FOOD HUB CASE STUDIES
REGIONAL SUMMARY

FOOD DISTRIBUTION IN EASTERN ONTARIO: THE INCREMENTAL SHIFT BACK TOWARDS 'LOCAL'

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INTRODUCTION

Eastern Ontario's food production and distribution systems are in a state of transition. In the 20th century, we saw a shift from local production for local markets (as well as export) to farm specialization and a growing dependence on food imports to the region. In the early 21st century, we are seeing an incremental – although highly uneven – shift back towards the 'local' in certain respects. Why is this happening, and what does it mean for the region's food producers, distributors and policy makers? This short paper provides an introduction to the region's food hub case studies. It offers an overview of the geography of food production and distribution in Eastern Ontario, including a brief discussion of the transitions afoot and what local and provincial policy-makers need to consider in relation to these changes. The rest of this report consists of case studies that illustrate, in detail, the current challenges and opportunities associated with local food aggregation and distribution in Eastern Ontario. This is a very dynamic area of community and economic activity and its fast-changing nature will render our case studies out of date quickly. Still, some of the key concerns discussed by our participants seem to have a constant presence in this landscape. These challenges include: access to land and capital; access to physical infrastructure; negotiating local/regional/provincial boundaries and associated regulatory requirements; the limitations of a provincial definition of 'local' food; and the need to clarify Eastern Ontario's niche(s) amidst its more economically competitive regional neighbours (e.g., Southern Ontario and Québec).

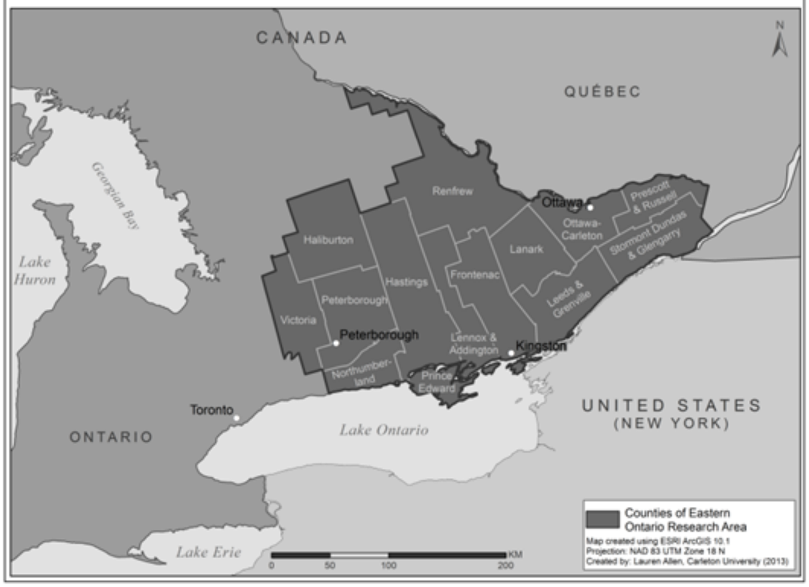
AGRICULTURAL GEOGRAPHY OF EASTERN ONTARIO

Figure 1 shows the area referred to in this study as Eastern Ontario. It extends eastward from the City of Kawartha Lakes and Prince Edward County to Ottawa, and along the border of Québec from Renfrew County to the United Counties of Stormont, Dundas and Glengarry that sit on the St. Lawrence Seaway. The region comprises more than a dozen counties and several cities, most notably Ottawa with a population of 883,391 (see Figure 1, below). In terms of agricultural productivity, this region can be broadly divided into three zones. The middle zone, dominated by the southeastern tip of the Canadian Shield that extends through Haliburton, Renfrew, Hastings and Frontenac Counties right up to Kingston, is an extremely rocky area covered in only thin soils (with occasional pockets of more productive land).

