

# Regional Agri-food Centre Business Plan

---

Prepared for  
The City of Quesnel & BC Ministry of Agriculture

---

## Prepared by

Darren Stott  
Greenchain Consulting  
[darren@greenchainconsulting.ca](mailto:darren@greenchainconsulting.ca)  
778 903 3663

David Van Seters  
Sustainability Ventures  
[davidvanseters@gmail.com](mailto:davidvanseters@gmail.com)  
778 928 6010

Janine de la Salle  
Urban Food Strategies  
[janine@urbanfoodstrategies.com](mailto:janine@urbanfoodstrategies.com)  
604 345 4267

January 2019

*We gratefully acknowledge the financial support of the Province of British Columbia through the Ministry of Agriculture.*



*We also gratefully acknowledge the support of the City of Quesnel and the Agri-food Centre Steering Committee.*

<b>Table of Contents</b>	<b>2</b>
<b>Executive Summary</b>	<b>4</b>
<b>1.0 Introduction</b>	<b>10</b>
1.1 Background	10
1.2 Project Timeline	10
1.3 Process to Develop the Business Plan	11
1.4 Purpose and desired outcomes for the plan	11
1.5 Vision and mission of the Centre	12
<b>2.0 The local food economy and agri-food centres</b>	<b>13</b>
2.1 Agriculture in the region is mostly ranching	13
2.2 The food processing sector is very small	15
2.3 Agri-food centres help expand the local food economy	16
2.4 Agri-food centres can have different governance structures	17
2.5 The BC Ministry of Agriculture is funding food hub centres	17
2.6 Capacity building assets for local food exist in the region	17
2.7 Key users of an agri-food centre	18
2.8 Potential users of an agri-food centre identified key needs	19
2.9 Users identified a range of potential services for a centre	19
<b>3.0 Operational plan for the agri-food centre</b>	<b>21</b>
3.1 A phased expansion approach	21
3.2 Overview of the Centre Headquarters in Quesnel	23
3.3 A gathering place for the local food community	24
3.4 Website	25
<b>4.0 Overview of Agri-food Centre services</b>	<b>26</b>
4.1 Consulting Services	26
4.2 Training and business incubator programs	27
4.3 Equipment rentals	28
4.4 Facility rentals	28
4.5 Co-working space	29
4.6 Brokerage and online sales service	29
4.7 Distribution service	30
4.8 Food and agriculture testing services	31
4.9 Contract grower fees	32
4.10 Community farm leases	32
4.11 Economic development service	33
<b>5.0 Ownership, management &amp; staffing plan</b>	<b>34</b>
5.1 Ownership structure	34
Cariboo Regional Agri-Food Centre Business Plan 2019	2

5.2	Board of directors	34
5.3	The Executive Director	34
5.4	Staff roles	35
5.5	Contractor roles	35
<b>6.0</b>	<b>Marketing plan</b>	<b>36</b>
6.1	Market positioning	36
6.2	Key Customer Groups	36
6.3	Unique Selling Propositions	37
6.4	Branding and messaging	37
6.5	Market development strategies	37
<b>7.0</b>	<b>Financial plan</b>	<b>39</b>
7.1	Overview of financial plan for the Centre	39
7.2	Initial startup costs	40
7.3	Key Assumptions for projections	41
7.4	First year financial projections	42
7.5	Five-year summary projections	43
7.6	Key sources of funding	44
7.7	One possible funding scenario	45
<b>8.0</b>	<b>High Level Implementation plan</b>	<b>46</b>
<b>9.0</b>	<b>Risk Analysis</b>	<b>48</b>
9.1	Limiting Factors and Obstacles	48
9.2	Critical Success Factors	48
	<b>Appendix A List of food producers in the North Cariboo region</b>	<b>49</b>
	<b>Appendix B List of food processors in the North Cariboo region</b>	<b>50</b>
	<b>Appendix C Potential Partners for an agri-food centre</b>	<b>51</b>
	<b>Appendix D Quesnel rental facility examples</b>	<b>52</b>
	<b>Appendix E Food hub software examples</b>	<b>53</b>
	<b>Appendix F Steering Cttee Terms of Reference</b>	<b>54</b>
	<b>Appendix G Feedback from Producer Survey</b>	<b>57</b>

# Executive Summary

## Introduction

The agri-foods sector is a key economic driver for the Cariboo and the Northern regions of BC. With financial support from the Ministry of Agriculture, through their Feed BC initiative, the City of Quesnel hired a qualified consulting team to develop a business plan for an agri-food centre headquartered in Quesnel and serving a region extending along a corridor from 100 Mile house north to Vanderhoof (the “Region”). The business plan is the culmination of work dating back to 2015. The goal of the business plan is to inform the City of Quesnel on the development of a regional Agri-food Centre that will support growth and innovation in the agriculture and agri-food sector.

## The local food economy and agri-food centres

About 1,650 farms operate in the Region (Cariboo, west Fraser Fort George and east Bulkley Nechako), and generate \$131 million in farm receipts. Over 90% of farms in the Region are involved with meat and hay production. Only 23% of farms sell direct to consumers (e.g. farmers’ markets and gate sales) and of these only 9% produce value added products.

The value-add food processing sector is very small in the Region and likely only generates about \$30 million in revenues. Most of the processors identified are small businesses that sell direct to customers at their farm gate, regional farmers’ markets and/or to local independent retail stores. Additionally, significant gaps exist in the region’s food processing infrastructure. Only a few commercial kitchens exist in community halls and most aren’t set up well for food entrepreneurs. There are also no abattoirs in the core North Cariboo region. While there are five in the wider region, most are not easily accessible by the smaller producers. Further, no suitable food cold storage facilities, fibre mills or food distributors are headquartered in the core North Cariboo Region.

Agri-food centres are designed to support local food producers/processors and are typically customized to take advantage of regional assets and unique aspects of the local food and agriculture economy. Typically, agri-food centres cluster activities in one location to take advantage of synergies by being centrally managed and located. Agri-food centres typically provide the following types of services; product development and testing, business workshops, food and beverage processing facilities, food aggregation and distribution, food storage and office, classroom, meeting space.

Key users of the agri-food centre include any businesses or organizations that are part of the local food value chain, which includes primary producers, processors, distributors, food retailers, institutional buyers, the general public and food related support agencies.

In workshops and an online survey conducted with key users during the preparation of the plan, users expressed interest in the following services:

- Training, education, and information,
- Networking and mentoring,
- Marketing support,
- Start-up and produce development support,
- Access to land, facilities and equipment,
- Brokerage and distribution.

## Operational Plan

The business model proposed in this plan is to adopt a risk-managed approach whereby Centre services are offered only after first obtaining strong expressions of interest and even commitments from users. Because the agri-food centre currently does not have any major sources of funding and because there is some uncertainty about the level of demand for various services in the region, it is prudent for the Centre to use a low cost, phased expansion approach. These are as follows:

Phase	Function	Time after launch	Funding
1	Establish a highly visible central office and hire an entrepreneurial manager	Pre-opening	Grants
2	Offer an initial set of services to producers and processors	3 months	Grants & revenues
3	Launch a region-wide aggregation and distribution service	3 to 6 mo.'s	Revenues
4	Invest in a location that can house multiple facilities e.g. storage, testing facilities, equipment rental	1 to 2 years	Donations, grants, loans & revenues
5	Provide shared food processing facilities e.g. demo kitchen, commercial kitchen, regional abattoir.	>3 years	Donations, grants, loans & revenues

The Centre will be located in an office/retail space in downtown Quesnel, where local food producers and processors from within a 250-km radius (from 100 Mile House to Vanderhoof) can come to network, obtain advice, receive technical and business training, and gain access to land, equipment and facilities to help them launch or expand their food enterprises. An ideal location for the Centre would:

- Be centrally located in a high visibility location,
- Be in an area with good drive-by and walk-by traffic,
- Have ample parking and truck access,
- Have street level store frontage,
- Be located near complimentary businesses,
- Have the space to potentially add future services (e.g. storage, processing, equipment rental).

