns, including price and distribution, it seems that reducing the barriers at this point may be a difficult task. It is also evident in several of the comments, that a few smaller hubs might be a viable option. Those comments combined with the concern for competing with existing companies support the model of multiple hubs using existing businesses.

Buyers – Broad Public Sector

Potential Market

A recent study entitled ***Growing Links, Simcoe County Local Food Distribution Research Report 2011*** provides data and findings from 14 Broad Public Sector (BPS) institutions in Simcoe County. The methodology included telephone interviews with 11 policy makers and 15 food service operations. The sample included two colleges/universities, three school boards, one county, six hospitals and six food service companies.

There is evidence of potential demand for products from a food distribution hub from the responding BPS institutions based on the number of meals per day (n=10) as well as their estimated yearly purchases (n=7).

As noted in the chart below (See Figure 43), 10 percent of the institutions reported serving 10,000 or more meals per day.

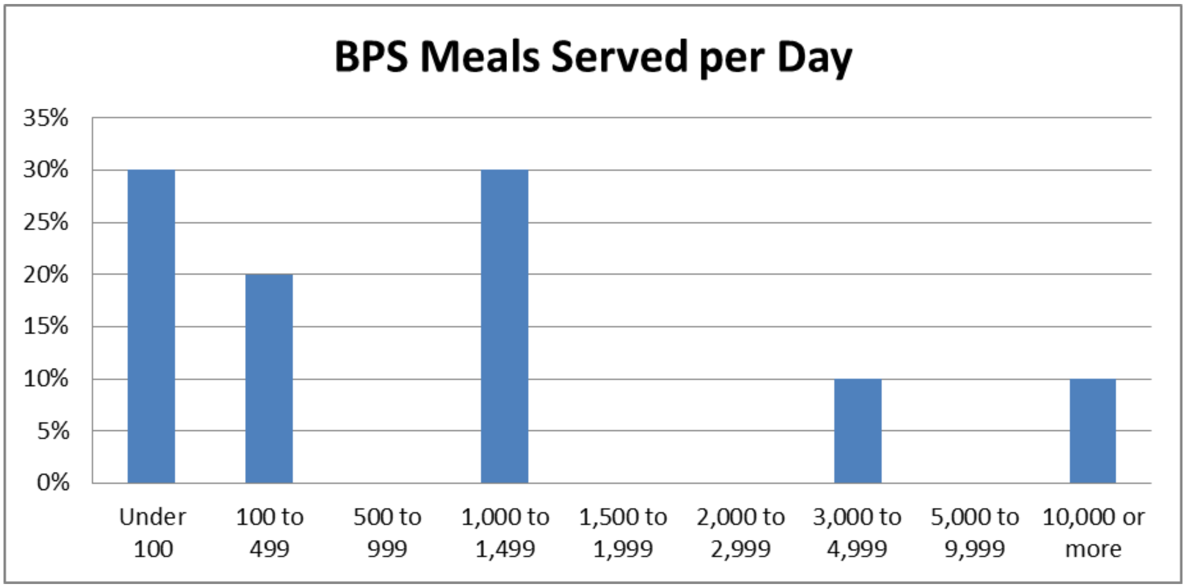


Figure 43: Survey Results BPS Meals Served per Day

Additional potential hub demand is evident from the responding BPS participants who indicate annual purchase amounts of up to $3million per year, from a range of distributors and wholesalers, though an estimate of only 2-27 percent of fruits and vegetables are currently purchased from within Simcoe County.

Opportunities

Policy makers at BPS institutions can influence purchasing decisions. However, research indicates that the majority of food service organizations (66.7 percent) had no official local food policy, directive, best practice, or procedure. (Note: when referring to local food, most regard Ontario products as local). However, 75 percent were considering developing a local food policy, directive, best practice or procedure. Respondents noted that demand from consumers such as their students, staff and patients as well as a commitment from food managers to support local foods could influence purchasing decisions.

Barriers

Consistent themes arose among representatives from the BPS in terms of barriers to purchasing locally (defined by BPS as Ontario). These included the perceived high cost along with more time to process (wash and grade), seasonality of products and delivery concerns. The process concern was evident in both the education and healthcare institutions. Many hospitals simply do not have full kitchens capable of processing local foods. Additionally, it was felt that there was too much provincial focus and that larger catering companies have less knowledge about local county food and little flexibility. Finally, some respondents noted that food service departments are not the main focus of their institutions, and as a result, many have had their budgets cut or combined. There is also a concern among some BPS institutions that buying locally may cause more work, multiple deliveries, and therefore more resources that are simply not available.

Summary of Findings

While the Broader Public Sector holds extensive potential for hub demand and there is an increasing interest in and support of purchasing locally, at this time there are many large barriers such as lack of policy, lack of staff and lack of facility space to feasibly support large scale local purchases that would ultimately challenge the support of a Food Distribution Hub.

Buyers – Distributors

Distributor Interview Highlights

Four interviews with persons involved in four different distribution models within, or in close proximity to Simcoe County, provide valuable, albeit hard to generalize, insights. Below, some of the commentary from the interviews is highlighted. Those interviewed included:

1. Program Manager of the Greenbelt Foundation who is involved with a just-in-time pilot project model with Sysco Foods
2. Business Development Specialist, Produce, Dairy and Local Foods with Gordon Food Services (GFS), involved in local aggregator distribution model in Simcoe Country
3. A local Simcoe County producer who, as a local aggregator, works with six to eight Simcoe County producers
4. An organic meat and micro green supplier aggregating on behalf of approximately five producers in the Midland area

Viability of a Simcoe County Food Distribution Hub

- One regional food distribution hub in Simcoe County is not seen as feasible or financially viable by GFS or local food aggregator (GFS purports that a fleet of trucks may be more cost effective than investment in brick and mortar)
- Greenbelt/Sysco pilot (just-in-time) project will continue until 2015 and longer, if demand warrants continuation
- Greenbelt/Sysco expressed that they would be surprised if Simcoe County or even Gordon Foodservices (GFS) would have a large enough market base to make a regional hub viable. The spokesperson suggested a tiered system:
    - Farm gate
    - Farmers market
    - Wholesale
    - Big distributor

Viable Options

- Several smaller aggregation/consolidation community food hubs, within the County, are viewed as more feasible than a regional food hub, as they mitigate long haul transportation issues, and smaller aggregators generally farm in the same area and know their suppliers
- GFS is exploring the possibility of a fresh fruit aggregator operation. It has established relationships with farmers to purchase all their demand for apples year-round from Ontario
- Sysco believes aggregation hubs are viable but they require a larger partner in order to reach markets where demand will support the hub operation (under review in a Sysco, Greenbelt, University of Guelph pilot project)
- Online marketplace as described by 10Fold farms can reach many customers and link customers directly to producers

Some Advantages of Multiple Community Food Hubs

- Local aggregators can become provider of assurances for food safety, quality and traceability
- Inspection is closer to producer
- Reduces partial hauls by producers to distributors
- Producers are paid sooner and possibly at higher margins
- Gives producers access to larger markets
- Gets local foods to retail and foodservice companies.

Challenges

- Sysco advises the County should start small (as they proceeded with this pilot project in Southwestern Ontario, they started with 10 products and are now up to 60 products)
- Hubs need to be an existing operation that has capacity within their business model to identify and build value-add relationships with local producers through some processing, packing and full truck distribution
- Local hubs need to have storage capacity.

5.0 Discussion and Implications of Research

The primary research indicated that among suppliers, there is an ongoing interest in increasing sales channels thereby creating potential opportunity for a food distribution hub in Simcoe County. However, due to the numerous barriers mentioned and their impact on the potential success of a hub, there is a fairly low level of interest in supplying to a regional hub at this time. At the same time, while there is an acknowledgement of the many opportunities associated with a food distribution hub, including access to new buyers and improved distribution, concerns about the cost of creating a new hub and the distance required to travel to it, suggest that multiple hubs in existing locations be explored further as a potential opportunity for a food distribution hub.

The Holland Marsh producers appear to have similar thoughts in terms of the possibility of a regional food hub in Simcoe County with even fewer respondents stating that it is “extremely possible” and more stating it is “somewhat possible,” compared to the larger producer group surveyed.

Producers shared similar concerns with respect to finding buyers, transportation issues and price to name a few. It does appear that a higher percentage of Holland Marsh producers are interested in supplying to a regional food distribution hub if the barriers could be reduced.

Overall, among the restaurant and hotel group, there is fairly strong interest in purchasing from a food distribution hub if some of the barriers could be removed.

Given the uncertainty the purchasers have about the possibility of a hub, and their perceptions about the barriers and concerns, including price and distribution, it seems that reducing the barriers may be a challenge at this time.

Many comments suggest that several smaller hubs might be a more feasible option. Those comments combined with the concern for competing with existing companies support the model of multiple hubs using existing businesses.

While the BPS sector buying powers could drive food hub demand, and there is an increasing interest in and support of purchasing locally, at this time there are many barriers to support a regional food distribution hub. These include a lack of policy and staff, as well as facility space and capabilities.

Upon analysis of all primary research, it would appear that the feasibility of a regional food distribution hub is inconclusive at this time and requires further investigation.

Over the course of this research, there appears to be an interest in expanding existing food distribution hubs or having several smaller hubs throughout the County suggesting this may be a meaningful opportunity to explore these models further.

The secondary research , although extensive, lacked details specific to Simcoe County that are critical in the process of evaluating feasibility. Although the research available can speak to trends across Canada and in Ontario, more information is needed to really understand and determine need in Simcoe County. With the decrease in farms and increase in size of farms, one may conclude that there is sufficient production to warrant a regional food distribution hub. Without evidence to quantify products grown (types and amounts) in Simcoe and current costs associated with distribution, a business case could not be made without quantifying demand and supply.

While food distribution hubs are growing in the American market, many are built and managed by large distributors looking to manage the transportation of fresh goods across the nation or, in smaller communities, to address a social agenda that is coincidental to addressing food charter missions such as distributing local produce to local buyers but more importantly, to local consumers.

As stated in consumer trends, demand really does drive decisions about how and why food is distributed in many jurisdictions. When there is an increase in demand for local products, distribution becomes one of the challenges faced by both producers and buyers. Chefs wanting to use local food on their menu are often faced with barriers including costs, readiness, consistency and seasonality. Producers are challenged with issues of transportation for small orders or inconsistent demand from buyers and could be one of the reasons more Simcoe farmers are changing their production to cash crops rather than market crops. Using a distribution hub for marketing reasons is consistent throughout the research.

The research available really leads to speculation rather than evidence to support feasibility. In the following chapters, Recommendations and Next Steps, many of the gaps have been identified.

In summary, both the primary and secondary research suggests that there is interest and need for something to replace what is currently in place to move food into and out of the County. Four different models exist and are in operation in Simcoe County and there is evidence that other studies for Food Distribution Hubs are underway or being considered. Without a real sense of how distribution is currently working (or not working) in Simcoe County and what the costs are based on in depth analysis, it would be extremely difficult to create or recommend a business model for feasibility let alone investment.

6.0 Conclusions

6.1 Feasibility

The purpose of this study was to determine whether a regional food distribution hub would be feasible for Simcoe County. Feasibility is dependent on several key factors including:

- Availability of a range of products that meet demand from a variety of buyers
- Profitable business and sustainable operational model
- Skilled and trained workforce to provide ancillary services
- A well informed and interested base of suppliers committed to supply the regional food hub
- Committed and long-term investment by the government or owners
- In depth understanding and established relationships with both the supplier and buyer markets
- Ability to balance supply and demand requirements
- Ability to consistently supply high quality products on a consistent basis
- Dependent on educated and well-trained local growers/producers with the ability to meet market requirements

- Product-monitoring systems to facilitate quick and easy product source identification and traceability
- A solid working operational and organizational model that is aligned with the goals and objectives of Simcoe County
- A commitment to invest both financial and human resources over an extended period.

It is believed that based on the information and input gathered, the feasibility of a Regional Food Distribution Hub in Simcoe County requires further investigation for the following reasons:

- Information gaps about supply and demand (see Next Steps)
- Unknown transportation costs and analysis for food transport within and coming into Simcoe County (see Next Steps)
- Decrease in food market crops in the County
- Decrease in the number of farms and an increase in larger volume of cash crops
- Aging farm population which could further erode the agricultural sector in Simcoe County
- Unknown levels of commitment to invest
- Considerable capital requirements
- Unknown level of governance and operational knowledge

However, there are opportunities to expand on and/or develop smaller food distribution hubs in various parts of the County. Based on the three models presented in section 3.8 of this report and the feedback from local stakeholder groups, we envision the opportunity to explore potential community or commodity-based food distribution hubs. A number of case studies, particularly from the United States, point to a similar grassroots producer/aggregator - led model in rural regions.

6.11 SWOT Analysis

The following SWOT analysis lays out the strengths, weakness, opportunities, and threats of a regional Food Distribution Hub in Simcoe County. These factors are based on both primary and secondary research made available at this time.