To both the south and east of this tip of the Canadian Shield, agricultural potential is considerably higher. In those two zones, agricultural land is devoted to the major cash crops of corn and soy, with dairying and calf-cow operations as the main forms of livestock farming. On the more challenging lands of the

Canadian Shield, farming is sparse but more diverse, including maple syrup operations, sheep farming, and market gardening on the best soils.

Figure 1: Map of Eastern Ontario Study Area



THE TRANSITION BACK TO 'LOCAL'

In the early part of the 20th century, Eastern Ontario produced much of its own food. For example, in the early 1900s market gardens dominated the part of the present day City of Ottawa known as Old Ottawa South, providing food for the city's residents (Wallace, 2004). At that time, the region was also a net exporter of food. Peterborough and Victoria counties, for example, were sending milk, butter and beef by train to the growing metropolis of Toronto (Andrée, 1997), while Northumberland County and Prince Edward County were significant fruit and vegetable producers with canning industries right into the 1960s (Winson 1994).

The latter part of the 20th century saw a major shift towards farm specialization and growing distances (both literally and figuratively) between farms and markets. Eastern Ontario specialized in dairy, cow-calf operations, egg production (especially in the counties to the east of Ottawa), and cash crops that supported these livestock industries (e.g. corn and later soy production). Pockets of horticulture remained, but these dwindled with the pressure exerted on growers by increasing concentration in the food processing industries (Winson 1994).

In the early 21st century, we are experiencing a small, but noticeable, push back towards local production for local markets. Farmers markets are on the rise in the region, and a number of non-profit organizations such as Lanark Local Flavour, Just Food, Harvest Hastings and others have emerged and taken it upon themselves to support the effort to get local food into local markets for a variety of environmental, social justice, and community development rationales (Andrée et al. 2013; Andrée et al. 2014).

It is notable that the local food movement has an emphasis on direct sales, and not all foods are equally celebrated. For example, there has been limited uptake in local grains for flour and pasta production. What we do see is growing interest in local vegetables, berries, beef, free-range pork and chickens, halal products, organic foods, wine production (including both grape and fruit wines) and more. This is what might be expected in a 'voluntary' and consumer-led (and paid for) movement. However, this trend towards local production for local buyers could grow significantly when the economics of food transportation costs favour it – whether pushed by policy (e.g. greenhouse gas abatement policies) or by markets (scarcity in fossil fuels).

It should also be emphasized here that 'local' does not mean the same thing to everyone involved in this local food 'movement', resulting in a number of sometimes contradictory developments. In our discussion of the major actors below, we note the trends in how they frame 'local' in relation to their efforts.

How is this incremental transition affecting the region's food distribution system?

EASTERN ONTARIO'S FOOD DISTRIBUTION INFRASTRUCTURE

The 'system' is made up by a number of players, which we've divided into five categories. The companies/organizations presented as case studies in this report are highlighted in bold.

1) Multinational and national distributors: Sysco, Gordon Food Services, and various supermarket chains. Most of these distributors ship through their own warehouses. This is a shift from the use of public produce terminals in Toronto and Montreal. These players are picking up on growing consumer interest in 'local' food where it makes sense for them, but the uptake is limited because of the commodity distribution systems they rely on for most of what they sell. Most of the largest players also have policies that require them to buy federally-inspected meat, which then tends to steer them towards Alberta rather than Ontario beef, as one example. These companies tend to view 'local' as Ontario product, or 'Product of Canada' because these definitions fit with their business

models and are not inconsistent with provincial and federal legislation (e.g. the Ontario Local Food Act).

2) Regional distributors: Eastern Ontario has a few food distributors that cover the entire region as well as Western Quebec. They include Findlay Foods and Tannis Food Distributors. These companies typically buy produce from the food terminals in Toronto and Montreal (there is no public food terminal in Ottawa), and from companies of various sizes (from meat packers to small processors), and distribute throughout the region. These players are also starting to pick up on 'local' as Ontario product, and some are specializing in regional products, especially artisanal, sustainable seafood, etc. because it fits with their desire to provide customers products that the biggest players do not or cannot do.