The internal space will ideally include the following elements:

- General office space including meetings/co-working (500 – 750 square feet),
- Filing cabinets with info resources plus wall maps,
- Staff kitchen and washroom (100 – 200 sq. ft.),
- A storage room (optional – 250 – 500 sq. ft.).

Based on the above criteria, the top three locations options are:

- 141a Marsh Drive (next to Long Table),
- 410 Kinchant Street (Space at City Hall) and
- 246 St Laurent, Quesnel (Spirit Centre).

While all three locations are suitable, the Marsh Drive meets the criteria best for the long term, provided that the leasehold improvement costs were not too high. The strongest benefit for Marsh Drive is its location next to Long Table Grocery, a current destination for multiple local producers and a community gathering place. As highlighted by the book *How to Turn a Place Around*, by Project for Public Spaces, it

is beneficial for activities to be located together to create an effective destination. The City Hall space is also a viable option, albeit with less street visibility, especially in the short term as the space is planned to be ready by April 2019 with no lease costs (offered as an in-kind donation by the City). This may be the best option if it can be leased at very low cost and on a month-to-month basis until revenues reach \$500,000, at which point the Centre can afford market rents. The Centre will also develop a dedicated and interactive website, supported by a strong social media presence.

## Overview of Agri-food Centre Services

In partnership with other organizations in the region the Agri-Food Centre could provide and/or promote the following services to support the growth of farm and food businesses in the region:

- **Consulting services** – This includes providing general advice and contacts at no cost and connecting businesses to specialist advisors who can help out with technical assistance, on site visits, mentoring and business development. This is in partnership with several regional organizations and businesses.
- **Training and business incubator programs** – In partnership with several regional organizations and businesses, the Centre will co-ordinate business workshops, technical workshops, food safe training, farm training, start-up business courses and incubator programs.
- **Equipment and facility rentals** – This is where the Centre, using a central booking system, could rent out farm and food process equipment and facilities (kitchen space, storage space) owned by others.
- **Co-working space** – This involves inviting entrepreneurs the opportunity to rent “hot-desk” space and meeting rooms at the Centre. This would be offered only if there was enough space to provide it as it is not a core service.
- **Brokerage and online sales space** – This service will facilitate actual sales between buyers and producers or processors, both by providing an on-line sales platform as well as through direct brokerage transactions.
- **Distribution service** – This service overcomes the challenge of getting food products from the producer to the buyer by offering a third-party distribution service that travels across the region one or two days per week.
- **Food and agriculture testing** – Under this service, the Centre could offer a food testing lab, which doesn't exist in the region. The Center could also offer a soil and forage testing lab.
- **Contract growing** - The Centre could co-ordinate this service by vetting contract growers and matching them with farmer requests coming in to the Centre. The Centre would take a percentage of the contract grower fees.
- **Community farm leases** - The Centre would be an ideal party to lease these properties to ranchers and collect a fee for this work. It was felt that this could add \$350,000 or more in revenues for the Centre each /year.
- **Economic development service** – In partnership with regional and municipal economic development offices, the Centre could help coordinate or deliver a regional economic

development service to promote the local food economy, attract new producers, identify market opportunities, and possibly even create a regional brand for local producers.

## Ownership, management and staffing plan

The Centre will be set up as a non-profit society incorporated in British Columbia. The Centre will establish a strong and effective board that has members with a range of skills and knowledge.

The Centre will hire an Executive Director. The position is the most important role for the Centre. Ideally the person who fills this role will have the following skills and knowledge:

- Have good general knowledge about local food production, distribution and retailing,
- Be respected by local food producers and processors,
- Be an excellent networker with exemplary interpersonal skills,
- Be highly entrepreneurial with an ability to identify and implement revenue-generating services.

The Executive Director will report to the Board of the Society that governs the Centre.

The Centre will rely on a number of potential staff roles, some of which may initially be very part time or performed by the Executive Director until sales reach a certain level. These roles include the following:

- Marketing Assistant,
- Project Coordinator,
- Office Administrator/bookkeeper.

The Centre will likely engage a number of contractors to provide certain services that are contemplated for the enterprise. These could include the following:

- Trainers that provide various training courses,
- Online sales coordinator, to manage the website,
- Distribution coordinator/driver,
- Facility equipment rental.

## Marketing plan

The region has a wide range of food and agriculture organizations that support food growers and processors, each with their own specific goals and clients. An important role of the Centre is to collaborate with these organizations to co-ordinate, enhance and promote their collective services.

**Primary users** of the Centre will consist mainly of primary producers (e.g. farmers, ranchers, hunters, fishers, foragers) and food processors (e.g. beverage manufacturers, meat processors, preserved food manufacturers). Primary users will also include potential new food and farm business owners that are considering establishing a food enterprise in the region.

**Secondary users** are those organizations and individuals that buy products from the producers and processors as follows:

- Retailers (e.g. independent grocers, restaurants, pubs, cafes) and
- Institutional buyers (e.g. hospitals, schools, care centres).
- Distributors (local and long-distance distributors).

The Centre will need to engage with them to increase demand for its primary users.

**Tertiary users** include those parties that use some services but are not direct participants in the food value-chain. These will include small businesses using the co-working space, non-food groups wanting to rent equipment and facility space, individual wanting to take courses or workshops through the Centre.

**Partner users** of the Centre are a special group that includes food related associations or support agencies (e.g. industry associations, government agencies, farming institutes, farmers' markets).

The Unique Selling Propositions (USPs) for the Centre include the following:

- A very important hub of information on farming and food processing in the Region.
- The best collaborator of agri-food stakeholders in the Region,
- The widest-range of services offered to agri-food entrepreneurs in the Region,
- The most important catalyst for expanding agri-food business sales in the Region,
- The best physical location for food producers to connect and discuss agri-food opportunities.

The Centre will pursue the following general market development strategies:

- 1) Execute a marketing outreach program,
- 2) Maintain and promote an information-rich website,
- 3) Create an online presence through social media services,
- 4) Create branded materials,
- 5) Develop a public relations strategy,
- 6) Host "Meet and Greet" events,
- 7) Create trusted relationships with key stakeholders,
- 8) Focus on client retention.

## Financial plan

The initial start-up costs for the Centre will likely be somewhere between \$60,000 and \$120,000. Note that this cost estimate excludes time that will likely need to be spent by municipal and provincial staff on planning support for the Centre.

Based on the assumptions, and assuming that the full range of services are offered (or other services are identified to replace those that are not offered), the Centre is projected to generate revenues of just over \$300,000 in its first full year of operations. It is expected to incur a loss of about \$68,000, which is roughly about -22% of revenues.

The Centre revenues are estimated to increase annually to reach about \$1,000,000 in Year 5, as shown in Table 1. The Centre is projected to incur declining losses in years 2 to 4, and to make a small profit of \$25,000 (2% of revenues) in year 5. These projections are highly speculative, but they are hopefully conservative given the geographic scope of the Centre and the broad range of services that it could potentially offer. Another way to view these figures is to say that unless the Centre is sufficiently valued that it can eventually generate \$1,000,000 in revenues per year, it is difficult to say that it has had a meaningful impact in expanding local food production and creating a significant number of new local food jobs.