Regional Food Distribution Hub	
Strengths	**Weaknesses**
Leadership: Positions Simcoe County as a leader in Food Distribution **Aggregation:** Provides buyers with a one-stop shop in which to purchase a wide range of products **Knowledge & Technology Transfer:** Can act as a central facility providing knowledge and technical support to the growing community as well as education to ensure quality products, successful crop planning, consistent packaging and grading **Transportation:** GFS and a small County aggregator have mitigated some transportation issues with the placement of containers on farm. These containers are picked up by GFS, when full, and taken to the GFS warehouse	**Transportation:** A regional food distribution hub, regardless of location, requires transportation from producer to hub. Many stakeholders suggested in primary research, that they are concerned about the costs and logistics of transportation issues. To date there is no cost analysis or information related to existing transportation costs for food flowing into or out of Simcoe County but has been identified as a weakness in interviews. **Investment required:** Extensive capital required to meet infrastructure needs such as storage, equipment, operations team, bricks and mortar **Processing facilities:** Lack of processors in Simcoe County **Education and Training**: Required for local producers and buyers – packaging, marketing, food safety regulations **Variety of Food Products:** Need a variety of products to meet efficiency gains of large distributor. Only one area in Simcoe offers a wide variety of crops (Holland Marsh). Research shows an overall decline in market crops across the County **Seasonality and limited year round growing infrastructures**: Limits availability
Opportunities	**Threats**
Participation: Enables more producers to participate in a broader distribution channel **Value-add**: Ancillary services such as post-harvest handling, processing, packaging, traceability **Market Access**: Provides producers with access to larger markets for their products such as the GTA and possible exports **Ownership:** Model selected could provide opportunity to producers to own more of the value chain **Competitive Hubs**: Hubs and large distributors may be potential partners	**Readiness of Producers:** Need more suppliers to be truck distribution-ready not just retail-ready. In interview with GFS/local aggregator, it was suggested that producers can't be as efficient as big distributors because they can't source, house enough variety of skews (something like 22,000 skews of food product) , and it is not efficient for truckers to pick up small amounts of product from small farms and keep track of them **Competitive Hubs:** Hubs and large distributors may take business away from Simcoe if they are closer and/or offer more value (proposed SW Ontario Hub) **Product trend:** Simcoe County agricultural products are trending toward cash crops rather than food consumables

6.2 Information Gaps to Support a Business Plan for a Simcoe County Food Distribution Hub

Throughout the research phase, numerous information gaps were identified which make it challenging to draw final conclusions regarding the feasibility of a regional food distribution hub for Simcoe County. The research team has identified the following needs:

6.21 Primary Research

A comprehensive economic impact study of the impact of agriculture in Simcoe County has not been updated since 1999. Information from Statistics Canada and the Ontario Ministry of Agriculture and Food (OMAF) do not provide detailed information on Simcoe County agriculture, specifically an agricultural profile showing the economic impact of agriculture on the County. While the research team was able to source a number of studies to illustrate trends in agriculture in the County, this was in no way a comprehensive data collection and analysis because of the aforementioned gaps.

Additionally, there is insufficient information about what products are in demand across the county and what products are sold into Simcoe County, and by origin.

There is also insufficient knowledge of the number of suppliers and buyers in the County, qualified by dollar value and tonnage.

There is not an understanding of the current level of activity of large distributors buying Simcoe County products. Limited details were made available through the interview process, and the distributors asked that they not be made public knowledge.

Details are needed about how much food is bought and sold by Simcoe County producers and buyers, through the Ontario Food Terminal.

Finally, there is no detailed information where suppliers are currently selling their products:

- by weight
- amount
- time of year

There is insufficient knowledge of existing infrastructure and value-add services across the County including storage, processing, packaging, inspection etc.

6.22 Secondary Research

There is little information and few examples of similar food hubs operating in Canada. Attempts were made to gather business and operational plans from successful U.S.-based food distribution hubs, but they were declined for proprietary reasons.

In order to determine feasibility with complete confidence, an understanding of how existing products move to, from and within Simcoe, in addition to transportation costs needs to be determined. Throughout the research, this was identified as a significant concern.

7.0 Recommendations

1. Establish Working Committee (Leadership)

In recognition of the fact that the Food Distribution Hub Steering Committee has been engaged in this process for over a year, and members may feel the need to stand down from the project, it is recommended that the County of Simcoe establish a new working group. The purpose of the new group would be to implement the next steps suggested in this feasibility study (there may be members of the existing steering committee who wish to be part of the new working group).

2. Review New Research Requirements, priorities, and costs

At this juncture there is insufficient data to come to a conclusion regarding the viability of a Food Hub for Simcoe County. As indicated throughout the report, new primary research is necessary to determine a much more specific profile of not only producers but consumers as well. Further study is also required to determine net inflows and outflows of agricultural food stuffs into and out of the county.

3. Determine best ways to support established community aggregators/hubs

There are at least four aggregator/hub operations in existence in the County. It is recommended that further in-depth interviews be undertaken to gain a better understanding of their current supply and demand, infrastructure, and capacity to meet growth, business and governance models and, interest in supporting the economic objectives of Simcoe County.

4. Create a five-year Agriculture Strategy and Action Plan for Simcoe County

It is recommended that Simcoe County develop a five-year agriculture and food strategy and determine how the community food distribution hub model supports the strategy. It is further suggested that an inventory of agriculture and food assets in the existing value chain be created in order to identify the gaps in this value chain. For example, the research identified a lack of storage and processing facilities as well as transportation concerns.

5. Develop and implement a communication strategy

Given the stakeholder expectations about the feasibility study, it is necessary to keep them informed and engaged. A communication plan will outline the most strategic and effective means of doing so to ensure an integrated approach to community engagement. During the course of researching this report, other community food hubs outside of Simcoe County were discovered. It is further recommended that the County of Simcoe engage in discussions with these groups (Lake Erie Innovation Centre, Southwestern Ontario Sysco project, Grey County, Perth County).

6. Engage in US Food Distribution Hub Conference and Events

It recommended that the County of Simcoe engage and actively participate in the well-established network of food hubs in the US. This will help to better understand best practices, operations and many of the inherent risks and opportunities of food hubs. The US National Good Food Network Food Hub Collaboration (**http://ngfn.org/**)offers webinars, research, events and data base information that would be very helpful moving forward.

7. Determine Timeframes, budget, and procurement needs

The Next Steps listed will require work effort supplied by either/or the County, consultants, and partners. It is recommended that the new Working Group, under the leadership of the Economic Development Office, County of Simcoe, establish a process to ensure resources are available to invest in the next phase of the project.

7.0 Suggested Next Steps

During the course of writing this report, numerous information gaps were identified. This information could have provided valuable insights on whether a regional food distribution hub would be feasible in Simcoe County. This section provides a strategic approach to what the next steps could be and, what the research team would recommend.

Strategy 1: Establish Working Committee

Goal	Objective	Notes
a. An effective and engaged working group be established to lead and proceed with the next steps of this project	To keep the project momentum going in an efficient and effective way To provide leadership and direction for the next phase of the project To represent the interests of all stakeholders and become the central point of contact	Ideally, the working group will have representation from the smaller communities supporting the existing aggregators, as well as a representative from the suppliers, buyers (large wholesale distributor, BPS, processor, foodservice, retail and the County
b. Report back to stakeholders regular quarterly updates	To keep stakeholders well- informed and engaged in the project To encourage participation, idea generation and feedback	Project accountability is critical given the level of stakeholder interest and involvement. It is important that those who have actively participated in surveys, meetings and presentations, be kept informed of progress and results

Strategy 2: Undertake more research

Goal	Objective	Notes
a. An updated economic impact study of agriculture and its impact on the economy of Simcoe County	To further identify and quantify food grown in Simcoe County To understand the economic impact of the agriculture sector in Simcoe County To further understand the growth and decline of farms, crops, and agricultural land use in Simcoe County	The Harry Cummings Economic Impact study was completed in 1999. Statistics Canada and OMAF findings have not been extrapolated to be Simcoe County specific with the exception of information in this report (high level)
b. Detailed interviews or focus groups with representatives in the food system value chain in Simcoe County	To understand behaviours, attitudes and decision-making criteria of Suppliers, Buyers, Aggregators, Processors, and Wholesale/Distributors To understand where are food products bought and sold now? To determine suppliers' and buyers' level of interest in multiple food hubs throughout Simcoe County. To accurately determine cost of transportation activities related to the flow of food within and from	Need more insights to understand the psychographics of the supply chain. For example: **Buyers** say they want to buy more local products but they aren't – this begs the question, why? **Suppliers**: what is their capability, long-term, to provide supply to match demand? Do they have relationships directly to buyers? **Aggregators**: Identify restraints to growth and what investment is needed to meet demand? **Processors**: What criterion is used to buy ingredients? What are the challenges and restraints from

	outside Simcoe County.	buying local? **Wholesalers/Distributors**: what criteria do they use to buy local? What are their restraints from buying more local? Activity level in Simcoe County?
c. Inventory of infrastructure available in Simcoe County	To gather information on public and private infrastructure and value-add services across Simcoe County and neighbouring regions.	Include refrigeration and storage, post-harvest handling, packaging, grading, inspection, and processing

Strategy 3: Communicate and Connect with Stakeholders

Goal	Objective	Notes
a. To maintain and strengthen relationships with stakeholders throughout the value chain, in particular, those who have been involved in the project in one form or another.	To maintain clear and consistent communications. To demonstrate accountability and transparency To encourage participation and leverage support for the project.	Engaging stakeholders requires that an integrated communications plan be developed which outlines key messages, objectives, opportunities and partnership possibilities to further relay information. Suggest developing a 3-5 page summary of this report for circulation

Strategy 4: Prepare Business Plan

Goal	Objective	Notes
To prepare a comprehensive business plan for most feasible food distribution hub model	To create a roadmap for stage three of the project i.e., implementation and operational plan	This plan would detail specific steps toward implementation and identify opportunities and risks. It will also be used to communication investment opportunities, partnerships and a strong network within Simcoe County
	Determine location (s) of food hub(s) in the County	As research indicates, interest in community hub models is relatively high and numerous locations have been suggested. At the same time, there are at least four existing aggregator hubs that may serve the needs of this project.
	Determine and explore grants and funds available to support plan	There are numerous funding and grant opportunities on a municipal, provincial and federal level.
	Establish a strategic approach for partnerships with suppliers and buyers	During the course of this research, participants indicated interest in creating a network between buyers and suppliers that reached all areas

		of the County.
	Develop a comprehensive County-wide marketing strategy	The success of the business plan is dependent on an effective and compelling marketing plan and campaign that builds awareness, and promotes local hubs, and the quality products available.

8.0 Appendices

APPENDIX 1 - FOOD HUB CASE STUDIES

The next section provides case studies of three different food hubs that are currently operating in the U.S. They were chosen because they provide examples of the three primary revenue models, as previously detailed.

1. Non-Profit - Alba Organics (AO)

Salinas, CA- Monterey County (Rural)

http://www.albafarmers.org/index.html

Ownership: Non-profit

Mission: to advance economic viability, social equity and ecological land management among limited-resource and aspiring farmers. In pursuing its mission, AO aims to contribute to a more just and sustainable food system through the development of: 1) human resources that will aid small-scale, limited-resource farmers; and 2) the enhancement of biological diversity and protection of natural resources all necessary components of such a food system. AO's mission statement offers an example of how to integrate the concerns regarding equity, economics, and the environment into the structure and goals of a food hub.

Participating Farmers: 30-50 (currently at 49, per the Alba Organics website)

Operations and Management: Alba Organics essentially operates as a wholesale distributor, buying products from farmers, then labeling and selling them to consumers and businesses as source-verified and certified organic products.

Aggregation Point: A 3000 square foot facility and 110-acre farm near Salinas. The facility includes:

- Outdoor covered washing station with sink
- Receiving area
- 1500 sq. ft. dry storage (non-cooled)
- 800 sq. ft. cold storage and 800 sq. ft. medium cold storage for products needing humidity
- Forced air cooler
- Forklift
- Two delivery trucks

Customers: Various institutions including: universities, K-12 school districts, hospitals, as well as wholesale distributors, retailers, and restaurants. Alba Organics does not participate in direct marketing.

Community Oriented Programs:

- Provides education and technical assistance to its new and limited resource growers
- Acts as a vendor as part of its business model
- Involved in programs to sell to corner stores in low income and underserved communities
- Works with the Community Alliance of Family Farmers (CAFF) to support the Harvest of the Month program for area schools

2. Wholesale/Retail Driven-La Montanita, Co-op Food Market

New Mexico, with four retail locations in urban areas

http://www.lamontanita.coop/

Ownership: Consumer co-operative

Mission: La Montanita is committed to local farmers and producers, its members, and the broader community. The Co-op emphasizes fresh, fair, and local.

Producers: Nearly 700 local producers

Operations and Management: The co-op is a regional distributor for national brands. This helps cover the overhead costs of maintaining a warehouse and distribution services. The co-op stocks and sells 1,100 products from local growers and producers. It also provides the following services to growers/producers:

- Bulk purchase inputs/farm supplies
- Storage space
- Distribution services
- Market outlets
- Business development services.

Aggregation Point: In 2006, the co-op invested $150,000 to renovate a warehouse and loan trucks to assist regional growers with distribution and the coordination of wholesale markets.

Customers: 15,000 members

Community Oriented Programs: The co-op sponsors and participates in a wide variety of community events. The organization recently started a program of pre-payment for product loans to farmers, ranchers and local producers who sell to the co-op. Requests for the loans extended beyond what the co-op could provide on its own, so now, with the approval of the New Mexico State Securities Division, co-op members can contribute to the loans as well.

3. Producer / Entrepreneur Driven - New North Florida Co-operative

Marianna, Florida

http://www.farmtoschool.org/state-programs.php?action=detail&id=23&pid=32

Ownership: Incorporated co-operative

Mission: The New North Florida Co-operative (NNFC) provides fresh and healthy agricultural products at a fair price to school lunch and breakfast programs. The co-operative is responsible for the marketing, handling, processing, and delivery services of agricultural products produced by participating local small farm operators. The co-operative will meet the needs of local small farm operators by facilitating the flow of profit from the value-added business operation to and within the local community.

Producers: 47

Operations and Management: The NNFC is organized as a limited member service co-operative in the state of Florida.

Formally incorporated as the New North Florida Co-operative Association Inc., the organization has adapted its operations model to meet the needs of a growing number of farmers and schools. Although NNFC began as a co-operative, and is still referred to as such, because of name recognition, it has essentially functioned as a coalition serving networking functions, facilitating connections between farmers and schools, since 2002.

Aggregation Point: In 2006, the co-operative built a packaging and processing shed, and bought refrigeration equipment, cutting machines and washing sinks to improve the efficiency of post-harvest handling.

