

CASE STUDY: CORNELL FARMS

*Contributions to the emergence
of the Northern Ontario resilient
and connected food hub*

08/04/2015

Connie H. Nelson, Ph.D., Mirella Stroink, Ph.D., Karen Kerk, MSW
Food Security Research Network, Lakehead University



This work was made possible through generous funding from the Ontario Ministry of Agriculture, Food and Rural Affairs, with additional support from the Food Security Research Network and Lakehead University.

Cornell Farms

Social Innovation

- Pioneered new distribution outlets for their products;
- Helped create and is a committed vendor at six farmers' markets;
- Helped establish and strengthen local production, processing and distribution partnerships;
- Has taken the initiative to develop relationships with customers across their vast region (covering at least 500 square kilometers);
- Two full-time and four seasonal employment positions funded through revenues generated;
- Keen business sense and strategic approach to growth that can be a model for further innovative food hub growth in the area and beyond.

Overview

Cornell Farms is a fifth generation farm located in Devlin, in Northwestern Ontario along the Ontario/Minnesota border. Devlin is a rural community of about 1,000 residents situated just outside the town of Fort Frances in the Rainy River District. Devlin is situated very close to the US border, and about a two hour drive to the Manitoba border. Cornell Farms is a two hours' drive from Kenora, three and a half hours to Sioux Lookout, and five hours to Red Lake.

The original farm was homesteaded in 1897 by William Pope, great grandfather of Kim Cornell. The homestead began operating as a farming business in 1956. In 1984, the current owners Kim and Pat Cornell formed a partnership to take over operations. Currently, the farm operates on 2,000 acres (950 owned, 1050 rented) over two farm sites with three farmhouses, numerous barns, outbuildings and pastures. They have approx. \$300,000 worth of farming equipment on site.

Cornell Farms operates as a traditional family-run farming operation. Kim Cornell makes most of the operational decisions about the farm and sales/distribution. Pat Cornell is the mastermind organizer who keeps the behind-the-scenes operations, administrative functions and inventory management systems on track. Bigger strategic decisions are made in consultation with the Cornell's grown children who have in the past, but are not currently working on the farm. There are two year round staff (Pat & Kim Cornell), plus an additional four seasonal staff during the summer.

This family farming business is divided into two components: beef breeding stock, and sales of natural beef products to consumers. The breeding stock component sells about 300 purebred (Red Angus and Polled Hereford) and cross bred cows and heifers to producers in Ontario, Manitoba, Minnesota, and Quebec. Breeding stock sales account for about 60% of the farm's revenues.

The second biggest component of their business, accounting for almost 40% of revenues is direct sales to consumers. Cornell Farms has been selling beef products for over fifty years. Cornell proudly offers a natural beef product by: treating the animals with care, not using feed antibiotics or growth implants in the animals, and using only natural grains and forages in their diet. All of their beef products - specialty sausages, cold meats, all-beef pepperettes, ground beef, beef patties, marinated steaks, meat pies and stuffed roasts are produced from grass-fed, pasture-raised beef. There is also grain finished beef sold as beef packs and sides. Cornell distributes their all natural beef products to consumers via farm gate sales and through farmers markets in Northwestern Ontario. Currently, Cornell Farms participates in six local markets in Northwestern Ontario.

Cornell also has a very small percentage of annual revenues dedicated to cash crops when the growing season and weather permits. They grow mostly soybeans and hay.

Impact & Benefits

Cornell Farms is one of the largest, and longest running beef cattle operators in Northwestern Ontario. They were one of the first farms to establish in the area and have been operating for five generations. The current owners have been actively managing the farm for over thirty years. Cornell Farms operates on an impressive scale for a family-run business with only seasonal staff. The Cornell's actively farm 2,000 acres selling approx. 300 breeding stock animals, as well as beef product sales to area consumers.

During thirty years of business, Kim & Pat Cornell have learned about, experimented with, and refined the sales and distribution process for their extensively vast northern region. Their steadfast business sense and ability to develop mutually beneficial partnerships that strengthen processing and distribution networks has helped grow the overall reach, strength, and stability of local food distribution in the Rainy River District and Northwestern Ontario.

Production & Processing Partnerships

Cornell Farms has learned a lot about the importance of developing and supporting business partnerships to create a healthier, more vibrant and more robust local food production and regional distribution system. These mutually dependent partnerships are essential to the success of multiple players involved in production, processing and distribution.