**Table.1. Summary Five Year Financial Projections for the Centre**

<b>Revenue/Cost Categories</b>	<b>Year 1 Total</b>	<b>% of revs</b>	<b>Year 2 Total</b>	<b>% of revs</b>	<b>Year 3 Total</b>	<b>% of revs</b>	<b>Year 4 Total</b>	<b>% of revs</b>	<b>Year 5 Total</b>	<b>% of revs</b>
<b>Revenues</b>										
Consulting services	\$11,160	4%	\$16,740	3%	\$20,925	3%	\$26,156	3%	\$32,695	3%
Training programs	\$10,950	4%	\$16,425	3%	\$20,531	3%	\$25,664	3%	\$32,080	3%
Equipment rentals	\$10,335	3%	\$20,670	4%	\$25,838	4%	\$32,297	4%	\$40,371	4%
Facility rentals	\$4,400	1%	\$6,600	1%	\$8,250	1%	\$10,313	1%	\$12,891	1%
Storage space rentals	\$5,190	2%	\$7,785	1%	\$9,731	2%	\$12,164	2%	\$15,205	2%
Distribution fees	\$42,840	14%	\$68,544	13%	\$85,680	13%	\$107,100	13%	\$133,875	13%
Brokerage fees	\$192,180	63%	\$288,270	55%	\$360,338	56%	\$450,422	56%	\$563,027	56%
Contract grower fees	\$29,760	10%	\$44,640	9%	\$55,800	9%	\$69,750	9%	\$87,188	9%
Other Revenues	\$0	0%	\$50,000	10%	\$60,000	9%	\$70,000	9%	\$80,000	8%
<b>Total Revenues</b>	<b>\$306,815</b>		<b>\$519,674</b>		<b>\$647,093</b>		<b>\$803,866</b>		<b>\$997,332</b>	
Cost of sales	\$254,282	83%	\$410,542	79%	\$491,790	76%	\$594,861	74%	\$728,052	73%
Gross margin %	17%		21%		24%		26%		27%	
Overhead labour	\$79,200	26%	\$100,000	19%	\$120,000	19%	\$140,000	17%	\$160,000	16%
Non-labour expenses	\$36,575	12%	\$57,164	11%	\$64,709	10%	\$72,348	9%	\$84,773	9%
<b>Profit/loss</b>	<b>(\$67,537)</b>	<b>-22%</b>	<b>(\$48,033)</b>	<b>-9%</b>	<b>(\$29,407)</b>	<b>-5%</b>	<b>(\$3,343)</b>	<b>0%</b>	<b>\$24,506</b>	<b>2%</b>

A number of potential sources of grant funding may be available from government agencies and foundations. The Centre may also be able to apply for loans from Community Futures and other lenders as well as pursue private donations and crowdfunding. The Centre likely needs about \$120,000 in start-up funds plus another \$150,000 in working capital before it is completely self-financing.

Below we present one possible funding scenario that could be used to attract the funds and provide a \$20,000 contingency.

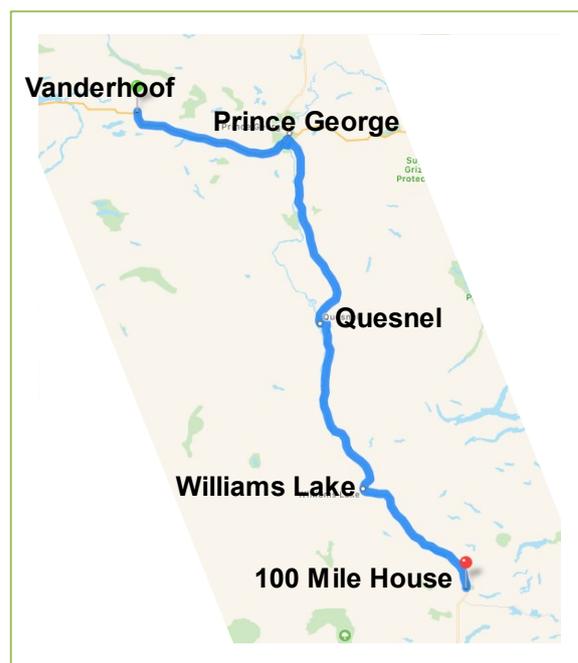
Funding for staff for two years from NDIT	\$90,000
Funding from the BC Ministry of Agriculture	\$30,000
Funding from the BC Rural Dividend	\$80,000
Patient capital loan repaid from cash flows with interest	\$50,000
Grants from a range of foundations interested in local food	\$30,000
Net proceeds from a rewards based crowdfunding campaign:	<u>\$10,000</u>
<b>Total</b>	<b>\$210,000</b>

This breakdown shows that with some creativity, it should be feasible to raise the required funds.

# 1.0 Introduction

## 1.1 Background

Economic diversification is a key priority for the Cariboo and the Northern regions of BC and agriculture, food processing, and crop production have been identified as key opportunities by the City of Quesnel, Cariboo Regional District, the North Cariboo Agriculture Development Advisory Committee, among others. This priority is aligned with Objective 2.2 of the BC Ministry of Agriculture service plan, which is to *Develop a BC Food Innovation Centre/regional Agriculture hub model that considers both physical and virtual components*. In August 2018, the City of Quesnel secured project funding and hired a qualified consulting team to develop a business plan for an agri-food centre headquartered in Quesnel and serving a region extending along a corridor from 100 Mile house north to Vanderhoof.



## 1.2 Project Timeline

This business plan is the result of many volunteer, staff, and consultant efforts dating back to early 2015.

<b>April 2015</b>	A forum hosted by Quesnel Community and Economic Development Corporation identifies an agriculture centre in key recommendations.
<b>May 2016</b>	A feasibility study is initiated for an agriculture centre in the North Cariboo region
<b>June 2017</b>	The Cariboo Regional Agriculture Research Alliance is launched
<b>Feb 2018</b>	A meeting is hosted to develop a 1 to 2-year agriculture strategy, where the centre is again identified as a popular strategy.
<b>Jan 2018</b>	The BC Ministry of Agriculture releases grant money to support regions looking to establish to agri-food centres.
<b>April 2018</b>	North Cariboo Agricultural Development Advisory Committee (ADAC) is formed.
<b>April 2018</b>	Young Agrarians add a staff member for the North Cariboo
<b>July 2018</b>	The City of Quesnel launches an Economic Development Transition Strategy, which includes growing the agriculture sector.
<b>Aug 2018</b>	An Agri-Food Centre Business Plan process is initiated.
<b>Dec 2018</b>	An Agri- Food Business Plan is completed (represented by this document).

### 1.3 Process to Develop the Business Plan

This Business Plan was developed based on: 1) Stakeholder engagement (one on one interviews, committee meetings, workshops, survey) and 2) Research and analysis (Review of Census data, industry association research, online research, example practice review). It was implemented in three phases:

- Phase 1 (Aug to Sept): Gap Analysis and Market Validation
- Phase 2 (Oct-Nov): Partner and Use Needs Assessment
- Phase 3 (Nov-Dec): Business Plan Preparation (this document)

### 1.4 Purpose and desired outcomes for the plan

The desired outcomes for this process and Business Plan are best described by the City of Quesnel in the original Request for Proposals. The table below states the desired outcomes and provides a situation report to indicate how well they have been achieved.

Desired Outcome	Situation Report
1. The City of Quesnel has a comprehensive business plan to inform their development of a regional Agriculture Centre including: <ul style="list-style-type: none"> <li>• Clear description of Centre model (organizational structure)</li> <li>• Establishment of industry needs and services to be offered</li> <li>• Clear financial plan for start-up and sustained operations</li> </ul>	 This Business Plan describes the centre model and has taken all measures to establish a baseline for industry needs and provide a model for sustained operations.
2. The City of Quesnel has the information required to make strategic decisions with respect to implementation of a regional Agriculture Centre, and a tool to secure partners and funding for the project	 The two reports plus business plan provide comprehensive documentation of the research and engagement findings that can be shared with potential partners and funders or be used to develop further communication material.
3. The City of Quesnel has a completed business plan to present to the Ministry of Agriculture to be considered for regional Food Hub Node funding when available.	 This Business Plan provides a model that may or may not be considered for agri-food innovation funding.
4. The City of Quesnel is prepared to successfully implement an Agriculture Centre that will support growth and innovation in the agriculture and agri-food sector in Quesnel and drive regional economic development and diversification.	 This Business Plan provides an evidence-based approach for launching, maintaining, and growing the Centre.

## 1.5 Vision and mission of the Centre

As this business plan will present, an incremental approach to establishing a food and agriculture centre in Quesnel is aligned with the current market and interest in services. As presented in section 3.1, the initial version of the centre will start with a qualified coordinator and physical space and grow into other services as the market demand for them evolves. This vision and mission present a long-term vision for the centre.