Customers: The NNFC target market is school kitchens and cafeterias within a day’s travel of the Marianna, Florida processing facility. The co-op reaches 30 school districts in the Southeast US, serving more than 200,000 students.

In addition, NNFC has found that sales to 60 independent retail stores in a five-state region has allowed for higher volumes and enhanced a more consistent demand for year-round sales.

Community Oriented Programs: The co-operative lists as one of its successes, its effort to educate the local community about the business and its progress.

Appendix 2 – Primary Research Survey Tool – Suppliers

ID #___________
Version: **Supplier**
Date: __________

Regional Food Distribution Hub Survey

On behalf of the County of Simcoe Food Hub Committee and Georgian College we would like to thank you for taking the time to complete this survey as part of the second phase of our feasibility study. All information you provide us will remain confidential and will only be used to help us understand the potential supply for and interest in a Food Hub in this region. This survey will take approximately 15 minutes to complete.

About your Farm

1. What type of food do you currently produce? **(Check all that apply)**

☐ Fruit ☐ Meat/Poultry ☐ Dairy ☐ Grain ☐ Honey ☐ Maple Syrup
☐ Vegetables ☐ Beverages (non-dairy/non-alcoholic) ☐ Eggs ☐ Other (specify) ___________

2. How many acres in total do you currently have access to? _____acres
3. How many acres in total do you currently farm? ______acres

4. How do you currently sell your product? **(Check all that apply)**

☐ Farm Gate ☐ Ontario Food Terminal ☐ Direct to Grocers ☐ Direct to Restaurants/Caterers
☐ Farmers' Markets ☐ To Processors ☐ To Distributors ☐ Direct to Large Institutions
☐ On Farm Market ☐ Direct to Retail ☐ Other (specify) ______________

5. Of the sales methods selected above, which is the method you use **the most**? __________________

6. What percentage of your product do you currently sell locally (in the county or surrounding area)? ___ percent

7. Please indicate **how often** you do each of the following things on your farm:

	Never$_1$	Rarely$_2$	Sometimes$_3$	Most of the Time$_4$	Always$_5$	Don't Know$_7$
I wash and pack my own products						
I deliver my own products						

8. Please indicate how much you **agree or disagree** with the following statements about your farm:

	Strongly Disagree$_1$	Disagree$_2$	Neutral$_3$	Agree$_4$	Strongly Agree$_5$	Don't Know$_7$
I am currently looking for more sales opportunities						
I have produced under contract						
I would be able to increase production if there was a need						
I would be interested in increasing production if there was a demand						
I already have plans to expand my farm in the next 2 years						

About the Hub

When answering the questions in this section, please consider a food hub as a "business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand." USDA (2012)

9. On a scale of 1-5 where 1 is not at all and 5 is extremely:

	1-Not at All	2	3	4	5-Extremely
How possible do you think a Regional Food Distribution Hub is for Simcoe County?					
How much do you think a Regional Food Distribution Hub is needed in Simcoe County?					

10. What would some of the barriers would be to having a successful Hub in the county? **(Check all that apply)**

☐ Finding buyers ☐ Lack of Processing ☐ Seasonality ☐ Funding ☐ Insurance
☐ Meeting demand ☐ Transportation ☐ Lack of Storage ☐ Lack of Cold Storage
☐ Labour availability ☐ Price ☐ Food Safety ☐ Other (specify) _______________

11. To what **extent** would any of the following suggestions help to remove some of the above barriers:

	Not at All$_1$	Very Little$_2$	Somewhat$_3$	Very Much$_4$	Greatly$_5$	Don't Know$_7$
Creating partnerships with other businesses						
Education and seminars on business skills						
Assistance with funding sources						
Forming relationships with buyers						
Having a place for processing						
Having access to storage						

12. Please provide any other suggestions you may have for possible solutions to the selected barriers.

____

13. On a scale of 1-5 where 1 is not at all interested and 5 is extremely interested, if some of the barriers could be removed, how interested you would be in supplying for a Regio **PLEASE TURN OVER** ⟶

Not at All **Extremely**

1 2 3 4 5

If you answered **1 (Not at All)** for question **13**, please go to the **ABOUT YOU** section below.

14. I

f there were to be a Food Distribution Hub in Simcoe County, in your opinion, how **important** would it be to include each of the following elements?

	Not at All$_1$	Somewhat$_2$	Important$_3$	Very$_4$	Extemely$_5$	Don't Know$_7$
Marketing support						
Cold storage						
Washing areas						
Pricing assistance						
Pre-season planning sessions with buyers						
Grading capabilities						
On-farm pick up						
Freezer space						
Packaging areas						

Delivery to buyers						
Flexible hours						
One stop shopping for buyers						
Off season product availability						

15. Please provide any other suggestions you feel should be included in any Hub development.

____

16. Which operating format do you think would work best for a Hub in Simcoe County? **(Check One)**

☐$_1$ Grower Owned ☐$_2$ Volunteer Run ☐$_3$ Co-op (owned by producers/processors/buyers/distributors)

☐$_4$ Other (specify) ____

17. At most, how far would you be willing to drive to a Regional Food Hub? **(Check One)**

☐$_1$ Up to and including 25km ☐$_2$ 26- 50km ☐$_3$ 51-75km ☐$_4$ 76-100km ☐$_5$ More than 100km

☐$_6$ I am only interested if farm pick-up is a viable option

18. What area would be your preferred location in Simcoe County for a Food Hub? _________________
19. What percentage of your annual production would you potentially sell to a Hub? _______percent
20. To what extent in each of the following areas would you be willing to change your current production to meet the demand of a Hub?

	Not at All$_1$	**Very Little$_2$**	**Somewhat$_3$**	**Very Much$_4$**	**Greatly$_5$**	**Don't Know$_7$**
Increase amount of current production						
Grow a product I don't currently grow						
Increase your number of employees						

21. What are some of the opportunities a Food Hub could bring to you and the area?

____

22. What do you like most about the Food Hub concept?

____

23. What do you like least about the Food Hub concept?

____

About You

24. In total, approximately how many years have you been farming for?

☐$_1$ Less than 5 years ☐$_2$ 5-10 years ☐$_3$ 11-15 years ☐$_4$ Over 15 years

25. During peak season, how many employees do you have? ___________________
26. What are the 1st 3 digits of the postal code where your farm is located? ______________________
27. What was your estimated gross income from all agricultural sales last year? __________________
28. Over the next 2 years do you expect your financial situation to…?

☐$_1$ Improve ☐$_2$ Stay about the same ☐$_3$ Decline

29. Please select your gender: ☐$_1$ Male ☐$_2$ Female

Appendix 3 - Primary Research Suppliers – Summary of Findings

Final Supplier Summary

What type of food do you currently produce? (Check all that apply)

Response	Chart	Percentage	Count
Fruit		19.0%	11
Vegetables		39.7%	23
Meat/Poultry		29.3%	17
Beverages (non-alcoholic/non-dairy)		1.7%	1
Dairy		12.1%	7
Grain		25.9%	15
Honey		8.6%	5
Eggs		6.9%	4
Maple Syrup		8.6%	5
Other, please specify...		8.6%	5
		Total Respondents	**58**

What type of food do you currently produce? (Other, please specify...)

#	Response
1.	Mushrooms
2.	Preserves
3.	Bakery
4	Worms

How many acres in total do you currently have access to?

Average	320 (minimum 0, maximum 2000)

How many acres in total do you currently farm?

Average	301

How do you currently sell your product? (Check all that apply)

Response	Chart	Percentage	Count
Farm Gate		50.0%	29
Farmers' Markets		27.6%	16
On Farm Market		15.5%	9
Ontario Food Terminal		6.9%	4
To Processors		27.6%	16
Direct to Retail		34.5%	20
Direct to Grocers		15.5%	9
To Distributors		17.2%	10
Direct to Restaurants/Caterers		22.4%	13
Direct to Large Institutions		3.4%	2
Other, please specify...		25.9%	15
		Total Responses	**58**

How do you currently sell your product? (Other, please specify...)

#	Response
1.	Online
2.	Online, email & social media
3.	CSA members, email marketing
4.	Bakeries
5.	Milk Board
6.	Other bee keepers
7.	Grain Traders
8.	Stockyards
9.	Table in local parking lot
10.	Stock yards
11.	Board
12.	Grain elevators
13.	London Ag. Commod
14.	Custom Grazer
15.	Website

Of the sales methods you currently use, which is the method you use the most?

Response	Chart	Percentage	Count
Farm Gate		22.4%	13
Farmers' Markets		10.3%	6
On Farm Market		8.6%	5
Ontario Food Terminal		6.9%	4
To Processors		13.8%	8
Direct to Retail		8.6%	5
Direct to Grocers		3.4%	2
To Distributors		5.2%	3
Direct to Large Institutions		1.7%	1
Other, please specify...		19.0%	11
		Total Responses	**58**

What percentage of your product do you currently sell locally (within 100km of your organization)?

Average	63

Please indicate how often you do each of the following things on your farm:

	Never	Rarely	Sometimes	Most of the Time	Always	Don't Know	Total Responses
I wash and pack my own products	28.0&	4.0%	12.0%	6.0%	48.0%	2.0%	50
I deliver my own products	13.0%	18.5%	20.4%	14.8%	31.5%	1.9%	54

Please indicate how much you agree or disagree with the following statements about your farm:

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Don't Know	Total Responses
I am currently looking for more sales opportunities	9.4%	3.8%	13.2%	43.4%	28.3%	1.9%	53
I have produced under contract	34.7%	14.3%	12.2%	24.5%	8.2%	6.1%	49
I would be able to increase production if there was a need	5.7%	9.4%	18.9%	39.6%	17.%	9.4%	53
I would be interested in increasing production if there was a demand	5.9%	7.8%	19.6%	39.2%	21.6%	5.9%	51
I already have plans to expand my farm in the next 2 years	9.6%	15.4%	25.0%	23.1%	21.2%	5.8%	52

On a scale of 1-5 where 1 is not at all possible and 5 is extremely possible, how possible do you think a Regional Food Distribution Hub is for Simcoe County?

Response	Chart	Percentage
1 - Not at All		0.0%
2		11.1%
3		24.1%
4		37.0%
5 - Extremely		27.8%

On a scale of 1-5 where 1 is not at all needed and 5 is extremely, how much do you think a Regional Food Distribution Hub is needed in Simcoe County?

Response	Chart	Percentage
1 - Not at All		3.8%
2		3.8%
3		22.6%
4		28.3%
5 - Extremely		41.5%

What would some of the barriers be to having a successful Food Hub in Simcoe County? (Check all that apply)

Response	Chart	Percentage	Count
Finding Buyers		36.4%	20
Meeting Demand		27.3%	15
Labour Availability		12.7%	7
Lack of Processing Capabilities		40.0%	22
Transportation		30.9%	17
Price		29.1%	16
Seasonality		38.2%	21
Lack of Storage		34.5%	19
Food Safety Standards		14.5%	8
Funding		34.5%	19
Lack of Cold Storage		34.5%	19
Insurance		25.5%	14
Other, please specify...		14.5%	8
		Total Responses	**55**

What would some of the barriers be to having a successful Food Hub in Simcoe County? (Other, please specify...)

#	Response
1.	Location
2.	All barriers that can be overcome
3.	Government compliance
4.	Good Management
5.	Proper Management
6.	Retail locations
7.	Unknown
8.	Initiative

To what extent would any of the following suggestions help to remove some of the above barriers:

	Not at All	Very Little	Somewhat	Very Much	Greatly	Don't Know	Total Responses
Creating partnerships with other businesses	4.3%	0.0%	44.7%	29.8%	17.0%	4.3%	47
Education and seminars on business skills	6.1%	2.0%	32.7%	42.9%	12.2%	4.1%	49
Assistance with funding sources	2.0%	6.1%	18.4%	40.8%	28.6%	4.1%	49
Forming relationships with buyers	1.9%	1.9%	17.3%	30.8%	44.2%	3.8%	52
Having a place for processing	2.1%	8.3%	12.5%	39.6%	33.3%	4.2%	48
Having access to storage	0.0%	6.0%	18.0%	46.0%	26.0%	4.0%	50

Please provide any other suggestions you may have for possible solutions to the selected barriers.

#	Response
1.	There is limited to no funding for producers, there is more funding for research and training then there is to the people it counts most and where the funding would be utilized, we know what we need to do, we know it takes what we don't have is the funding. There is a mass shortage of abattoirs. This has a huge impact on the local food movement and is in a crisis already. We need funding. We need help, not more research to help us determine we need help.
2.	invest in local processing infrastructure meat processing , processing kitchens advisory for labelling requirements
3.	Building food processing/storage/incubator hub
4.	Transition time to new terminal hub might take too long for some.
5.	Investigate funding possibilities
6.	Streamlining the Abattoir process with less bureaucracy would be great. More sensitivity
7.	Get national chains to buy from local producers; smaller amounts and specialty
8.	Lots of training needed
9.	Hire a retired distributor
10.	Poultry Farmers can't sell to other places because of quota

On a scale of 1-5 where 1 is not at all interested and 5 is extremely interested, if some of the barriers could be removed, how interested you would be in supplying for a Regional Food Distribution Hub in SC?

Response	Chart	Percentage	Count
1- Not at All		19.6%	10
2		3.9%	2
3		31.4%	16
4		35.3%	18
5 - Extremely		9.8%	5

If there were to be a Food Distribution Hub in SC, in your opinion, how important would it be to include the following elements?