3) Distributors specializing in regional food: Wendy's Mobile Market, etc. providing product to buyers who primarily want food produced within the region by specific farmers or suppliers. This market is supported by regional branding (and in some cases verification) initiatives (e.g. Savour Ottawa, Kawartha Choice, etc.).

4) Specialized processor-distributors: **Organic Central** is a good example. Proximity to large markets (United States) and highways are seen as huge assets. Some are as interested (if not more so) in exporting than in providing for 'local' markets. Others bring in product from outside the region to satisfy local demand (e.g. Bilal Foods).

5) Non-profit food hubs: In recent years we have seen several non-profit organizations identify niches that remain unfilled (in their view) by the companies described above. The **Eastern-Ontario Agri-Food Network food hub project**, Ontario Agri-Food Venture Centre, **Ottawa Food Hub** and **Two Rivers Food Hub** are all working to support farmers (or other small businesses) who are scaling up from direct sales and/or interested in value-added processing.

6) Virtual food hubs: Some non-profit organizations are developing primarily virtual platforms to connect buyers and sellers. Examples include Harvest Hastings and **Farms at Work**.

Our case studies which follow also include one example of a local store (**Kudrinko's** in Westport) which effectively serves as a food hub by aggregating product from a variety of local farms (either supplied directly to them, or through one of the distributors described above) to make it available to local customers. Some of the stores that serve this function in the region are also owned by farmers themselves (e.g. Grill's Orchard in Belleville).

QUESTIONS FOR POLICY-MAKERS TO CONSIDER

- The local food movement is largely a market-driven phenomenon (though driven by citizen values) with some public funding support. However, there are competitive (and sometimes cooperative) relationships between emerging regional for-profit food distributors and the non-profits or mixed (profit/non-profit) arrangements (Ottawa Food Hub specifically). How should public funding be targeted in this landscape? What should be avoided?

- In a competitive environment, there are significant challenges facing companies and non-profits who wish to build organizations that meet social and environmental goals. What is the role (or the best form) of public financial support for such efforts?

- Scale of demand compared with local supply: except for dairy and eggs (both supply managed commodities), current production will supply only limited consumer demand in Eastern Ontario in the short to medium term. To what extent should policy makers actively support both local market growth as well as growth in local productive capacity, and what are the appropriate policy measures for each of these ends of the system? Is such support justifiable, when areas just outside the 'local' (e.g. the Holland Marsh, the South Shore of Montreal for vegetable production) may have significant comparative advantages? How should access to land and capital for producers and processors be supported (or limited) in this context?

- Eastern Ontario lies 'between' larger (more populous) areas of Montreal Island, the Greater Toronto Area, and the United States border. A provincial definition of 'local' (as recently adopted in Ontario's Local Food Act) can be problematic in this context and can dis-incentivize the development of regional capacity. Furthermore, Western Québec is historically a strong supplier into the region, and with strong links across the Ottawa River in the farm community, but provincial trade barriers prevent trade in a range of products. The Savour Ottawa program and the Eastern Ontario Agri-Food Network both work with Québec farmers, but have to work within the limits of relevant provincial legislation.

CONCLUSIONS

As consumers demand more local food and small producers increasingly seek local markets for better returns, regional aggregation and distribution channels are key to facilitating or hindering redevelopment of vibrant local food markets. In

North America, this issue is increasingly addressed through food hubs. Our case studies illustrate the role that food hubs are (and could be) playing in the return to 'local' food economies, and also offer more detailed and applied considerations of the above questions that we pose to policy-makers. While some of the observations we offer are similar to those found in other regions of the province, others are unique to Eastern Ontario. The need for food hubs seems to be universally recognized among local food advocates across the province, and the challenges of securing start-up resources are anything but unique. However, the operational specifics of each hub are very much defined by its location (and this can vary even within the same region) as well as the relationships among the various actors in the local food arena.

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