The vision of the Centre is to:

***Foster a thriving regional agri-food sector that is a significant contributor to the local economy in the Cariboo, Fraser Fort George and Bulkley Nechako regions.***

The mission of the Centre is to:

***Be a catalyst to help food producers and processors from 100 Mile House to Vanderhoof improve their sales and economic success.***

The Centre will help achieve three important high-level goals:

- Increase local food production and processing.
- Improve co-ordination and collaboration between stakeholder groups and producers.
- To compliment other agency programs.

## 2.0 The local food economy and agri-food centres

### 2.1 Agriculture in the region is mostly ranching

About 90% of the farms are involved in meat or hay production, compared with about 61% involved in meat production for the province as a whole (see Table 2.1). Only 3% of farms are involved in fruit and vegetable production. In 2016, a total of 1650 farms operated in the region. This is a 14% decline from the 1927 farms operating in 2011. In contrast, total farm receipts rose 8% during the same period, to reach \$131 million in 2016.

This indicates that the average revenues per farm increased from about \$63,000 per farm in 2011 to \$79,000 per farm in 2016. The region has about 12 farms per 1,000 population whereas there are only 3 farms per 1,000 population for BC.

**Table 2.1. Number and type of primary producers in the region, 2016**

Product categories	Cariboo Excluding Area J	Fraser Fort George Excluding H	Bulkley Nechako C,D & F	Total for Region	% of total
Beef cattle	309	84	130	523	32%
Dairy cattle	2	2	2	6	0%
Hogs	7	4	3	14	1%
Poultry and egg	24	10	5	39	2%
Sheep and goat	25	7	6	38	2%
Horse	110	46	38	194	12%
Multiple animal	91	54	40	185	11%
Oilseed and grain	4	1	12	17	1%
Fruit and veg	20	17	6	43	3%
Greenhouse	23	14	6	43	3%
Hay	229	130	138	497	30%
Other	27	12	12	51	3%
<b>Total farms 2016</b>	<b>871</b>	<b>381</b>	<b>398</b>	<b>1650</b>	<b>100%</b>
% of total farms	53%	23%	24%		
<b>Total farms 2011</b>	<b>1067</b>	<b>437</b>	<b>423</b>	<b>1927</b>	
% change 2011 to 2016	-18%	-13%	-6%	-14%	
Farm receipts 2016 (\$millions)	\$71.9	\$19.8	\$39.0	\$130.7	
Farmer receipts 2011 (\$millions)	\$51.5	\$34.4	\$34.8	\$120.7	
% change in farm receipts	40%	-42%	12%	8%	

Source: <https://www150.statcan.gc.ca/t1/tbl1/en>

In Table 2.2 we compare the study region with the core area of the North Cariboo and the province as a whole. This shows that the North Cariboo has about 20% of the farms as the study region and generates about 18% of the farm receipts. However, relative to its smaller population, it generates more than twice the revenues per capita. The North Cariboo has seen an 18% drop in the number of farms from 2011 to 2016, which is a steeper decline than the study region (14% drop) or the province as a whole (11% drop). The study region has about 9% of BC farms but generates about 3.5% of the total BC farm receipts.

**Table 2.2 Comparison of the study region with the North Cariboo and the province of BC**

<b>Product categories</b>	<b>The Study Region</b>	<b>North Cariboo Region</b>	<b>Total British Columbia</b>
<b>Total farms 2016</b>	<b>1650</b>	<b>325</b>	<b>17528</b>
<b>Total farms 2011</b>	<b>1927</b>	<b>394</b>	<b>19759</b>
% growth 2011 to 2016	-14%	-18%	-11%
<b>Farm receipts 2016 (\$millions)</b>	<b>\$130.7</b>	<b>\$23.7</b>	<b>\$3,729</b>
Farmer receipts 2011 (\$millions)	\$120.7	\$20.9	\$2,936
% change in farm receipts	8%	13%	27%
<b>Revenue per farm 2016</b>	<b>\$79,182</b>	<b>\$72,923</b>	<b>\$212,745</b>
Revenue per farm 2011	\$62,647	\$53,046	\$148,591
% change in revenues per farm	26%	37%	43%
<b>Other statistics</b>			
Population 2016	160,818	12,772	4,648,055
Land Area (square km)	125,788	21,527	922,503
Farm revenues per capita	\$812	\$1,856	\$802
Farms/1000 population	12	31	4
Animal farming s % of total	91%	92%	61%

*Some of the key primary producers in the North Cariboo region are listed in Appendix A.*

In 2016, 379 producers in the Region sold direct to consumers, representing about 23% of total farmers. The types of products they sell and the channels through which they sell them are presented in Table 2.3.

**Table 2.3. Breakdown of producers that sell direct to consumer in the study Region**

<b>Direct to consumer sales channels</b>	<b>Cariboo Excl. Area J</b>	<b>Fraser Fort George Excl. H</b>	<b>Bulkley Nechako C,D and F</b>	<b>The Study Region</b>
Farms selling direct to consumer	205	105	69	379
Farms selling agricultural products	204	101	67	372
Farms selling value added products	15	11	7	33
Farmer selling at farm gate	180	92	59	331
Farmers selling at farmer's markets	47	19	12	78
Farmers selling through CSAs	5	4	2	11
Farmers selling using other methods	12	8	8	28
Ag products vs value add products	7%	11%	10%	9%
Farms selling direct as % of total farms	24%	28%	17%	23%
Farmers markets as % of total direct	23%	18%	17%	21%

Source: <https://www150.statcan.gc.ca/t1/tbl1/en>

Less than 9% of the farmers who sell direct, produce valued added products. Within the full region, the Cariboo has a higher participation rate at farmers' market, but a lower percentage of direct selling producers make value-added products.

## 2.2 The food processing sector is very small

The value-add food processing sector is a very small in the region. We identified about 20 local processors in the core North Cariboo region (see Appendix B). We estimate that these processors collectively generate about \$6 million in annual revenues, whereas the full region may generate about \$30 million. Most of the processors identified are small businesses that sold direct to customers such as at regional farmers' markets and/or to local independent retail stores.

Additionally, significant gaps exist in the region's food processing infrastructure. Below we describe the existing infrastructure for commercial kitchens, abattoirs, and shared-use processing facilities.

- **Commercial kitchens:** While there are several small commercial kitchens in a senior's centre, community halls, the Friendship Centre and churches, none of them appear to be currently set up to be accessed by food entrepreneurs.
- **Abattoirs:** There are no abattoirs in the core North Cariboo Region, although there are 5 abattoirs in the larger region. These are presented in Table 2.3.

**Table 2.3. List of slaughterhouses in the region**

Organization Name and Category	Location	Facility Class and Type	F/M
Chicoltin Harvest	Redstone	Class A Slaughter and Processing	Fixed
Rodear Meats	Big Lake	Class A Slaughter and Processing	Fixed
Country Locker	Vanderhoof	Class A Slaughter and Processing	Fixed
Newsat Farm	Vanderhoof	Class A Slaughter and Processing	Fixed
Kewano Farms	Prince George	Class A Slaughter and Processing	Fixed

Source: [BC Meat Plants Public List by Region](#)

**No cold storage facilities exist:** No cold storage facilities exist in the North Cariboo Region that are easily accessible to food entrepreneurs. However, some private and community cold storage facilities exist that may have capacity and might be willing to rent cold storage space to food entrepreneurs.

**No fibre mills in the region process animal wool or hair:** Over 3,000 pounds of animal wool and hair are produced within the North Cariboo each year but no fibre mills exist to process them. The fiber is produced from llama, alpaca, sheep and cashmere goats. All the fiber is exported out of the region, mainly to Alberta, for processing. A 2012 feasibility study concluded that a fiber mill in the region would be viable and have economic benefits. After this study was completed, a [fiber mill](#) was established in Kamloops<sup>1</sup>, that could potentially service the North Cariboo. However, the challenge is identifying the right type and balance of services within the mill as different growers have different needs for their fibre.