	Not at All	Somewhat	Important	Very	Extremely	Don't Know	Total
Marketing support	4.5%	11.4%	31.8%	20.5%	27.3%	4.5%	44
Cold storage	7.0%	20.9%	20.9%	18.6%	27.9%	4.7%	43
Washing areas	7.0%	23.3%	34.9%	11.6%	14.0%	9.3%	43
Pricing assistance	11.6%	14.0%	30.2%	27.9%	14.0%	2.3%	43
Pre-season planning Sessions with buyers	9.1%	9.1%	40.9%	15.9%	22.7%	2.3%	44
Grading capabilities	14.3%	28.6%	31.0%	11.9%	9.5%	4.8%	42
On-farm pick up	15.6%	11.1%	33.3%	13.3%	24.4%	2.2%	45
Freezer space	18.2%	15.9%	27.3%	15.9%	18.2%	4.5%	44
Packaging areas	11.6%	20.9%	41.9%	7.0%	11.6%	7.0%	43
Delivery to buyers	9.1%	11.4%	38.6%	13.6%	22.7%	4.5%	44
Flexible hours	13.6%	6.8%	43.2%	18.2%	15.9%	2.3%	44
One stop shopping for buyers	9.1%	9.1%	38.6%	20.5%	18.2%	4.5%	44
Off season product availability	7.1%	9.5%	33.3%	21.4%	23.8%	4.8%	42

Please provide any other suggestions you feel should be considered in any Food Hub development.

1.	**multiple community hubs vs 1 regional hub.**
2.	Start small but plan big (land base)
3.	We need opportunities for the public to purchase GMO and Round Up free product
4.	We need to protect all 1,2,3 class lands at minimum to keep agriculture strong
5.	farmer involvement
6.	fair environment and good management

Which operating format do you think would work best for a Food Hub in Simcoe County?

Response	Chart	Percentage	Count
Grower Owned		20.5%	9
Volunteer Run		2.3%	1
Co-op (owned by producers/processors/buyers/distributors)		75.0%	33
Other, please specify...		2.3%	1
		Total Responses	**44**

Which operating format do you think would work best for a Food Hub in Simcoe County? Other

#	Response
1.	community corporation

At most, how far would you be willing to drive to a Regional Food Distribution Hub?

Response	Chart	Percentage	Count
Up to and including 25km		13.3%	6
26- 50km		40.0%	18
51-75km		26.7%	12
76-100km		13.3%	6
More than 100km		2.2%	1
I am only interested if farm pick-up is a viable option		4.4%	2
		Total Responses	**45**

What area would be your preferred location in Simcoe County for a Food Hub?

	# Responses
400 Hwy.	2
Alliston	1
Barrie	9
Barrie or south	1
Barrie/Bradford	1
Barrie/Holland Marsh	1
Between Highway 89 and Barrie	1
Bradford	2
Bradford or Barrie	1
Central	4
Elmvale	1
In every community	1
Ivy Fair Grounds	1
Multiple hubs, various locations	1
North of Holland Marsh	1
On Barrie Agriculture Grounds	1
Orillia	2
South East Barrie	1
South Simcoe County closest to the GTA which is where our real market is or at least near tourist destinations that are Popular in both winter and summer like Collingwood/Wasaga	1
Springwater	1

What percentage of your annual production would you potentially sell to a Food Hub in Simcoe County?

Average	38percent (30 respondents)

To what extent in each of the following areas would you be willing to change your current production to meet the demand of a Hub?

	Not at All	Very Little	Somewhat	Very Much	Greatly	Don't Know	Total Responses
Increase amount of current production	4.8%	14.3%	35.7%	31.0%	4.8%	9.5%	42
Grow a product I don't currently grow	16.7%	19.0%	23.8%	28.6%	2.4%	9.5%	42
Increase your number of employees	14.3%	23.8%	26.2%	21.4%	7.1%	7.1%	42

What are some of the opportunities a Food Hub could bring to you and the area?

#	Response
1.	there are many. please refer to buyer response from Georgian Bay Local Foods
2.	We currently produce far more fruit than we can easily sell. Distribution and contact with buyers is difficult. A central place for buyers could help greatly. We current end up paying massive storage costs for our fruit.
3.	We need to process/package our surplus
4.	Northern buyers would love not going to Toronto.
5.	Expand our operation
6.	Local food could supply institutions
7.	Fresh produce
8.	Access to new buyers and users
9.	Growing different products e.g .- sweet potatoes
10.	Gives the public options
11.	More demand for fresh local products
12.	Providing local product and making consumer aware of product that is available
13.	Sell wholesale
14.	Share
15.	Expanded market and distribution
16.	Access to wholesale markets for excess product
17.	Better for farmers but also tertiary users
18.	Increase sales, make daily sales more equal
19.	New markets
20.	Increased market and lower transportation
21.	Better economy in farming industry
22.	Increase use of local foods. increase local small scale farming
23.	Reaching new customer base, a place to sell excess crops beyond our farm market
24.	Central distribution

What do you like most about the Food Hub concept?

#	Response
1.	Collaboration between entities
2.	Direct marketing
3.	Two outlets good for competition
4.	Local for an economically depressed area (Toronto is booming in comparison)
5.	Local
6.	Farmers working together
7.	Local
8.	Public knowledge of availability
9.	Local food
10.	New opportunity
11.	Local control
12.	Puts Simcoe County agriculture back in the news - consumer awareness
13.	Location - needed in Simcoe
14.	Infrastructure
15.	Local and accessible
16.	Could help with penetration of local product
17.	Good idea
18.	Support local - Toronto Food Terminal difficult for growers
19.	Offers more local supplies to local people
20.	Group marketing power
21.	Accessibility to local products
22.	supports local economies, community health
23.	Opportunity to increase sales
24.	Most farmers need a central resource
25.	A central point where producers can bring their product and where buyers can buy local food at an one stop location

What do you like least about the Food Hub concept?

Response
The institutional feel of the concept as described so far it's size/possible location one hub for Simcoe county will not provide the levels of service you may be envisioning
Is it economically feasible? Is it likely to impact my business within 5 years? I can't make a business plan on it currently.
I'm too old to really go for it!
Amount of capital to start
Difficult for beekeepers in summer and fall to take care of bees and do this
Possible distance, start- up, lack of users
Cost to farmers with narrow margins
Administration
Time frame
Worried about the logistics and whether my cost of production is low enough for benefit
Co-ops with farmers don't work - micromanagers
Nothing
Concept not clear as to goals vision and implementation
Extra work and planning
Needs proactive leadership which may be hard to find
Unsure of how much we could supply/consistency
Question whether it will be used.
Distance from production facility. Farther away from facility means more time on the road and less time to produce your product. Higher energy costs (fuel consumption)

In total, approximately how many years have you been farming for?

Response	Chart	Percentage
Less than 5 years		16.1%
5-10 years		7.1%
11-15 years		12.5%
Over 15 years		64.3%

During peak season, how many employees do you have?

Average	7.4 (min 0, max 50)

What are the 1st 3 digits of the postal code where your farm is located?

	# Responses
K9V	1
L0G	3
L0J	1
L0K	4
L0L	10
L0M	6
L0N	1
L3V	1
L3Y	1
L3Z	3
L4M	1
L4R	2
L9M	1
L9R	6
L9S	2
P0C	1

What was your estimated gross income from all agricultural sales last year?

Average	**$609,792 (Min $5,000 Max $3,000,000) 24 Respondents**

Over the next 2 years do you expect your financial situation to…?

Response	Chart	Percentage	Count
Improve		55.6%	30
Stay about the same		27.8%	15
Decline		16.7%	9
		Total Responses	**54**

Gender	**Chart**	**Percentage**	**Count**
Male		55.8%	29
Female		44.2%	23
		Total Responses	**52**

HM AGM Dec 5th

Simcoe County Food Hub Interest

On behalf of the County of Simcoe Food Hub Committee and Georgian College we would like to thank you for taking the time to answer a few questions about your interest in a Food Hub in Simcoe County.

A food hub can be defined as a "business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand." USDA (2012)

1. On a scale of 1-5 where 1 is not at all possible and 5 is extremely possible, how possible do you think a Regional Food Distribution Hub is for Simcoe County? (circle one number below)

Not at All **Extremely**
1 2 3 4 5

	Frequency	Percent
3	8	38.1
4	12	57.1
5	1	4.8

2. What do you think some of the barriers would be to having a successful Hub in the county? **(Check all that apply)**

☐ Finding buyers ☐ Processing ☐ Seasonality ☐ Funding ☐ Insurance ☐ Safety
☐ Meeting demand ☐ Transportation ☐ Lack of Storage ☐ Price ☐ Labour availability
☐ Other (specify) ______________________________

Barriers_buyers	14	66.7%
Barriers_demand	6	28.6%
Barriers_Process	4	19.0%
Barriers_Transport	7	33.3%
Barriers_season	10	47.6%
Barriers_Storage	4	19.0%
Barriers_fund	8	38.1%
Barriers_Price	8	38.1%
Barriers_Insureance	2	9.5%
Barriers_Labour	6	28.6%

Barriers_safety	5	23.8%

Other Barriers Noted	Frequency
convincing buyers to leave their current suppliers	1
Government support as a project	1
Lack of interest	1
over regulation, distribution has many safety restrictions	1

3. Please comment on some of the opportunities a food hub could bring to you and the area?

	Frequency
A way out when other avenues fail	1
additional outlet for product	1
Difficult for livestock operators	1
Less time spent on trucking to OFT	1
Local sales	1
make it more practical for just in time deliveries	1
more ,ocal food avaialble to local businesses = outsource if not available	1
New customers - more control over our product - payment protection	1
opportunities to grow specialty or niche crops, greater marketing opportunities for produce, greater contact/educational opportunities with consumers	1
prevent imports from over saturating markets	1
promote local nutritious food, show a variety of foods avaialble in catechment area, provide extra value to producers	1
Provide local distribution to save on transportation to Toronto	1
reduces food waste by using all vegetables - another marketplace	1
Safe food, less trucking	1

4. On a scale of 1-5 where 1 is not at all interested and 5 is extremely interested, if some of the barriers could be removed, how interested you would be in supplying product for a Food Hub in Simcoe County?

	Frequency	Valid Percent
2	1	5.0
3	5	25.0
4	10	50.0
5	4	20.0

5. What percentage of your product do you currently sell locally (in the county or surrounding area)? ____%

	Frequency	Valid Percent
3	1	5.0
10	1	5.0
40	1	5.0
50	6	30.0
60	1	5.0
70	1	5.0
80	2	10.0
90	2	10.0
95	2	10.0
100	3	15.0

Appendix 4 - Primary Research Survey Tool – Buyers

ID #____________
Version: **Buyer**
Date: ___________

Regional Food Distribution Hub Survey

On behalf of the County of Simcoe Food Hub Committee and Georgian College we would like to thank you for taking the time to complete this survey as part of the second phase of our feasibility study. All information you provide us will remain confidential and will only be used to help us understand the potential demand for and interest in a Food Hub in this region. This survey will take approximately 15 minutes to complete. **Please only complete this survey if you have at least some purchase responsibility as part of your job or you can confidently speak on behalf of purchasing.**

About your Purchasing

1. What type of organization do you currently own or work for? **(Check all that apply)**
   ☐ Grocery Store ☐ Restaurant ☐ Hotel/Motel ☐ Distributor ☐ Caterer
   ☐ Large Institution ☐ Processor ☐ Other (specify) ________________________________

2. Please estimate the **total** of the annual food purchases for the above location(s):
   ☐ Under $100,000 ☐ $250,000-$499,999 ☐ $1,000,000 or more
   ☐ $100,000-$249,999 ☐ $500,000-$999,999

3. What percentage of those purchases would fall into each food category?

Food Type	**percent of Annual Purchases**
Fruit	
Vegetables	
Meat/Poultry	
Eggs	
Dairy	
Grain	
Honey	
Maple Syrup	
Beverages (non-dairy and non-alcoholic)	
Other (specify):	
Other (specify):	

4. How do you currently purchase your product? **(Check all that apply)**
   ☐ Farm Gate ☐ Ontario Food Terminal ☐ Distributors Directly ☐ Processors Directly
   ☐ Farmers' Markets ☐ Grocery Store ☐ Other (specify) ______________________________

5. Of the purchasing methods selected above, which is the method you use **the most**? ________________

6. Which category below best describes how often you purchase from **the most** used method?
   ☐1 Daily ☐3 Once a week ☐5 Once a month
   ☐2 A few times a week ☐4 A few times a month ☐6 Other_________________

7. What percentage of food products do you currently buy that is sourced locally (within 100km of your organization)?
   ___percent

8. Please indicate how **important** each of the following factors are in your purchase decision:

	Not at All$_1$	Somewhat$_2$	Important$_3$	Very$_4$	Extremely$_5$
Best price					
Top quality					
Timely product delivery					
Specific product availability					
Appeal of packaging					
Methods of production					
Labelling					
Produced locally					

About the Hub

When answering the questions in this section, please consider a food hub as a "business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand." USDA (2012)

9. On a scale of 1-5 where 1 is not at all possible and 5 is extremely possible, how possible do you think a Regional Food Distribution Hub is for Simcoe County? (circle one number below)

Not at All **Extremely**

1 2 3 4 5

10. On a scale of 1-5 where 1 is not at all needed and 5 is extremely, how much do you think a Regional Food Distribution Hub is needed in Simcoe County? **(circle one number below)**

Not at All **Extremely**

1 2 3 4 5

11. For your organization, what do you think some of the barriers would be to purchasing at a Food Hub in Simcoe County? **(Check all that apply)**

☐ Competitive Prices ☐ Food Safety Standards ☐ Seasonal Products ☐ Timely Distribution
☐ Adequate Supply ☐ Product Quality ☐ Cold Storage ☐ Other (specify) _______________

12. Please provide any suggestions you may have for possible solutions to the selected barriers.

____

13. On a scale of 1-5 where 1 is not at all interested and 5 is extremely interested, if some of the barriers could be removed, how interested would you be in purchasing from a Regional Food Distribution Hub in Simcoe County?

Not at All **Extremely**

1 2 3 4 5

↓

If you answered **1 (Not at All)** for question **13**, please go to the **ABOUT YOU** section on **the last page**.

14. If there were to be a Food Distribution Hub in Simcoe County, how **important** would the following elements be in your decision to purchase there?

