

An aerial photograph of a rural landscape. The foreground is dominated by large, rectangular green agricultural fields, some of which are in different stages of growth or harvest. A dirt road or path runs through the fields. In the background, there is a dense forest of green trees covering a hillside. A small farmstead with several buildings and a white structure is visible on the right side of the image.

Access to Finance to support

Sustainable Food System Development in BC

Prepared by Edible Strategies Enterprises, Ltd. June 2009

An aerial photograph of a rural landscape. The foreground is dominated by large, rectangular green agricultural fields, some of which are divided by narrow roads or paths. A prominent road runs diagonally from the bottom center towards the right. In the background, there is a dense forest of green trees, with a few small buildings and structures visible on the right side. The overall scene is bright and clear, suggesting a sunny day.

Prepared for

**Access to Finance for Sustainable Food
System Development**

Workshop for community leaders and
community development finance
personnel

Simon Fraser University, June 2009

WE CAN AGREE

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The current food system is flawed

Efforts to increase the viability of regional food systems is important if not urgent for reasons of

Food security

Public Health

Climate

Community Economic Development

Disinvestment

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The current state of BC's food system is a result of massive disinvestment through corporatization, centralization and globalization of the food system

A much more vibrant food system existed 25 years ago—it has been systematically 'hollowed out'.

This is still going on

A major vegetable processing facility in the Fraser Valley was sold suddenly in early 2009 leaving corn and pea growers in the lurch

A major food processor in Vancouver closed down last year.



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Push back: Consumers and Community groups

Community Groups and consumer groups have become more aware of the issues facing the food system

This has led to a major shift in demand towards 'naturally' grown BC products— with a high preference for locally produced products

An aerial photograph of a rural landscape. The foreground and middle ground are dominated by vibrant green agricultural fields, some of which are divided into smaller plots. A dark asphalt road runs diagonally across the lower half of the image. In the background, a dense forest of tall green trees covers a hillside. A few small buildings and structures are visible near the road on the right side. The overall scene is bright and lush, suggesting a healthy agricultural environment.

There has been a major growth in
community level food action

Farmers' Markets are burgeoning

Farmers and consumers are creating
Community shared Agriculture projects

Community groups are creating events and
local plans to celebrate local food

Much change effort has focused on the demand side of the equation

Many actors are communicating about health and food

Many 'grow local' 'eat local' and 'buy local' events and promotions have become part of community culture all over BC

Sustainable institutional food purchasing is moving beyond the talking stage



An aerial photograph of a rural landscape. The foreground is dominated by large, rectangular green fields, likely corn or soybean crops. A dirt road or path runs through the fields. In the middle ground, there is a small farm building with a blue roof and a white structure. The background consists of rolling green hills and dense forests. The overall scene is a typical rural agricultural setting.

What about the supply side?

1. The Farm Income Crisis:

-Few farmers make money—
there is a chronic 'Farm Income
Crisis'. Who would go into
farming without the prospect of
earning a decent living?

What about the supply side?

- 2. The food system infrastructure gap:**
The supply chain is weak particularly for non-quota farmers: warehousing, distribution and marketing gaps have been identified in many studies in all parts of the province.



What about the supply side?

Many other factors are in play:

1. Access to land—high prices, not enough available etc. loss of ALR land near urban areas
2. Aging farmers without incoming youth
3. Only remnants of a training system in place
4. Low status of a farming career even though recent studies show that people in BC 'trust' farmers

What about the Supply Side?


5. Risk aversion of small farmers—many feel it is not worth it to scale up
6. Farmers face an exponential rise in prices of inputs
7. Farmers face Increase costs of production due to increasingly stringent government regulations
8. Farmers are weighted down with having to work off-farm to pay the bills.

Investment challenge

Farmers who have land are often risk averse given their current farm income and the weight of debt they carry against their land. They may not be enthusiastic about investing to increase their current production

These same farmers will be less willing to invest in creating new infrastructure themselves for the same reasons



An aerial photograph of a rural landscape. The foreground is dominated by a large, rectangular agricultural field with distinct rows of crops, showing varying shades of green and brown. To the right of the field, there are several farm buildings, including a large white barn and a smaller structure. The background consists of rolling hills covered in dense, dark green forest. The overall scene is bright and clear, suggesting a sunny day.

The demand is likely to increase for food grown and raised on Vancouver Island

Drought in Mexico, California, Asia, India
and the Canadian prairies threaten current
food supplies

Local food advocacy continues to increase

An aerial photograph of a rural landscape. The foreground and middle ground are dominated by vibrant green agricultural fields, some of which are divided into smaller plots. A dark, straight road or path runs diagonally across the fields. In the background, there is a dense forest of green trees. The overall scene is bright and lush, suggesting a healthy and active agricultural region.

Signs of hope:

More youth are showing interest in the food system

Some new farmers are responding to farmer's market demands and trying new techniques

Community organizations and co-operatives are emerging around the province who are attempting to build regional food production capacity

The Investment Hurdle

Community organizations and new co-operatives face major hurdles in attracting funding and finance for development of supply side infrastructure

- *Lack of food industry management acumen
- *Lack of start-up investment capital from among the 'membership' group—all current investors require the sponsor group to come up with 10-25% of the needed funds.

What funding/financing is available

- Our analysis showed that there are many avenues for finding funding to plan interventions as long as there is a charitable lead or partner willing to sponsor proposals
- There is little or no support for the community organizing work needed to organize farmers into production units
- There is a huge gap for accessing financing for business start-up—in particular, there is a need for ways for farmers and community groups to create equity pools to kick start investment

What is needed

There is a need for funders/financers to develop a vision of the role they can play in re-generating regional food systems in BC

There are many models of collaborative approaches that have yielded results—particularly in the USA

There is a sense of urgency about the state of our food system

There are exciting opportunities for investors/funders to meet their own goals through involvement in the emerging food sector

The Ask:

Those of us working in regional food system development ask those of you working to invest in community development as charitable donors and those of you willing to invest in food industry development to **get together to bridge the gaps that are evident to those of us at the grass-roots level**

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Together

We can build a sustainable food system in
BC

Lets eat to that!