**No food distributors are headquartered in the North Cariboo Region:** Most locally produced foods that are not direct marketed are distributed through conventional distribution channels such as Sysco, distributors owned by retailers, major produce distributors, and large dairy distributors such as Dairyland. Producers in their own vehicles typically distribute the remainder of distributed foods. No food distributors are headquartered within the region, although Shoppers Wholesale, headquartered in Prince George, serves the region.

<sup>1</sup> <https://www.thatdarnyamshop.ca>

## 2.3 Agri-food centres help expand the local food economy

Agri-food centres are designed to support local food producers/processors and are typically customized to take advantage of regional assets and unique aspects of the local food and agriculture economy. Typically, agri-food centres cluster activities in one location to take advantage of synergies from being centrally managed and located. Agri-food centres typically provide the following types of services:

- Product development and testing
- Business planning
- Classes and knowledge development
- Food and beverage processing facilities
- Food aggregation and distribution
- Food storage
- Office, classroom, meeting space
- Permanent and temporary food retail space
- Food brokerage and wholesale space

The following agri-food centre examples illustrate different approaches that are relevant for rural communities with a strong reliance on ranching.

**Table 2.4: Key Attributes of Relevant Agri-Food Centre Models**

Agri-Food Centre	Key Attributes of agri-food center Model
<b>Windermere Farmer's Institute</b> (1914, Golden, BC)	<ul style="list-style-type: none"> <li>• Institute that operates a number of revenue generating enterprises</li> <li>• Owns and runs an agricultural park</li> <li>• Opened an abattoir in 2017, which is leased to a meat processor</li> <li>• Runs a weekly farmers' market</li> <li>• Coordinates workshops and programs for local farmers</li> </ul>
<b>Kootenay Farm Advisors</b> (2017, Kootenays)	<ul style="list-style-type: none"> <li>• Free, technical production support by independent advisors</li> <li>• Focused on improving agricultural production efficiency</li> <li>• Conduct site visits and group training workshops, no physical space</li> <li>• Funded by three regional districts and Columbia Basin Trust</li> </ul>
<b>Oliver Eats</b> (2018, Oliver, BC)	<ul style="list-style-type: none"> <li>• 900 square foot for-profit deli with kitchen incubator</li> <li>• Rent space in their commercial kitchen</li> <li>• Sell the local processor products in their deli</li> <li>• Run pop-up markets, cooking classes, and communal diners</li> </ul>
<b>Farm Kitchen</b> (2017, Cranbrook)	<ul style="list-style-type: none"> <li>• Social enterprise offering shared commercial kitchen space</li> <li>• Also provide collaborative co-working space</li> <li>• Have walk-in coolers, freezers, blenders, and a cafe</li> <li>• Kitchen rents for \$17/hour, desk space for \$5/hr</li> </ul>
<b>Vermont Food Venture Center</b> (2011, Hardwick, VT)	<ul style="list-style-type: none"> <li>• Combines all of the above in a small town of 3,000 residents</li> <li>• Advisory services include farm management and business management</li> <li>• 3 commercial kitchens rented to entrepreneurs and community groups</li> <li>• Farm to institution aggregation and distribution service</li> <li>• Revolving loan fund and revolving fund lease for equipment purchases</li> </ul>

These examples that demonstrate the broad range of services that can be offered through a food and agriculture centre.

## 2.4 Agri-food centres can have different governance structures

Agri-food centres can be governed in several different ways, including the following:

- **Private/for-profit** – This is where a single, private company both owns and manages the enterprise (e.g. Oliver Eats).
- **Cooperative** - Multiple parties (individuals or organizations) purchase shares in a local food enterprise, but each only gets one vote no matter how much they own (e.g. Cariboo Growers Farmers Coop Store).
- **Social enterprise Non-profit** – This is where a non-profit society is created and governed by a volunteer Board of Directors (e.g. Windermere Farmer’s Institute)
- **Publicly Owned** - A local, state, or federal government agency acts as the owner, operator, and manager of the hub. (e.g. Leduc Food Processing Development Centre).

The most common governance structure for small scale, rural agri-food centres is a non-profit society.

## 2.5 The BC Ministry of Agriculture is funding food hub centres

The BC Ministry of Agriculture’s service plan includes Objective 2.2: *Develop a BC Food Innovation Centre/regional Agriculture hub model that considers both physical and virtual components*. To this end, The BC Ministry of Agriculture in collaboration with the University of British Columbia and industry partners, are in the process of developing a Food Hub Network, consisting of a Core Food Innovation Centre at UBC as well as multiple regional centres across British Columbia. At this stage, the Ministry is funding feasibility studies and business plans in several areas across the province, including Quesnel. In 2019, the Ministry has agreed to a partnership with Commissary Connect to be its first pilot agri-food centre. This is to test the format and operation of the centre and how it looks in the Food Hub Network and supports the value chain.

## 2.6 Capacity building assets for local food exist in the region

Many resources are in place or in early stages of development that can help to build capacity of the regional food and agriculture sectors in the region. These organizations are likely partners for the Centre.

The **North Cariboo Agricultural Development Advisory Committee** (ADAC) resulted from a 2016 workshop where the need for an advisory group was identified. One of the priorities for the group was to advance progress on a regional agriculture centre.

A 2017 report examined the concept of a **Cariboo Agriculture Research Alliance** (CARA) and provided a roadmap for further developing the Alliance, which was subsequently established. The vision for CARA is to conduct research and provide research outputs through extension services.<sup>2</sup>

The Quesnel campus of the **College of New Caledonia** (CNC) is in early stages of developing food and agriculture programs. It has a greenhouse, a high-tech sea crate hydroponic system, and some outdoor garden beds that it is using for applied research (e.g. low energy methods to growing food in winter).

---

<sup>2</sup> Extension is the practice of extending new applied research and new practices learned from basic research findings to the end user (typically a farmer or business). It is also described as technology transfer and often involves learning a new or improved way of doing production and processing related tasks. It typically involves a technology transfer agent, a target user group and various ways to deliver the information (CARA, 2017)

The **Thompson Rivers University** (TRU) Williams Lake campus is actively training and engaging new farmers in the region through the Sustainable Ranching Program and have expressed strong interest in partnering with an Agri-Food centre.

The **Ministry of Agriculture** recently added two new Regional Agrologist positions in the Cariboo. At the time of writing, these positions have been recently filled and staff on-boarding is underway.

**Alex Fraser Park** is a long-standing agriculture events centre, that hosts agricultural fairs, rodeos, horse shows, and many other activities. During the fires in 2016, the Park served as an evacuation centre for animals where everyone from ranchers to pet-owners came to the site with animals that had to be evacuated. This capacity to serve as the Ag evacuation centre is being further established through the construction of a new building, which will be completed in 2019-2020.

**North Cariboo Agriculture Marketing Association (FARMED)** was founded in May 2007 to cultivate, promote, support, and foster sustainable, progressive, and diverse agriculture and awareness. A similar organization was proposed for the Central Cariboo region, but this has not moved forward yet.

A good number of other associations, businesses, institutions and not for profits exists that could potentially partner with the Centre. These include First Nation groups, educational institutions, institutes, local and regional governments, funders, agencies, industry associations and groups and community organizations. Examples of these organizations in the North Cariboo are presented in Appendix C.

**Community Futures North Cariboo** provides a range of services to businesses providing loans, training, coaching and information services to entrepreneurs, including food and agriculture sectors. Community Futures also provides technical and financial support for projects that diversify the economy and improve the quality of life in the North Cariboo region.

**Long Table Grocery** is a Quesnel-based business that purchases produce and processed products from local producers and processors and sells them to the public through a box program. Long Table also has a grocery store, currently open three days per week.

Founded in 2012, **Young Agrarians (YA)** is a network for new and young ecological and organic farmers. YA provides a land matching program to connect people who have farmland and those who want to farm it. YA also hosts mixers and other events to bring young farmers together.