	Not at All$_1$	Somewhat$_2$	Important$_3$	Very$_4$	Extemely$_5$	Don't Know$_7$
One stop shopping						

Best price						
Delivery to my location						
Flexible hours						
Product availability						
Top quality						

15. Please provide any other suggestions you feel should be considered in any Food Hub development.

____

____

16. Please indicate how much you agree or disagree with the following statements about a Food Hub in Simcoe County:

	Strongly Disagree$_1$	**Disagree$_2$**	**Neutral$_3$**	**Agree$_4$**	**Strongly Agree$_5$**	**Don't Know$_7$**
I would participate in pre-season crop planning with local suppliers to ensure supply						
I would buy more local product if I knew what was available						
I would buy imported food from the Hub in the off-season						
I would pay more to buy local product						
I would be willing to sign a purchase contract to ensure supply						

17. Which operating format do you think would work best for a Food Hub in Simcoe County? **(Check One)**

☐$_1$ Grower Owned ☐$_2$ Volunteer Run ☐$_3$ Co-op (owned by producers/processors/buyers/distributors)
☐$_4$ Other (specify) ____

18. At most, how far would you be willing to drive to a Regional Food Distribution Hub? **(Check One)**

☐$_1$ Up to 25km ☐$_2$ 26- 50km ☐$_3$ 51-75km ☐$_4$ 76-100km ☐$_5$ More than 100km
☐$_6$ I am only interested if delivery is a viable option

19. What area would be your preferred location in Simcoe County for a Food Hub? _________________

20. Thinking about your annual product purchase amount, what percentage of those purchases for each food type would you purchase at the Food Hub in Simcoe County? **(For example 100percent under Fruit would mean you would purchase all of your Fruit at the Hub)**

Food Type	**percent Purchase at Hub**
Fruit	
Vegetables	
Meat/Poultry	
Eggs	
Dairy	
Grain	
Honey	
Maple Syrup	
Beverages (non-dairy and non-alcoholic)	
Other (specify):	
Other (specify):	

21. What are some of the opportunities a Food Hub could bring to you and the area?

____

22. What do you like most about the Food Hub concept?

____

23. What do you like least about the Food Hub concept?

____

About You

24. What organization are you with? ____

25. What are the 1st 3 digits of the postal code where your company is located? ____________________

26. What is your main role or area within the organization? **(select more than one if applicable)**

☐ Chef ☐ General Manager ☐ Owner
☐ Food and Beverage Manager ☐ Purchaser ☐ Other (specify) ________________

27. How many years in total has an element of purchasing food been part of your job responsibility (could include managing or overseeing purchasing)?

☐ 1 Less than 2 years ☐ 2 2-5 years ☐ 3 6-10 years ☐ 4 Over 10 years

28. Over the next 2 years do you expect your organization's financial situation to…?

☐ 1 Improve ☐ 2 Stay about the same ☐ 3 Decline

29. Please select your gender: ☐ 1 Male ☐ 2 Female

Thank you for participating in our survey!

Appendix 5 – Primary Research Buyers – Summary of Findings

Final Buyer Summary

What type of organization do you currently own or work for?

Response	Percentage	Count
Grocery Store	11%	3
Restaurant	44%	12
Hotel/Motel/Resort	11%	3
Golf Course	11%	3
Caterer	19%	5
Other	4%	1
Total	100%	27

Please estimate the total of the annual food purchases for the above location(s):

Response	Chart	Percentage	Count
Under $100,000		37.0%	10
$100,000-$249,999		22.2%	6
$250,000-$499,999		22.2%	6
$500,000-$999,999		18.5%	5
$1,000,000 or more		0.0%	0
		Total Responses	**27**

What percentage of those purchases would fall into each food category?

Category	Average
Fruit	30%
Vegetables	16%
Meat/Poultry	31%
Eggs	9%
Dairy	13%
Grain	9%
Honey	3%
Maple Syrup	2.5%
Beverages (non-alcoholic/non-dairy)	12.5%
Other	10%

How do you currently purchase your product? (Check all that apply)

Response	Chart	Percentage	Count
Farm Gate		37.0%	10
Farmers' Markets		29.6%	8
Ontario Food Terminal		14.8%	4
Grocery Store		44.4%	12
Distributors Directly		77.8%	21
Processors Directly		48.1%	13
Other, please specify...		3.7%	1

Of the purchasing methods selected previously, which is the method you use the most?

Response	Chart	Percentage	Count
Farm Gate		3.7%	1
Farmers' Markets		0.0%	0
Ontario Food Terminal		3.7%	1
Grocery Store		11.1%	3
Distributors Directly		66.7%	18
Processors Directly		14.8%	4

Which category below best describes how often you purchase from {{ most }}?

Response	Chart	Percentage	Count
Daily		7.7%	2
A few times a week		61.5%	16
Once a week		26.9%	7
A few times a month		0.0%	0
Once a month		0.0%	0
Other, please specify...		3.8%	1

What percentage of food products do you currently buy that is sourced locally (within 100km of your organization)?

Average 41percent

Please indicate how important each of the following factors are in your purchase decision:

	Not at All	Somewhat	Important	Very	Extremely	Total Responses
Best price	8.3%	16.7%	20.8%	25.0%	29.2%	24
Top quality	0.0%	4.0%	12.0%	32.0%	52.0%	25
Timely product delivery	4.3%	4.3%	26.1%	39.1%	26.1%	23
Specific product availability	0.0%	8.0%	64.0%	12.0%	16.0%	25
Appeal of packaging	37.5%	37.5%	16.7%	4.2%	4.2%	24
Methods of production	0.0%	28.0%	24.0%	32.0%	16.0%	25
Labelling	17.4%	34.8%	17.4%	17.4%	13.0%	23
Produced locally	4.0%	28.0%	24.0%	20.0%	24.0%	25

On a scale of 1-5 where 1 is not at all possible and 5 is extremely possible, how possible do you think a Regional Food Distribution Hub is for Simcoe County?

Response	Chart	Percentage	Count
1-Not at All		3.8%	1
2		7.7%	2
3		26.9%	7
4		38.5%	10
5-Extremely		23.1%	6

On a scale of 1-5 where 1 is not at all needed and 5 is extremely, how much do you think a Regional Food Distribution Hub is needed in Simcoe County?

Response	Chart	Percentage	Count
1 - Not at All		0.0%	0
2		3.8%	1
3		30.8%	8
4		34.6%	9
5 - Extremely		30.8%	8

For your organization, what do you think some of the barriers would be to purchasing at a Food Hub in Simcoe County? (Check all that apply)

Response	Chart	Percentage	Count
Competitive Prices		62.5%	15
Adequate Supply		58.3%	14
Food Safety Standards		25.0%	6
Product Quality		37.5%	9
Seasonal Products		50.0%	12
Cold Storage		8.3%	2
Timely Distribution		54.2%	13
Other, please specify...		16.7%	4

#	Response
1.	close by
2.	the story of the farm, farmer & product
3.	Strategic marketing
4.	Funding

Please provide any suggestions you may have for possible solutions to the selected barriers.

#	Response
1.	Every major town should have a year round local indoor/outdoor market. May be run by a producers co-op with business and municipal partners financed with the help of economic grants and loans. This is a proven system with examples from all over the world.
2.	Several smaller food hubs instead of one larger regional hub
3.	It is already difficult to own a restaurant in Ontario (most of them fail), thus any savings is a good thing, but not to the point of the product suffering. -It is sometimes difficult to have adequate supply of certain local products (ie. meats or vegetables) to keep it on the menu for a whole two- month season. The solution is to use the local products on special banquet functions or specials. Around Huntsville, there are many great quality artisanal products and but not necessarily within 100kms, but not far off. We do drive to pick up our Trout (Milford Bay) and some baked goods (Henrietta's Bakery) but it cuts a huge part out of the day. We do have one sprout company (4seasons) that delivers and appear to be doing well. It would be nice if other small companies did the same like they do in Europe (ie. foragers picking up mushrooms, wild garlic and herbs, poultry, lamb and pork farmers.) but again there are food safety standards that may get in the way of that.
4.	A proper business plan and model and an effective skilled labour force that understands local food and why it is important.
5.	Adopt current regular practices
6.	Partnering with larger buyers for mutual benefit and exposure

On a scale of 1-5 where 1 is not at all interested and 5 is extremely interested, if some of the barriers could be removed, how interested would you be in purchasing from a Regional Food Distribution Hub in SC?

Response	Chart	Percentage	Count
1 - Not at All		3.8%	1
2		11.5%	3
3		15.4%	4
4		30.8%	8
5 - Extremely		38.5%	10

If there were to be a Food Distribution Hub in Simcoe County, how important would the following elements be in your decision to purchase there?

	Not at All	Somewhat	Important	Very	Extremely	Don't Know	Total Responses
One stop shopping	0.0%	19.0%	23.8%	42.%	14.3%	0.0%	21
Best price	0.0%	20.0%	25.0%	35.0%	20.0%	0.0%	20
Delivery to my location	19.0%	9.5%	9.5%	23.8%	38.1%	0.0%	21
Flexible hours	5.0%	15.0%	20.0%	30.0%	25.0%	5.0%	20
Product availability	0.0%	9.5%	14.3%	33.3%	42.9%	0.0%	21
Top quality	0.0%	5.0%	5.0%	30.0%	60.0%	0.0%	20

Please provide any other suggestions you feel should be considered in any Food Hub development.

#	Response
1.	Accessibility to consumers and food service
2.	One large centralized institutional scale food hub is unlikely to support the broad range of small farmers in the county. Smaller hyper-local food hubs in each community (or mobile food hubs) could provide far better access to markets for local farmers and better access to local food for consumers. A food hub is but one part of the local food economy puzzle + supply chains, +business training and incubation, +education, +resources, +infrastructure +...
3.	Always looking for new product availability and able to source particular products that individual restaurants want.
4.	For the local wholesalers and produce suppliers that have been in business for many years what happens to them?
5.	Cross marketing and partnerships

Please indicate how much you agree or disagree with the following statements about a Food Hub in Simcoe County:

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I would participate in pre-season crop planning with local suppliers to ensure supply	10.5%t	0.0%	36.8%	21.1%	31.6%
I would buy more local product if I knew what was available	0.0%	0.0%	27.8%	44.4%	27.8%
I would buy imported food from the Hub in the off-season	0.0%	11.1%	22.2%	55.6%	11.1%
I would pay more to buy local product	0.0%	21.1%	36.8%	26.3%	15.8%
I would be willing to sign a purchase contract to ensure supply	5.3%	15.8%	36.8%	31.6%	10.5%

Which operating format do you think would work best for a Food Hub in Simcoe County?

Response	Chart	Percentage	Count
Grower Owned		15.8%	3
Volunteer Run		0.0%	0
Co-op (owned by producers/processors/buyers/distributors)		73.7%	14
Other, please specify...		10.5%	2

Which operating format do you think would work best for a Food Hub in Simcoe County? Other

#	Response
1.	Community-owned corporation
2.	It has to be a business. If not it won't work.

At most, how far would you be willing to drive to a Regional Food Distribution Hub?

Response	Chart	Percentage
Up to 25km		33.3%
26- 50km		28.6%
51-75km		9.5%
76-100km		0.0%
More than 100km		0.0%
I am only interested if delivery is a viable option		28.6%

What area would be your preferred location in Simcoe County for a Food Hub?

#	Response
1.	South Simcoe, Barrie
2.	Collingwood
3.	In every community, in some form.
4.	Orillia
5.	Barrie to Orillia, unless I would have to pick it up, then it would have to be Lake of Bays/Hunstville but not realistic.
6.	Springwater Township
7.	Barrie. The old race track and agriculture centre. Easy access, off the 400, central location
8.	Midland
9.	Midland
10.	Barrie
11.	Barrie
12.	Springwater
13.	Hwy 400 and 89
14.	Barrie
15.	Between Barrie and Orillia

Thinking about your annual product purchase amount, what percentage of those purchases for each food type would you purchase at the Food Hub in Simcoe County? (For example, 100 percent under Fruit would mean you would purchase all of your Fruit at the Hub)

Category	Average
Fruit	62%
Vegetables	67%
Meat/Poultry	53%
Eggs	67%
Dairy	57%
Grain	59%
Honey	88%
Maple Syrup	62%
Beverages (non-alcoholic/non-dairy)	38percent
Other	52percent

What are some of the opportunities a Food Hub could bring to you and the area?

#	Response
1.	Economic development, fresh food, bio diversity, Entrepreneurship, community, support for rural areas
2.	It all depends on how far the model is developed. but it should increase market, distribution and sales for local farmers, stimulate supporting food businesses (post processing, value adding, artisanal foods etc), stimulate support non- food businesses (distribution, farm supply etc.), stimulate jobs, keep more money working within the community for longer (increased multiplier effect), healthier communities, less strain on medical system... the list goes on...
3.	It would produce more jobs and a healthier, more knowledgeable population. It would grow quickly once it began.
4.	Fresh local produce would be great. Local easy accessible supplies would be great as well.
5.	Local, fresh fruit and vegetables at reasonable prices (perhaps lower than grocery store prices).
6.	Accessibility to supply volume and product
7.	Job creation, positive influence in community, volunteer ism
8.	More awareness of locally produced foods
9.	Stronger farming economy and better access to locally-produced food
10.	Access, convenience, quality
11.	Fresh local produce
12.	Better exposure to local products
13.	Greater availability and source for local product for schools
14.	Better access to local produce instead of going to Toronto

What do you like most about the Food Hub concept?

#	Response
1.	All the above
2.	It is potentially a key part of building a strong and resilient local food economy.
3.	Promotes quality food, jobs, and stays from all the unhealthy foods, which appear to be showing repercussions in our health.
4.	Helping local farmers would be great.
5.	One- stop shopping for all fruit and vegetables
6.	Making volume and variety accessible to us on a local basis and from local suppliers
7.	One- stop shopping.
8.	Accessibility to local food hub
9.	Using more local products
10.	Making it easier to buy local foods
11.	Access
12.	Fresh local produce
13.	Local economic support
14.	Access and variety

What do you like least about the Food Hub concept?