Cornell Farms played a role in helping Rainy River Meats, a butcher/smoker/meat packer, establish operations in Emo. The establishment of Rainy River Meats created a local processing operation to support the abattoir; and thus, greatly increasing the processing potential of local meat products and faster distribution to regional consumers.

Due to their size and success, Cornell Farms has helped to develop and strengthen several of these “links” in the system:

For example, Cornell Farms relies on smaller operators to supplement feed and other farm supplies in order to grow crops and care for animals. Meat animals (beef, lamb, pork and elk) are processed at the local abattoir, and butchered and processed into value-added products like sausages, pies, and roasts at Rainy River Meats. Once finished products are ready, Cornell then works to distribute products to consumers via farm-gate sales, through a network of six farmers markets in urban, rural and remote communities in Northwestern Ontario.

Removing or reducing capacity at any one of these “links in the chain” would have a negative ripple down effect on the stability of the whole local food system. Cornell Farms plays an important role in supporting the local economy at the production and processing level via employment opportunities and economic investment (i.e. processing fees) at their farm, the local abattoir and Rainy River Meats processing.

Regional Distribution Networks

Cornell Farms’ impact is more acutely seen at the distribution level where they have taken a leadership role in starting, supporting and expanding local distribution networks. Cornell began selling their beef products just as the local farmers market scene was starting in Northwestern Ontario in the mid-late 1980’s. Cornell Farms sells most of their beef products via six farmers markets in: Fort Frances, Kenora, Sioux Lookout, Red Lake, Dryden, and Thunder Bay. Cornell was a founding vendor at the Kenora, Red Lake and Sioux Lookout Markets. With the exception of the Thunder Bay Country Market which operates year round, and even offers a second weekly market from May – December, and

Kenora which just started offering a monthly winter market, the other four markets are seasonal and operate from early summer until late Fall.

To service these markets, Cornell Farms reaches 500 square kilometres across Northwestern Ontario. Approximately, 75% of customers are within a 100 km radius of Devlin, while the remaining 25% are between 250 and 500 kms away. Cornell believes it's very important to travel these long distances to service customers at these local farmers markets. Cornell works to cross promote and save on transportation costs with other producers in the region such as Rainy River Elk. Cornell recently expanded to a second booth at the Kenora Market to help facilitate the promotion of local value added foods from outside that region to customers in Kenora. While travel to these markets is important and profitable, Kim Cornell is the first to admit that the distances travelled are extreme (up to 500kms one way) and the time commitment is such that it takes away from other important farm duties.

Cornell attributes their success at these markets to providing a very high quality product that they can proudly stand behind. In recent years, the awareness of the health benefits of grass-fed/pasture raised beef, as well as the mad cow disease scare, have helped to boost interest in Cornell Farms' products.

Cornell Farms also believe in the power of education and developing strong relationships with customers. They take the time to meet potential customers and answer their questions, educate them on natural beef products, and listen to their wants and needs. They then take this information into account and try to develop new products that fit their customers' preferences, so they continue relationships with current customers and reach new ones. Cornell Farms has a steady flow of committed, regular customers and they attract many new customers because of their excellent reputation.

The Clover Valley Food Box Program is a small, but sustainable food box program operating in Fort Frances. Cornell Farms was a partner in establishing and servicing this program in the community. When asked, and when supply is plentiful, Cornell Farms will donate boxes of meat to food service programs in the community.

Cornell Farms is helping to bring about change in the local food system in Northwestern Ontario by ensuring customers in urban, rural and remote areas can access their products. Cornell Farms pioneered the path to new distribution points across Northwestern Ontario and is a "pillar" vendor at the six farmers markets that they attend. This allows for significant exposure to consumers, communities and the local food economy. Cornell works hard to create and promote a positive, professional role in the local food economy.

In 2008, Cornell Farms won a Premier's Award for Agri-food Innovation Excellence. This award is presented to businesses who contribute to the success of Ontario's Agri-food sector. Also in 2008, Cornell Farms was named Entrepreneur of the Year at the Fort Frances Chamber of Commerce Business Awards. Both awards are well deserved for this hard working, innovative farm business.