## 2.7 Key users of an agri-food centre

Key users of the agri-food centre include any businesses or organizations that are part of the local food value chain, which includes:

- Primary producers (e.g. farmers, ranchers, hunters, fishers, foragers),
- Processors (e.g. beverages, meat, preserved foods),
- Distributors (local and long-distance distributors, food storage firms)
- Food retailers (e.g. independent grocers, restaurants, pubs, cafes)
- Institutional buyers (e.g. hospitals, schools, municipalities)
- The general public (i.e. eaters),
- Food related support agencies (e.g. industry associations, government agencies).

## 2.8 Potential users of an agri-food centre identified key needs

In workshops conducted with key users during the preparation of the plan, the following needs were identified:

**Participants were unaware that services were potentially available to them:** Producers were not aware that the Ministry has hired staff to provide agricultural extension services or that other services are available (e.g. food certification training programs). They also expressed an interest in an online chat function where they could get immediate responses to their questions.

**Producers felt they would benefit by being able to communicate with other producers:** Participants liked the idea of being able to post questions or notices to other producers. This suggests the need for some kind of local producer Listserv.

**Producers wanted information on the buying criteria of large food buyers:** Producers wanted somewhere they could go to learn about the buying criteria (and restrictions) for particular large food buyers in the region. These could be potentially posted on a Centre's website by each buyer.

**Producers and processors want to pool purchases:** Group buying of everything from seeds to buckets and jars was suggested as something that would help producers.

**Producers weren't aware of value-added product opportunities:** Primary producers were aware that value added products could be financially beneficial, but didn't know: what products to make, the market potential, the production logistics, funding required, and so on. This suggests that a certain amount of experimentation will be required to stimulate and sustain growth in new sectors.

## 2.9 Users identified a range of potential services for a centre

Users identified many services an agri-food centre could provide to meet the needs mentioned above.

### Training, education, and information

- Educate the public on the importance and benefits of eating local, fresh, nutrient-dense foods.
- Provide classes/courses on specific aspects of farming.
- Provide education as many don't know how to get started on food production and processing
- Help sort thru red tape issues that are often confusing and take farmers away from growing.
- Provide 4H programs and agricultural diplomas for people in the region

### Networking and mentoring

- Develop a mentoring program and provide information on potential food biz opportunities.
- Conduct on farm visits to help owners on their land.
- Host social mixers for people to get to know each other and identify ways to help each other

### Marketing support

- Provide marketing support to access larger buyers like grocery stores that buy year round
- Publicize positive testimonials from entrepreneurs that are using the services
- Create a consumer awareness campaign to increase consumer demand for their product.

### Incentives

- Work with the City to identify and provide incentives to start a food business (business licenses, taxes/write-offs, farm status, etc.)
- Work with Community Futures and others to provide financial incentives and business support to take an idea to market
- Develop resources to provide financing to allow entrepreneurs to get started without going broke first.

**Infrastructure, land and equipment**

- Provide access to equipment and facilities (e.g. government inspected slaughter house, rental of specialty equipment)
- Provide access to land for food production
- Match young farmers with lease lands or open suitable crown lands.

**Brokerage and distribution**

- Help get the product to market for those who do not already have an avenue to do so.
- Help find potential buyers for their products

**Other suggestions**

- Conduct pilot projects.
- Make it as easy as possible to sell farm products safely without a lot of rules and regulations.
- Collect as much info as possible on the different areas of the Region and have it easily available to inquiring newcomers. This includes information on: soils, climate, crops produced, markets, transportation, population pockets, service centers for health, vehicle repair, government specialists, knowledgeable people in the industry, recreational opportunities, maps, etc.
- Food/soil testing

## 3.0 Operational plan for the agri-food centre

At the onset of this process, it was emphasized that the Centre would need to be financially sustainable within a few years. The project team has tried to engage as many regional producers, processors, and food buyers as possible to determine what services the Centre could offer that would generate sufficient revenues to cover overhead costs.

Almost all the agricultural activity in the region is in primary production and 90% of that is in ranching. Value-added food processing is nascent at best and current direct marketing channels and on-farm processing is sufficient to meet current demand. As such, there is currently no strong business case to justify large investments to expand agriculture into other areas of primary production and value-add processing in the region. Therefore, the business model proposed in this plan is to adopt a risk-managed approach whereby Centre services are only offered only after first obtaining strong expressions of interest and even commitments from users.

### 3.1 A phased expansion approach

Because the agri-food centre does not have any major sources of funding and because there is some uncertainty about the level of demand for various services in the region, it is prudent for the Centre to use a low cost, phased expansion approach. Adopting this approach also provides a catalyst to grow the agri-food sector to a level where major investments can be made in larger facilities such as an abattoir and/or shared processing facility for the region. These phases are briefly described below. Prior to phase 1, the prelaunch phase, there will need to be significant volunteer efforts from a number of people to get the centre off the ground. Members of the steering committee and other supportive producers and community members will need to take on some tasks to bring the Centre to life and to minimize the initial cash flow losses.

#### **Phase 1 – Establish a highly visible central office and hire an entrepreneurial manager**

In this initial phase, the agri-food centre would secure highly visible central office space with low rent and enough space to facilitate meetings, workshops and potentially a co-working space. The goal of the Centre is to be the primary information hub for agri-food businesses in the region. It is a place that will be top of mind for producers when looking to start or expand their business. It is a place that will build community and connections around the local food economy, to create a groundswell of activity around food production and processing. The Centre will hire a well-connected entrepreneurial manager that can provide general advice and contacts to agri-food businesses. The Centre's manager will also drive new business for regional agri-food producers by networking, connecting with buyers, helping producers overcome barriers (e.g. distribution challenges, sourcing materials) and attracting new producers to the region. The manager will also coordinate resources in the region making them more readily accessible to producers (e.g. equipment, kitchen space, meeting space, workshops and expert advice). The Centre will expand the initial list of contacts provided in this plan, which cover the North Cariboo region. Depending on the final location for the office, the Centre could begin to host its own workshops, meetings and co-working. This phase is expected to run for up to 3 months and will rely on grant funding.

#### **Phase 2 – Offer an initial set of services to producers and processors**

As soon as the Centre has been established and the ED has been hired, the Centre will begin to seek commitments from producers in the North Cariboo to access equipment, facilities, advice and workshops on a fee-for-service basis. Where there is sufficient demand, it will establish online booking systems for each service and link to them from its website. The Centre will then widen its geographic scope to coordinate and list services, facilities and equipment in the wider Region. Additionally, the Centre will

develop a centralized website for producers to list their products for sale and begin to establish distribution networks to help producers get their products to customers. The goal in this phase is for the Centre to begin to generate its own income, through commissions and consulting fees, so it can quickly reduce its reliance on grants. This phase is expected to be launched 1 to 3 months after launch.

### **Phase 3 – Launch a region-wide aggregation and distribution service**

With continued growth of regional food production, the Centre will expand brokering and distribution of food throughout the wider region, initially to include the corridor from Williams Lake to Prince George and subsequently from 100 Mile House to Vanderhoof. The rationale for launching the distribution phase earlier on is to provide a more cost effective, efficient and regular food distribution system than what currently exists. The hope is this will then increase the sales of locally produced food in the local region and in turn create enough production to justify the investment in additional infrastructure in the region. Furthermore, an aggregation and distribution service can be launched within a few months with very little cost, whereas a shared processing centre is a much more costly and will take much longer to implement.

The Centre will co-ordinate producers and buyers using its own staff, a central buying online platform and a distribution network. Other distribution nodes will be established along the corridor and linked to the Centre to provide a region-wide distribution network. The goal of this phase is to significantly increase revenues for producers by expanding access to buyers through the region. This phase will likely start 3 to 6 months after launch, provided the demand is there. It will be important for the distribution operation to generate a solid profit to help make the Centre financially sustainable and not reliant on grants.