#	Response
1.	Trying to get it established
2.	if executed poorly, it could simply entrench larger 'local' agribusinesses at the expense of smaller family farmers.
3.	Nothing! Barrie and surrounding areas need this quite badly.
4.	Competing with local wholesale and produce companies that currently purchase local products.
5.	I'd be nervous about meat/fish purchases? How is it regulated and managed?
6.	Potentially less quality
7.	There would have to be a delivery feature
8.	No delivery
9.	Cost issues
10.	If there is not delivery most businesses won't be on board
11.	Logistics and delivery challenges
12.	Cooperation

What are the 1st 3 digits of the postal code where your company is located? (not all given)

L0K	1
L0L	2
L0R	1
L3V	2
L3Z	2
L4M	3
L4N	3
L4R	3
L9R	1
L9Y	1
p0b	1

What is your main role or area within the organization? (select more than one if applicable)

Response	Chart	Percentage	Count
Chef		69.6%	16
Food and Beverage Manager		17.4%	4
General Manager		13.0%	3
Purchaser		39.1%	9
Owner		43.5%	10
Other, please specify...		21.7%	5

What is your main role or area within the organization? (Other, please specify...)

#	Response
1.	Director of Food Services
2.	Assistant General Manager

How many years in total has an element of purchasing food been part of your job responsibility (could include managing or overseeing purchasing)?

Response	Chart	Percentage
Less than 2 years		8.7%
2-5 years		30.4%
6-10 years		8.7%
Over 10 years		52.2%

Over the next 2 years do you expect your organization's financial situation to…?

Response	Chart	Percentage	Count
Improve		63.6%	14
Stay About the Same		31.8%	7
Decline		4.5%	1
		Total Responses	**22**

Gender	Chart	Percentage
Male		75.0%
Female		25.0%

Appendix 6 - Buyer Findings from Growing Links Report

Local Food Estimates from BPS Food Service Operations

The following tables were estimates of local Ontario and local Simcoe County food procurement on a yearly basis from BPS food service operations. Some estimates were based on 2010 and some were actual expenditures up to November 2011. Food expenditure estimates were requested from all 14 BPS Food Service operations and seven voluntarily provided the following estimates. Six provided estimates of the percentage of the total expenditures from food sourced in Ontario and five provided some estimates of local Simcoe County food procurement. Estimates for local Simcoe County fresh vegetables ranged from 2 percent to 27 percent.

Name of Organization/Group: **Georgian College, School of Hospitality, Tourism, and Recreation**

Contact Person: **Michael Bakogeorge/Darryl Campbell**

Local Food Estimates: Please provide estimates of the amount of local foods procured by your group.

Food Categories	Yearly Volume (weight or volume or $$)	Estimated percent Ontario (including Simcoe)	Estimated percent Simcoe County of Yearly Volume	Expected percent Change in next 3 years?
Fresh Produce – vegetables	**$40,000**	**20%**	**10%**	**25-50% increase**
Fresh Produce - fruit	**$20,000**	**10%**	**4%**	**25-50% increase**
Dairy- liquid (milk, cream)	**$13,000**	**100%**	**?**	**-**
Dairy – cheese	**$19,000**	**50%**	**0%**	**25-50% increase**
Dairy – other (yoghurt, cottage)	**$1000**	**100%**	**?**	**-**
Eggs	**$8,500**	**100%**	**?**	**-**
Fresh protein including deli meats	**$70,000**	**10%**	**.2%**	**25-50% increase**
Packaged/dry (oatmeal, flour)	**$3,100**	**5%**	**?**	**?**
Honey, maple syrup	**$1,400**	**0%**	**0%**	**25-50% increase**

Name of Organization/Group: **Georgian College, SAC**

Contact Person: **Mick Kingston**

Local Food Estimates: Please provide estimates of the amount of local foods procured by your group.

Food Categories	**Yearly Volume** **(weight or volume or $$)**	**Estimated percent Ontario** **(including Simcoe)**	**Estimated percent Simcoe County**	**Expected percent Change in next 3 years?**
Fresh Produce – vegetables Fresh Produce - fruit	$18,797.21 **Combined with fruit**			
Dairy- liquid (milk, cream)	$157,879.89 **has other non-food items in figure**			
Dairy – cheese				
Dairy – other (yoghurt, cottage)				
Eggs				
Fresh protein including deli meats	$21,698.25			
Packaged/dry (oatmeal, flour)				
Honey, maple syrup				

Name of Organization/Group: **Georgian College, Kempenfelt Conference Centre**

Contact Person: **Harvie Pitman, Executive Chef**

Local Food Estimates: Please provide estimates of the amount of local foods procured by your group.

Food Categories	Yearly Volume (weight or volume or $$)	Estimated percent Ontario (including Simcoe)	Estimated percent Simcoe County	Expected percent Change in next 3 years?
Fresh Produce – vegetables	**$60,000.00**	**5%**	**5%**	**0%**
Fresh Produce - fruit	**$10,000.00**	**2%**	**2%**	**0%**
Dairy- liquid (milk, cream)	**$10,000.00**	**100%**	**100%**	**0%**
Dairy – cheese	**$3,000.00**	**75%**	**0%** **Is there cheese produced in Simcoe County?**	**0%**
Dairy – other (yoghurt, cottage)	**$1,000.00**	**100%**	**100%**	**0%**
Eggs	**$1,000.00**	**100%**	**0%**	**0%**
Fresh protein including deli meats	**$100,000.00**	**80%**	**0%**	**0%**
Packaged/dry (oatmeal, flour)	**$,4000.00**	**100%**	**0%**	**0%**
Honey, maple syrup	**$500.00**	**0%**	**0%**	**0%**

Name of Organization/Group: **Orillia Soldiers' Memorial Hospital**

Contact Person: **Don Woychyshyn**

Local Food Estimates: Please provide estimates of the amount of local foods procured by your group.

Food Categories	Yearly Volume (weight or volume or $$)	Estimated percent Ontario (including Simcoe)	Estimated percent Simcoe County	Expected percent Change in next 3 years?
Fresh Produce – vegetables	**$42,562.22**	**45%**	**27%**	**75%**
Fresh Produce - fruit	**$18,240.96**	**25%**	**20%**	**90%**
Dairy- liquid (milk, cream)	**$72,326.28**	**100%**	**?**	**?**
Dairy – cheese				
Dairy – other (yogurt, cottage)	**$2,893.05**	**100%**	**?**	**?**
Eggs	**4680 dozen**	**100%**	**?**	**?**
Fresh protein including deli meats				
Packaged/dry (oatmeal, flour)				
Honey, maple syrup				

Name of Organization/Group: **Royal Victoria Hospital**

Contact Person: **Brenda Murray, Director Patient Food Services**

Local Food Estimates: Please provide estimates of the amount of local foods procured by your group.

Food Categories	Yearly Volume (weight or volume or $$)	Estimated percent Ontario (including Simcoe)	Estimated percent Simcoe County	Expected percent Change in next 3 years?
Fresh Produce – vegetables	**$14,000**	**20%**	**10%**	**30% volume**
Fresh Produce - fruit	**$11,000**	**20%**	**10%**	**30% volume**
Dairy- liquid (milk, cream, yogurt)	**$125,000**	**100%**	**0**	**30% volume**
Dairy – all cheese	**$30,000**	**100%**	**0**	**30% volume**
Dairy – other	**Included above**			
Eggs	**$3,600**	**100%**	**0**	**30% volume**
Fresh protein including deli meats	**$ 220,000**	**80% Canadian**	**0**	**30% volume**
Packaged/dry (oatmeal, flour)	**$55,000**	**80% Canadian**	**0**	**30% volume**
Honey, maple syrup	**$300**	**100% Canadian**	**0**	**30% volume**

Name of Organization/Group: **The County of Simcoe, Long Term Care Facilities**

Contact Person: **Laurie Gaudet, Procurement Professional**
Dawn Hipwell, Director, Procurement, Fleet & Property Department

Local Food Estimates: Please provide estimates of the amount of local foods procured by your group.

Food Categories	Yearly Volume (weight or volume or $$)	Estimated percent Ontario (including Simcoe)	Estimated percent Simcoe County	Expected percent Change in next 3 years?
Fresh Produce – vegetables & fruit Vegetables/Prepared/Frozen	**Produce combined $153,953.64 $104,369.31**			
Dairy- liquid (milk, cream) Dairy – cheese Dairy – other (yoghurt, cottage)	**Dairy combined $256,709.00**			
Eggs	**$56,710.14**			
Fresh protein including deli meats	**$98,381.59**			
Packaged/dry (oatmeal, flour)	**Not known**			
Honey, maple syrup	**$500.**			

Total food expenditures at County of Simcoe Long Term Care facilities up to November 2011 were $1,763,282.34 Estimated local <u>Ontario</u> expenditures were $859,356.97 or 67percent of total food expenditures.

Name of Organization/Group: **OPP GHQ - The Madison County Food & Beverage Co.**

Contact Person: **Bonnie Dyke**

Local Food Estimates: Please provide estimates of the amount of local foods procured by your group.

Food Categories	Yearly Volume (weight or volume or $$)	Estimated percent Ontario (including Simcoe)	Estimated percent Simcoe County	Expected percent Change in next 3 years?
Fresh Produce – vegetables	**Produce combined $40,000**	**30%**	**10%**	**+ 15%**
Fresh Produce - fruit				
Dairy- liquid (milk, cream)	**Dairy combined $120,000**	**100%**	**?**	**+15%**
Dairy – cheese				
Dairy – other (yogurt, cottage)				
Eggs	**$25,000**	**100%**	**?**	**+ 15%**
Fresh protein including deli meats	**$100,000**	**60%**	**?**	**+15%**
Packaged/dry (oatmeal, flour)	**Not known**			
Honey, maple syrup	**$500.**	**?**	**?**	**+5%**

Appendix 7 – Interviews with Existing Simcoe County Food Hubs/Aggregators

1. Larry Cohn, Cohn Farms

- Larry was in the food distribution business for many years and sold it to Gordon Food Services (GFS)
- Now owns and operates Cohn Farms.
- His co-packing model allows for local producers to deliver produce to Cohn Farms where it is washed, inspected and packed
- He works with six to eight local growers in addition to supplying his own produce which is all traceable and inspected for GFS
- Product is loaded in a trailer for GFS until it is full
- Instead of one farm sending a truck with 18 pallets, as an aggregator, he can load and pack 26 pallets with other growers produce to send to GFS in Milton
- Larry feels his business is at its maximum capacity now and it is profitable and working well
- However, there is no room for expanding the business unless he expands everything - storage, processing, packing loading
- Asked to clarify his vision for 5-20 years out regarding expansion

Advantages:

- GFS gets one full truck, processed, labeled, inspected delivered to its Milton facility, instead of several half-full trucks
- This is more efficient, as only one loading bay is needed because of one truck with a full load
- It is advantageous to growers who only have to deliver locally to Cohn Farms & fewer trucks on road
- Growers get more for their produce as they are paid by the aggregator/producer, not the buyer/large distributor.

Regional Food Distribution Hub

- Larry doesn't feel it is feasible
  Can't be as efficient as big distributors because they can't source, house enough variety of skews (something like 22,000 skews of food product)
- It is not efficient for truckers to pick up small amounts of product from small farms and keep track of them
- Need a one- stop shopping – variety of food products and delivered to multiple locations
- Feels small distributors are dying and in five to 10 years only big players will remain in business
- Believes there is room to develop other food aggregators like himself in other parts of Ontario
  Asked if working with other small distributors to service local clients?

- Works with GFS and suggests contacting Steve Crawford with GFS.

2. Steve Crawford, Gordon Food Service (GFS)

Steve Crawford, Business Development Specialist Produce, Dairy & Local

What is your perspective of local food distribution in Ontario?

- Steve believes that we should consider local food as Ontario-grown food, primarily because different regions of the province have special food products that grow best in their area. For example, fruit such as peaches & nectarines are in Niagara primarily.

- He believes that a regional food distribution hub was been considered by GFS, but determined not to be viable.

- It was not considered to be viable for a number of reasons:

  - There are too many food products in demand for regional food hubs to have to store and distribute.
  - They would have to be importing produce from outside the region to satisfy the buyers-end customer's demand,
  - In many cases it would be inefficient with partial truckloads of produce traveling to and from the centre. Back loading is an issue for all distribution businesses.

Feasibility of a Regional Food Distribution Hub

- Steve believes a local food aggregator / consolidator is a more feasible model. It should be an existing business that has its products and also serves as a local food aggregator as well. Advantages are:

  1. Local producers can bring product shorter distances and in timely schedules
  2. It reduces the need for local producers to haul partial loads to GFS and wait to unload.
  3. The local aggregator becomes provider of assurances of food safety, quality and traceablity
  4. Producers are paid sooner and possibly at a higher margin
  5. Inspection can be closer to the producer and would save time at GFS

- If the demand is large and diverse enough, a local producer can sell all of their product. Their best for retail, seconds and under quality to food service production etc.

What are some of the challenges?

- Local aggregator has to work at understanding the demand, the right products and right mix to meet that demand, and the right temperature and humidity for controlled storage areas. They also need to work out the logistics of delivery in appropriate timeframes. Ideally, he could see that when a customer places an order to GFS, the aggregator is automatically notified, before a Purchase Order is provided, and can immediately work on getting the order filled. This is in an ideal world.

- Matching demand with supply is tricky. GFS set up a tracking system in 2010 that enables them to let customers know how much product, as both volume and percentage, is from Ontario. With some additional work, they can provide farm profiles to customers. Working with them, they could determine the potential demand. Based on the way Steve described the system, GFS could calculate demand and supply for Simcoe County. GFS is hiring another person to help research and plan how this whole model could be developed and expanded.
- It would be advantageous to tour the GFS facility for a demonstration of the tracking system and to find out what they could do to demonstrate demand in Simcoe County, and for what products.