Opportunities for Growth

Last year marked the 30th anniversary of farm operations for Kim & Pat Cornell. Over a time period when the family farm industry was seeing an overall decline in favour of larger industrial farms, Cornell Farms has been able to sustain and even grow their operations. The farm business is profitable and has the potential to grow even more in the coming years as interest in natural beef products continues to rise.

Kim Cornell is optimistic about the future of food production in Northwestern Ontario. He sees opportunities to expand their breeding stock operation, increase sales of consumer beef products, grow more grain crops and explore the potential to work with First Nations communities. Cornell believes that there are huge opportunities to serve First Nations communities across the North. They are interested and motivated in helping to reach these markets.

Kim is excited about the growth and profitability of farmers markets in Northwestern Ontario in the past two decades. He sees great potential for the growing food hub distribution networks emerging from the Thunder Bay region, to the west including Kenora and Fort Frances, and to the north including Sioux Lookout and further north. Cornell Farms is in early discussions with the Cloverbelt Local Food Co-operative to join as a member and further expand their reach in the Dryden area.

Kim and Pat Cornell see a gap right now in servicing smaller communities east of Thunder Bay including Nipigon, Geraldton and Marathon. Although too far a distance to service on their own, Kim would gladly support efforts to establish and grow markets or other distribution points in this area with other area farmers and processors.

Third party certification for local foods is a nice idea, but for Kim Cornell, *none of them really mean anything to customers in their region. And broader standards like organic certification are tedious, time consuming and too costly to consider for beef.*

After thirty years of active farming, the Cornell's are starting to think more seriously about retirement. The Cornell's would like to keep the farm in the family and are waiting to see if/what involvement their two children would like to have on the farm. This will ultimately determine the future growth/direction of the farm.

Challenges & Limitations

Regulatory requirements for farmers can be tedious and administratively burdensome. For a small family farm, this adds to the pressure of keeping up with tasks. An ongoing shortage of human resource time means that all of the opportunities that exist on the farm will not be explored. While supporting the need for food safety regulations, Kim Cornell feels that the overly bureaucratic and administrative regulations applied by food inspectors limits the potential of northern local food production. If food safety was approached in an educational and informational format, as opposed to being 'policed', he feels local producers and processors would have the necessary information and supports to implement regulation changes and help create a more robust and prosperous regional local food economy.

Lastly, and most importantly, as with all farms in Northwestern Ontario, the extreme travel to communities adds additional time, costs, and coordination efforts to reach markets. Cornell travels as far as 500kms one way to reach markets. Having better transportation infrastructure in place would free up time to work more actively on the farm. It seems that a better coordinated distribution network across Northwestern Ontario will help to strengthen the regional local food economy by streamlining deliveries and freeing up more time to devote to production and processing.

Visions for the Future

Cornell Farms provides significant breeding stock cattle and beef products to markets across Northwestern Ontario. They practice sound business principles of quality products and fair, competitive prices. Cornell brings their beef products to consumers across an impressive 500 square kilometer radius.

Cornell Farms is optimistic about future opportunities to service Northwestern Ontario urban, rural and First Nations Communities. They hope that removing limitations related to transportation/distance, and some regulatory barriers will make this growth easier to manage.

Resiliency of the Northwestern Ontario food system depends on the commitment of many to form partnerships that are based on trust and commitment. If

everyone supports everyone else in production and distribution, then businesses, organizations and consumers benefit. Cornell Farms is an impressive example of how a family farm can help support regional food hubs, and regional food hub growth, in Northwestern Ontario.

Key Successes

Cornell farms has been successful in growing their breeding stock and naturally raised beef products farming business in Northwestern Ontario for the past three decades. During this time, they helped support local production and processing efforts like the introduction of a new abattoir and Rainy River Meats. They were also instrumental in finding and creating new markets to distribute their own, as well as other local producers and processors. They are active vendors at six farmers' markets across a vast expanse covering 500 square kilometers in Northwestern Ontario. Cornell Farms is well poised to continue expanding their local product line and reaching new customers in their region and beyond.

The Cornell's' keen business sense and practical approach to expansion has helped grow and strengthen the resiliency of the food movement in Northwestern Ontario. We need to involve businesses like Cornell Farms in discussions and plans affecting future growth and expansion of food hubs targeting Northwestern Ontario, and the far north.

Special thanks to Kim Cornell from Cornell Farms for providing valuable time and input into this case study.

<http://cornellfarms.ca>