### **Phase 4 – Invest in a location that can house multiple facilities**

Once the Centre has established a strong revenue base and significantly increased local food production and processing in the Region, it can begin exploring the business case for providing services that require a greater outlay of capital and equipment. Provided that the business case is strong, the Centre will either rent new facilities or invest in its current location to offer some or all the following services;

- **Storage space for rent** – It could provide storage space for dry, chilled or frozen foods to producers at a daily rate. The storage space could also be used as an aggregation depot to support the growth of the distribution service.
- **Soil, forage and/or food testing facilities** – It could outfit a lab with the necessary equipment to provide food and/or environmental testing services and advice. The food and forage labs would need to be kept separate to avoid cross contamination.
- **Food processing equipment for rent** – It could invest in food processing equipment that it could acquire, store and rent out. If the Centre has enough room it could also provide space for the equipment to be used, otherwise equipment will need to be checked out and returned. The Centre will be responsible for the cleaning and maintenance of the equipment. It will also provide advice on how to use the equipment and in some cases rent out labour to operate them.

This phase will need significant funding to renovate and outfit the spaces that offer these services and to hire the additional required staff. These services will help generate additional income to support the overhead of the Centre. It is envisioned that this phase would start 1 or 2 years after launch and only if there is sufficient demand and funding.

## Phase 5 – Provide shared food processing facilities

If the previous phases are successful and the Centre continues to enjoy continued growth in demand, it could investigate the feasibility of investing in a shared food processing facility. Options include:

- **Establish a small 500 square foot commercial demonstration kitchen** where members could process certain foods and the Centre could provide cooking or food processing classes.
- **Establish a 200 sq. ft. shared use commercial kitchen** where both producers (and other parties) could rent the space and access the full range of shared processing equipment including walk-in cooler and freezer space (for additional fees).
- **Establish a regional abattoir** that fills the gap between on farm slaughtering and federal inspected Class A abattoirs. This facility would allow smaller meat producers to slaughter closer to their farm at a shorter notice making it economically viable for them to sell regionally.

With the addition of food processing, it will now make sense for the Centre to begin offering food entrepreneur support programs, preferably in partnership with government agencies and educational institutions. This could include food/farm incubator programs for food enterprise startups, or accelerator programs for established food enterprises that want to take their business to the next level.

A final element would be to create a local food and beer association in Quesnel to celebrate and create excitement around local food initiatives such as Long Table Grocery, Craig's Table, Bliss Café, Aroma Foods, Barkerville Brewing Company, River Rock Pub and Steakhouse, and The Occidental. This food and beer association could be established any time in partnership with other local food businesses.

## 3.2 Overview of the Centre Headquarters in Quesnel

In the 19th and early 20th centuries, food and farming connections were often established through a community general store. Farmers gathered there to repair their tools and swap news. They traveled into town from their farms, bringing eggs, butter, and produce to sell. The general store was the nucleus of rural life and an early model of the consumer cooperative. In 1920, 2,600 consumer co-ops—most of which were general stores—met locals' needs, forged social bonds, and fostered community resilience.<sup>3</sup>

Building on this idea, an ideal headquarters location for the Centre would:

- Be centrally located in a high visibility location,
- Be in an area with good drive-by and walk-by traffic,
- Have ample parking and truck access,
- Have street level store frontage,
- Be located near complimentary businesses,
- Have the space to potentially add future services (e.g. storage, processing, equipment rental).

The space will ideally include the following elements:

- General office space including meetings/co-working (500 – 750 square feet)
- Filing cabinets with info resources plus wall maps
- Staff kitchen and washroom (100 – 200 sq. ft.)
- A storage room (optional – 250 – 500 sq. ft.)

---

<sup>3</sup> [Civil Eats \(2018\). The Co-op Farming Model Might Help Save America's Small Farms. Accessed Nov 30, 2018](#)

Based on the above criteria, the top three locations options are described in Table 3.1.

While all three locations are suitable, the Marsh Drive meets the criteria best for the long term, provided that the leasehold improvement costs were not too high. The strongest benefit for Marsh Drive is its location next to Long Table Grocery, a current destination for multiple local producers and a community gathering place. As highlighted by the book *How to Turn a Place Around*, by Project for Public Spaces, it is beneficial for activities to be located together to create an effective destination. The City Hall space is also a viable option, albeit with less street visibility, especially in the short term as the space is planned to be ready by April 2019 with no lease costs (offered as an in-kind donation by the City) This may be the best option if it can be leased at very low cost and on a month-to-month basis until revenues reach \$500,000, at which point the Centre can afford market rents. The Spirit Centre is also workable but may be too small.

Alex Fraser Park was also considered, however, despite many synergies and the prospect of a new building with many compatible uses, its location outside of town and the primary focus on agricultural events may not attract the desired users and therefore was not considered a top location for the Centre.

**Table 3.1: Headquarter Location Options**

Location	Size (sq. ft.)	Rent/month	Office space	Wash-rooms	Office Kitchen	Street Visibility	Availability
<b>141a Marsh Drive</b> (next to Long Table)	1,700 sf	\$1100	Ample	1	?	Good	3 to 6 months from signing lease
<b>410 Kinchant Street</b> (Space at City Hall)	1,000 sf plus shared meeting space	Nominal	Medium	2	1	Fair	April 2019
<b>246 St Laurent Ave</b> , Quesnel (Spirit Centre)	500 sf plus shared meeting space	Nominal	Minimal	7	None	Good	Available now

### 3.3 A gathering place for the local food community

The Centre will be located in an office or retail space in downtown Quesnel, where local food producers and processors from within a 250-kms (from 100 Mile House to Vanderhoof) can come to network, obtain advice, receive technical and business training, and gain access to land, equipment and facilities to help them launch or expand their food or farming enterprises.

Table 3.1 estimates the number of hours that people would spend at the centre. With a focus on finding many different ways to bring people to the centre, the goal is that very quickly, the centre could be hosting over 480 participant hours/month at the centre. Given that there is an average of about 100 business hours per month, that means that the centre would have an average of 5 people at the Centre at any one time, making it a vibrant gathering place.

**Table 3.2: Estimated number of participant hours per month**

Service	Activities per mo.	Participants per activity	Avg hours per activity	Participant hours/ mo.	Centre staff hours/month
Meet your maker event (buyers meeting producers/processors)	1	10	2	20	4
Training workshops (2/week)	8	4	4	128	16
Mentoring (1 mentor/1-2 mentees)	10	3	2	60	8
Information service inquiries	30	1	1	30	45
Consulting services	10	3	2	60	5
Networking events	1	30	3	90	6
Distribution drop-offs/pickups	4	20	0.25	20	20
The “ag officer is in” sessions	8	5	2	80	0
<b>TOTAL</b>	<b>72</b>	<b>76</b>	<b>16.25</b>	<b>488</b>	<b>104</b>

Note: ideally the percentage of centre staff hours for the above services should not be more than 60% of their total hours. The remaining 40% of their time will be used for general promotion, marketing the centre, general administration, board meetings, grant writing and reporting, and proving the need for additional services such as food processing equipment/supplies. On average one staff person will work 170 hours per month, therefore, to manage all of the services above the centre will need to implement a number of strategies. These include; relying on volunteers (e.g. board members, retired farmers), stagger the implementation of the services, employ a part time staff person as and when needed, utilize tools that reduce the administration time needed (e.g. online booking for equipment and facility rental and workshops).

### 3.4 Website

The Centre will develop a dedicated website. The website will likely have the following sections:

- An overview of the Centre
- A description of the key projects completed or underway
- A description of its key services (e.g. consulting, training, demonstrations)
- A list of agri-food consultants
- A list of local food producers and processors that want to publicize their offerings
- Upcoming events/workshops and how to register

The Centre will also need to create a social media presence (e.g. Facebook, and Instagram). The website may also include the following elements related to its core services

- An online sales area for producers to list products and for buyers to order them
- A place to schedule access to rent equipment, land, facilities, and supplies

## 4.0 Overview of Agri-food Centre services

The following recommendations are based on feedback from stakeholders and food producers and processors in the region. This was collected through stakeholder workshops in September and October 2018 and an online survey (see Appendix G).