Are there other regional food hubs or aggregation facilities in Canada?

- Steve and GFS seem to be leaders in this initiative. It is a big thing for GFS, as a US –based, private family- owned business to take this on in Canada. He feels that British Columbia, Quebec and Ontario are the most appropriate markets for this model as they have the consumer demand needed to make it work. Steve emphasized the need to "create or make sure we have demand for local food". Without consumers demanding local foods, it will not be feasible.

What other types of aggregation products are of interest to GFS?

- Steve is looking for some business to set up a fresh fruit aggregation. This year, GFS has set up a deal with farmer(s) to purchase all their demand for apples year round from Ontario.

Other relevant information

- Steve mentioned that the Greenbelt Fund is setting up a workshop in a few weeks for producers about food safety and tracebility. He also mentioned the group **FeastOn**

The FEAST ON Manifesto

  - To procure Ontario food and drink whenever possible
  - To track and trace Ontario food and drink purchases as close to the point of origin as possible
  - To identify the prevalence of Ontario food and drink on the menu
  - To develop Ontario's culinary identity by celebrating regional tastes and championing local, seasonal ingredients
  - To educate the public about Ontario food and drink, and to bring further awareness about its strong agricultural sectors.

- Finally, Steve mentioned that an APP   has been developed that allows a person to search restaurants in a geographic area that have local foods on their menu. Need to follow up to determine the name of this APP.

3. Greenbelt/Sysco/Model

Franco Naccarato, Program Manager, Greenbelt Fund

Would you please describe the pilot project by Sysco for a regional food hub?

- Sysco was approached by Greenbelt Fund to work with them on a regional food distribution hub. The concept is to bring local foods in real time to customers without or with little storage.
- Sysco was to bring one of their larger clients (Aramark) and work with their clients (UofT and Google) both of which have a local food interest and strong corporate sustainability policy that include local foods. Google serves about 200 people in their corporate office and there are opportunities to engage the private sector in addition to BPS.
- Local foods are defined as foods grown in Ontario or where 90 percent is processed in Ontario.

How it Works

- The Greenbelt Fund sourced food producers and worked with 100 km Foods to consolidate foods on demand. That means that 100 Km Foods finds out what is available on a weekly basis, presents a list to Sysco, and Sysco then offers the items on Thursdays to Aramark. Aramark decides by a pre-determined cut off time what they want and places an order with Sysco. Sysco then sends orders to 100 Km Foods who notifies the producers.

- All producers are GAP certified for Aramark for quality and tractability criteria. 100 Km Foods sources and delivers products in the quantities requested to Sysco who in turn delivers to Aramark by the following Wednesday. GAP-certified farmers were harder to find, so now work with 12 instead of 40 producers. This is a bit of a concern.

Advantages:

<u>Farmers:</u>

- Access to larger markets, leverages Sysco's clients
- Fewer trucks on road to deliver to market
- Fair price for producers - not wholesale, not retail, but somewhere in between

<u>Sysco:</u>

- Able to offer local foods on demand
- Does not require storage space
- Full trucks to and from Sysco, for more efficient handling
- Access to more local producers without more work on their part to collect and transport

Small Distributors:

- Access to larger markets, leverages Sysco's clients
- Play role where bigger distributor is not as efficient
- Fuller trucks with greater demand

End Users:

- Local foods for their employees/students and fulfills corporate policy

Disadvantages

- Must start small (stared with 10 items and now up to 60 items being offered right now)
- Looking to expand program with more items and to more food clients
- Takes more time to build the relationships and to get chefs in cycle
- Need demand to make this work (big volume, education of local foods)
- Could not survive on this at this point but Sysco sees this as an addition to their business, maybe added value.

What is the timeframe?

- Hoping to continue until June 2015, possibly longer if demand is there
- The project took about a year to launch from its inception. Senior management team was on board but it took a while longer to have it filter down to the key employee-chefs. They needed to be reminded of the program.

Other points of interest to Regional Food Distribution Hub Issue

- Appears small consolidator is a key intermediary to producers
- Appears to be testing our both broad public sector and private corporations
- See local foods distribution hub as part of an existing business
- Need more work to get producers to be "truck distribution ready" not just retail ready, that is they need to have packaging, packing size, skid size and weight under control
- Sysco has not geocoded all of their food products, but have a computerized system that enables them to report what items are Ontario-local
- Of their 10,000 different food items, over 750 items are considered Ontario local
- Sysco now bypasses the Ontario Food Terminal and buys direct.

Regional food hubs

- More integrated distribution system that is flexible and can accommodate small, medium and large producers
- A system that allows farmers to distinguish themselves on quality, methods of production & point of origin
- Franco believes that regional food hubs can take several different models such as the aggregator model of Cohn Farms to 100km Foods

- He suggests the key factor is that the hub has to be an **existing operation** with the capacity within their business model to identify and build relationships with local producers and add value to the business through aggregation, some processing, efficient and timely packing and inspection for full truck distribution
- The physical infrastructure for storage, processing and packing are expensive
- The Ontario Food Terminal apparently rents space and does not own the buildings and land
- Believes financial risks can be lowered when additions and enhancements are complementary or similar to existing business.

Food Distribution Hub for Simcoe County

- He believes aggregation hubs would be viable, but need a larger partner to work with to reach markets where demand will support the operation. That is the GTA.
- He said he would be very surprised if Simcoe County or even BGS have a large enough market base to make a regional hub viable. He considers the food producer should think of a tiered system from:
    - Farm gate
    - Farmers market
    - Wholesale
    - Big distributor

- Just-in- time model is like the Sysco/ Aramark program that sets a limited list of available items on a weekly basis for its food service clients. This means food flows through the distributors and they do not need to store, worry about shelf life etc. It also offers the local food producer the opportunity to bring specialty items to larger markets at good prices. They no longer are commodities. All parties win.

Advantages and Disadvantages

- A large farm operation works as the middle person to aggregate food products from a number of local farms, then processes, inspects, labels and packages the products for delivery to a large food distributor.

Advantages

- Local aggregator works closely with other farmers as peers rather than big distributor and farmers
- Producers have shorter distances to travel with their deliveries
- Full rather than partial truck loads travel to the large food distributor, creating greater efficiencies for unloading such as shorter wait time, fewer bays needed and fewer trucks with half loads.
- Aggregators can provide added value to producers and distributors such as processing, tracking, labelling and packing
- Distributors have greater access to a wider range of local food products at a single location.

Disadvantages

- Aggregator can be limited by a lack of appropriate storage and processing capacity
- Seems to work with larger food producers with large production, not as readily with small and medium-sized producers

Other Notes of Interest:

- Started as a pilot project through Greenbelt Fund and the pilot is now in full operation
- Local aggregator is now working with six to eight producers
- Local aggregator is not at physical storage capacity so can't expand number of producers

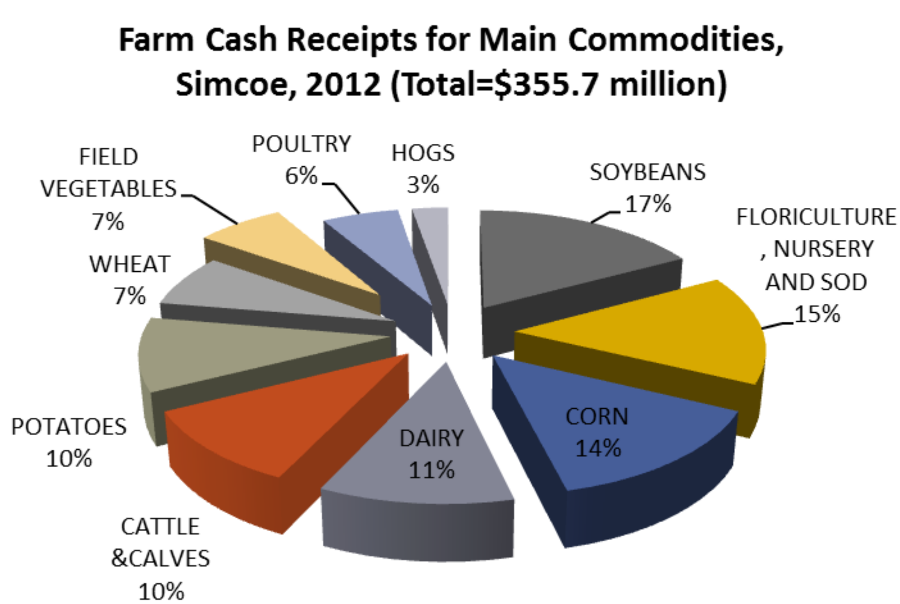
Nathan McCosker, 10FoldFarms

Nathan and Melissa McCosker operate 10Fold Farms in Waubaushene

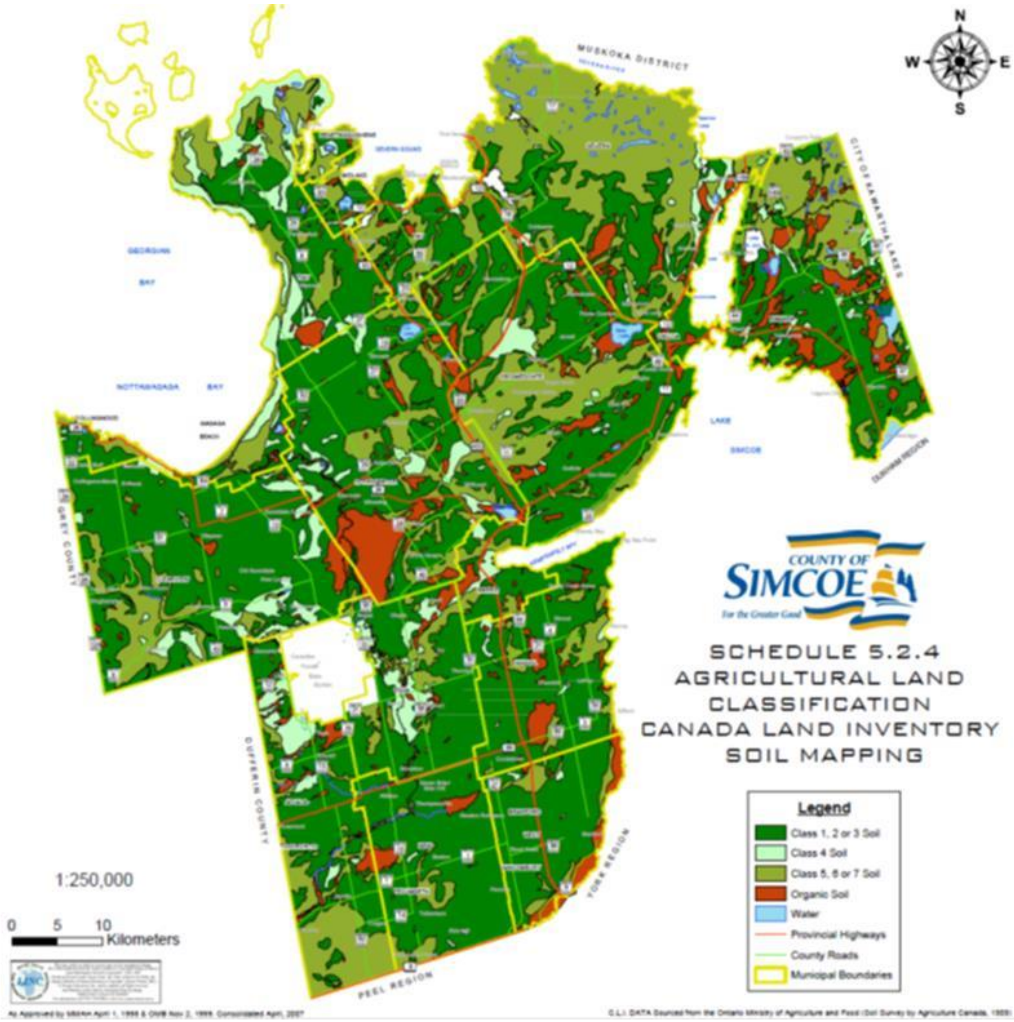
- Nathan came to Canada from Brisbane Australia about seven years ago to work with Shoplocally.com .   He grew up on a farm producing wheat, cash crops and wool.
- Melissa's family is from the Midland area
- Together, they purchased a farm to run under local food principles
- Soon they saw a need to connect local people to locally-grown food via the people who actually produce the food.
- To fulfil this need, they created Georgian Bay Local Foods, a regional food distribution model, serving Midland, Penetanguishene, Tiny, Tay & Oro-Medonte.
- They currently work with farmers and producers within a 50 km range. Their model helps farmers as they will harvest what has been ordered-ensuring a top quality product for customers and limited the risk of surplus products for them.
- Georgian Bay Local Foods offers an online marketplace in addition to selling products through Andre Sanche, Chef Operator of Ciboulette et Cie in Midland, a retail store featuring local food and a restaurant.
- 10Fold farms has pigs and grows micro-greens. They have been selling to local businesses and at the farm gate. They were soon getting requests for additional products so started to connect with other producers who now sell through him, via Georgian Bay Local Foods, offering meats, cheese and, produce
- Through their online community, customers can order products with 24-hour notice and pick up orders twice per week in Midland. Georgian Bay Local Foods also delivers to restaurants.
- When asked about the future for a food distribution model, Nathan said that he envisions a community investment model, similar to a cooperative but more business-oriented within five years.
- He sees a role for the Economic Development Office, County of Simcoe, to seed this kind of a model as part of a business investment strategy. He would also like to see this as an online business model.
- Some of the challenges identified included the capital needed to invest in infrastructure including trucks, refrigeration, storage, and some processing space.
- Nathan ended the interview welcoming the opportunity to share his ideas and experience with the Steering Committee.

Appendix 8 - Simcoe County Production – 5 Year Variance Production and Cash Receipts

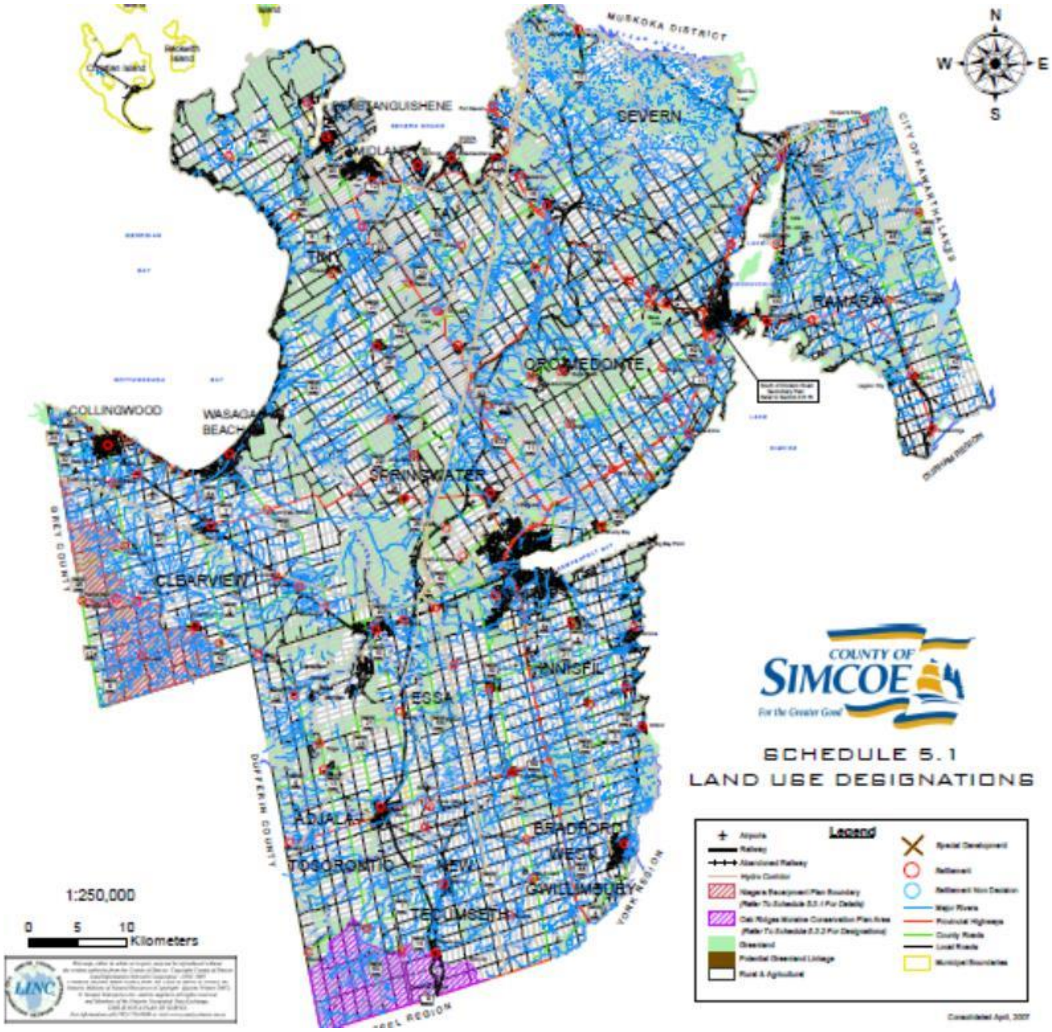
	2006	2011	Variance	% Variance
Dairy Cattle and Milk Production	125	88	-37	-30%
Beef Cattle Ranching and Farming	538	331	-207	-38%
Hog and Pig Farming	43	13	-30	-70%
Sheep and Goat Farming	71	64	-7	-10%
Poultry and Egg Production	46	43	-3	-7%
Other Animal Production	412	405	-7	-2%
Oilseed and Grain Farming	377	502	125	33%
Vegetable and Melon Farming	150	119	-31	-21%
Fruit and Tree Nut Farming	53	43	-10	-19%
Greenhouse, Nursery and Floriculture	164	152	-12	-7%
Other Crop Farming	423	429	6	1%
TOTAL	2402	2189	-213	-8.9%



Appendix 9 – Simcoe County Land Classification



Appendix 10 - Simcoe County Land Use Designation



Appendix 11 - Restaurants Canada 2014 Chef Survey

Restaurants Canada

2014 Chef Survey

HOT TRENDS

HOT TRENDS are the menu items and cooking methods that are at the peak of popularity. Customers are excited about these items and eating them more than ever.

Menu Trends

1. Comfort foods (e.g. chicken pot pie, meatloaf, roasted chicken)
2. Small plates/ tapas / mezze / dim sum
3. Gourmet burgers/ build-your-own burgers
4. Half portions/ smaller portions for smaller price
5. Food-alcohol pairings (e.g. beer, wine, spirits)

Preparation Methods

1. Food smoking
2. Sous vide
3. Slow cooking
4. Pickling
5. Barbeque

Culinary Themes

1. Gluten-free / food allergy conscious
2. Locally sourced foods (Locavore)
3. Food trucks
4. Simplicity/ back-to-basics
5. Street food inspiration

Ethnic Cuisines and Flavours

1. Southeast Asian (e.g. Thai, Vietnamese, Burmese, Malaysian)
2. Ethnic fusion
3. Indian
4. Korean
5. Mexican

Protein

1. Inexpensive/ underused cuts of meat (e.g. beef cheek, brisket, pork shoulder, skirt steak)
2. Sustainable seafood
3. Grass-fed beef
4. Aged cured meats (e.g. prosciutto, Iberian ham)
5. Free-range poultry/ pork

Sides

1. Quinoa
2. Non-wheat noodles or pasta (e.g. quinoa, rice, buckwheat)
3. Sweet potato fries
4. Ancient grains (e.g. kamut, spelt, amaranth)
5. Pickled vegetables

Appetizers / Starters

1. Charcuterie / house-cured meats
2. Ethnic/ street food inspired appetizers (e.g. tempura, taquitos, etc.)
3. Artisanal poutine
4. Flatbread appetizers
5. Artisanal cheeses

Desserts

1. Bite-size / mini desserts
2. Sweet and salty desserts
3. Salted caramel
4. Artisan / house-made ice cream
5. Desserts with bacon

Produce

1. Leafy greens (e.g. kale, Swiss chard, mustard greens, collard greens, dandelion, beet greens)
2. Heirloom fruit and vegetables (e.g. tomatoes, beans, apples)
3. Superfruits (e.g. acai, goji berry, mangosteen)
4. Micro-vegetables/ micro-greens
5. Root vegetables (e.g. parsnip, turnip, rutabaga, beets, radish/daikon)

Spices, Seasonings, Flavours

1. Greek yogurt
2. Artisan / specialty bacon
3. Natural sweeteners (e.g. honey, maple syrup, agave)
4. Hot/ spicy flavours
5. Specialty oils (e.g. truffle, sesame, grapeseed, hazelnut)

Non-Alcoholic Beverages

1. Organic / fair-trade coffee
2. Coconut water
3. Green tea
4. "Mocktails" (non-alcoholic cocktails)
5. Dairy-free milk (e.g. soy, rice, almond)

Alcoholic Beverages

1. Craft beer/ microbrews
2. Specialty beer (e.g. seasonal, fruit flavoured)
3. Micro-distilled / artisan liquor
4. Culinary cocktails (e.g. savoury, fresh ingredients, herb-infused)
5. Muddled cocktails (e.g. mixed with fresh fruit/ berries, herbs, vegetables)

UP AND COMERS

UP AND COMERS are the menu items that could be the next Hot Trend as interest in these items is quickly increasing.

Menu Trends
1. Fewer choices on the menu
2. Half portions / smaller portions for smaller price
3. Healthy kids meals
4. Vegan entrees
5. Meatless / vegetarian entrees

Preparation Methods
1. Fermenting
2. Slow cooking
3. Pickling
4. Liquid nitrogen chilling/freezing
5. Food smoking

Culinary Themes
1. Simplicity/ back-to-basics
2. Farm- / estate-branded ingredients
3. Locally sourced foods (Locavore)
4. Hyper-local sourcing (e.g. restaurant gardens)
5. Street food inspiration

Ethnic Cuisines and Flavours
1. Southeast Asian (e.g. Thai, Vietnamese, Burmese, Malaysian)
2. African
3. Peruvian
4. Ethnic fusion
5. Moroccan

Protein
1. Inexpensive / underused cuts of meat (e.g. beef cheek, brisket, pork shoulder, skirt steak)
2. Sustainable seafood
3. Underutilized fish (e.g. mackerel, bluefish, redfish)
4. Non-traditional fish (e.g. branzino, Arctic char, barramundi)
5. New / fabricated cuts of meat (e.g. Denver steak, pork flat iron, bone-in Tuscan veal chop)

Sides
1. Ancient grains (e.g. kamut, spelt, amaranth)
2. Non-wheat noodles or pasta (e.g. quinoa, rice, buckwheat)
3. Pickled vegetables
4. Kimchi
5. Quinoa

Appetizers / Starters
1. Ethnic / street food inspired appetizers (e.g. tempura, taquitos, etc.)
2. Vegetable/vegetarian appetizers
3. Amuse bouche / bite size hors d'oeuvre
4. Charcuterie / house-cured meats
5. Artisanal cheeses

Desserts
1. Deconstructed classic desserts
2. Deserts made from vegetables (e.g. fennel panna cotta, avocado mousse)
3. Drinkable desserts
4. Traditional ethnic desserts (e.g. delimanjoo, flan, qatayef)
5. Hybrid desserts (e.g. cronut, townie, ice cream cupcakes)

Produce
1. Superfruits (e.g. acai, goji berry, mangosteen)
2. Unusual/uncommon herbs (e.g. chervil, lovage, papalo, lemon balm)
3. Leafy greens (e.g. kale, Swiss chard, mustard greens, collard greens, dandelion, beet greens)
4. Micro-vegetables/micro-greens
5. Exotic mushrooms (e.g. shiitake, straw)

Spices, Seasonings, Flavours
1. Natural sweeteners (e.g. honey, maple syrup, agave)
2. Black garlic
3. Game bird eggs (e.g. duck, quail, emu)
4. Artisan / specialty bacon
5. Specialty oils (e.g. truffle, sesame, grapeseed, hazelnut)

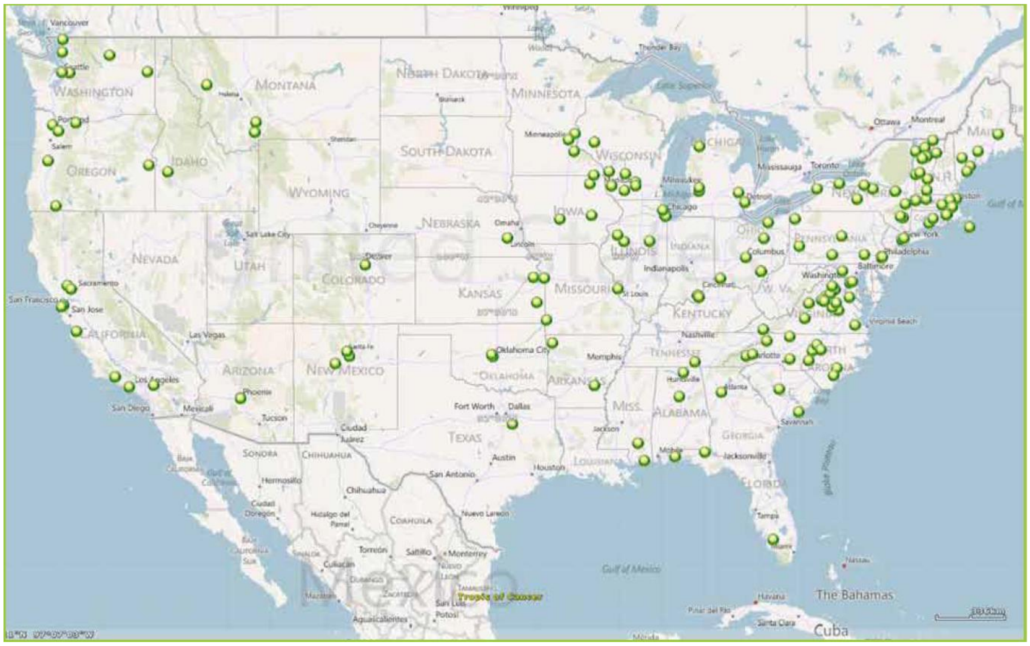
Non-Alcoholic Beverages
1. House-made soft drinks
2. Specialty iced tea (e.g. Thai-style, Southern / sweet, flavoured)
3. Small batch sodas
4. Organic/fair-trade coffee
5. Coconut water

Alcoholic Beverages
1. Culinary cocktails (e.g. savoury, fresh ingredients, herb-infused)
2. Gluten-free beer
3. Low calorie cocktails
4. Micro-distilled/artisan liquor
5. Organic wine / beer / liquor / cocktails

Top 10: Up and Comers

1. **Ancient grains** (e.g. kamut, spelt, amaranth)
2. **Simplicity / back-to-basics**
3. **Superfruits** (e.g. acai, goji berry, mangosteen)
4. **Culinary cocktails** (e.g. savoury, fresh ingredients, herb-infused)
5. **House-made soft drinks**
6. **Ethnic / street food inspired appetizers** (e.g. tempura, taquitos, etc.)
7. **Natural sweeteners** (e.g. honey, maple syrup, agave)
8. **Fewer choices on the menu**
9. **Specialty iced tea** (e.g. Thai-style, Southern/ sweet, flavoured)
10. **Non-wheat noodles or pasta** (e.g. quinoa, rice, buckwheat)

Appendix 12 – US Food Hub Map



REGION	NUMBER	PERCENTAGE
Northeast	471	24%
North Central	40	24%
Southeast	26	16%
Mid-Atlantic	24	14%
Far West	22	13%
Rocky Mountain	10	6%
Southwest	5	3%

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