In partnership with other organizations in the region (e.g. Ministry of Agriculture and Community Futures) the Agri-Food Centre could provide and/or promote the following services to support the growth of farm and food businesses in the region. The execution and scale of each of the services will depend on the needs of regional food producers and processors and service gaps, which the Centre will be responsible for further identifying and growing. The opportunities, needs and gaps will also define the role of the Centre and whether it launches specific services, co-ordinates services that already exists and/or promotes services run by other organizations.

### 4.1 Consulting Services

The Centre will launch in Phase 1 by offering general consulting services to agri-food businesses. The Centre will be staffed by agri-food generalists that can provide advice and support at no cost, including;

- Identify suitable workshops and programs available in the region.
- Make introductions to individuals and agencies with key information.
- Help identify potential grants and other funding revenues.
- Provide readily available information (e.g. market research), resources and reports that will support their businesses.

The Centre will also have a centralized list of pre-qualified agri-food consultants and associations that can provide services for the producers and processors in the region. The Centre will charge a commission on the consulting fees charged. The Centre will partner with several regional organizations and businesses to provide these services to its clients. Organizations will include educational institutions, industry associations/groups, grower institutions and industry agencies (see Appendix C for a list of organizations), as well as consulting firms and marketing agencies. Details of each of the consulting services (description, benefits, costs and service provider) will be kept up to date on the Centre's website. Users can either access the services via the website or by visiting the Centre and discussing them with its staff. Services can be provided at the Centre or a location agreed by the consultants and business (e.g. on-site at a farm). Services will include:

- **General advisors** – help agri-food businesses access specialized information, resources and reports that will support their businesses, including;
  - Technical assistance related to farm management (pests, water, soil & pasture),
  - Access information on BC Assessment farm status, insurance, land lease agreements, grants & production budgets,

- Access to BC Ministry of Agriculture - Agriculture and Seafood programs<sup>4</sup> (e.g. business planning, succession planning, Indigenous Agriculture Development Program, Environmental Farm Plan and human resources)
- Collaborate with Cariboo Agricultural Research Alliance (CARA) programs,
- **Farm visits** – specialized consultants can be booked to visit local farms to understand their specific opportunities and challenges and provide advice on next steps.
- **Mentoring** – the Centre will have a list of pre-qualified agri-food business mentors who have volunteered to provide ongoing support to regional food producers and processors. A key partner for this service could be Young Agrarians as they establish themselves in the region.
- **Food processing specialists** – specialized consultants can be booked to provide advice and/or work alongside food processors to help develop recipes, identify gaps in the market, steer businesses through the regulations, update businesses on regulation and policy changes, develop production processes and sourcing equipment and facilities.
- **Marketing and promotions** – the Centre will have a list of pre-qualified marketing and promotional agencies that specifically work in the agri-food sector and can support businesses with their marketing, communications, promotions, social media and branding.

## 4.2 Training and business incubator programs

Depending on the needs of the region and potential funding, the Centre could offer a number of training programs and/business incubator programs. More than half of these programs would be offered in conjunction with local colleges or universities, government agencies, Community Futures offices, farmers' institutes (e.g. Kersley), food producer associations (e.g. Forage Council) and so on that provide training. This minimizes the number of hours the Centre's staff would need to co-ordinate the programs. If a program is developed, promoted, and delivered by a third party the goal would be for the Centre to earn a small fee to promote it to its members and, ideally, to host the training at the Centre. For courses where the Centre develops the training program and hires someone to deliver it, the goal will be for the Centre to capture at least 50% of the training fee revenues, on average, to cover overhead.

Training programs and/business incubator programs the Centre could offer include the following:

- **“How to grow/how to raise” workshops** – 2 – 8-hour workshop focused on how to grow certain crops or raise certain types of animals.
- **Soil management/land management workshops** – Similar to the above.
- **Food safe/health department certificate training** - Training required by regulators for staff that work in a food production, processing, or food retail environment.
- **Good agricultural practices (GAP) training** - This training is often required by large food distributors that sell to retailers or institutions.

---

<sup>4</sup> <https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/programs>

- **How to start a farm business training program** – 6 – 20-hour training course on how to start up your own farm business, possibly with training support from the BC Ministry of Agriculture.
- **How to start a food processing business training program** – 6 – 20-hour training course on how to start up your own food processing enterprise, possibly with training support from the BC Ministry of Agriculture.
- **General business management workshops** - 2 – 8-hour training programs relevant to any business including: financial management, marketing and advertising, human resource management, operations management.
- **Business incubator program** – This is the most comprehensive training program as it generally runs for a six-month period with one to two three-hour training sessions each week, 2 hours of mentoring or advisory support per week, and 4 hours of entrepreneur collaborative work/week.

Details of each of the programs (description, benefits, costs and service provider) could be kept up to date on the Centre's website. Users could either access the programs via the website or by visiting the Centre and discussing them with its staff.

### 4.3 Equipment rentals

One of the obstacles to growth for food entrepreneurs is access to specialized agriculture or food processing equipment. Through this service, people in the region that own equipment could be connected with people willing to rent that equipment. This service would include professional management to ensure that each piece of equipment is cleaned and good working order before being returned to the owner or rented to the next party. This service would also include training for people on how to safely use the equipment and protocols for returning it clean and in good order.

This service could also include researching and purchasing equipment for rent, finding appropriate places to store equipment, and maintaining an up-to-date inventory of what is available to rent, for how long, and at what cost. Along with facility rentals, described below, this service could be managed on-line by the Centre staff. The staff could also conduct market research to identify equipment not used in the Region that could have strong financial benefits for the most number of businesses and entrepreneurs. The staff would then secure access to this equipment, promote it, and generate additional fees from the rental of it.

### 4.4 Facility rentals

Several facilities in the region have capacity to be rented out to agri-food businesses and the general public on a rental basis. These include community and commercial kitchens, storage facilities (equipment, food, coolers and freezers), meeting and conference rooms, space for packing and labelling, farm facilities and processing facilities. Examples of some of these facilities in and around the Quesnel area can be found in Appendix D. The Centre would need to further develop this list for all facility types and for the wider region.

The Centre could play a coordinating role to schedule access to the facilities to maximize their use and availability. They could develop an online scheduling, booking and payment system to manage the requests. Partners would upload their facility availability, pricing and specifications to the central booking system and keep it regularly updated. The Centre would work with the facilities to upgrade their specifications to comply with various certifications and to enhance their offering to potential clients. As

directed by Northern Health Public Health Protection, facilities must comply with the BC Food Premises Regulations<sup>5</sup> and be in regular communication with the local Environmental Health Officer<sup>6</sup>, especially pre-launch or pre-upgrade. The regulation also states that all food service establishments must have a permit issued by a health officer. The general required documentation for a food service establishment include:

- Application Form
- Kitchen Schematic
- Food Safety Plan
- Sanitation Plan
- Copies of FoodSafe Certificate

Food service facility enhancements could include purchasing new equipment and linking it in to the BC Food Innovation Centre Network. The Centre could also research and partner with additional facilities in the region to help increase agri-food production. The Centre could earn a small commission on the bookings made through the central booking platform. The goal of this service is to make appropriate facilities more readily accessible to increase the food production capacity in the region.

## 4.5 Co-working space

Co-working has become increasingly popular in urban areas of BC for sole proprietor entrepreneurs. It is a good way to build a community of like-minded individuals. While this service is not core to the Centre or identified as a strong need by local businesses, at present, no organization in Quesnel provides access to co-working space. Additionally, if the Centre has space to offer co-working space that at very little cost or effort it could easily provide the service to earn additional profit. The Centre could therefore offer the following options to individuals or organizations, with preference given to food entrepreneurs/employees:

- **Community member** – for just \$10 per month, community members could “join the community”, receive two meeting room hours per month (plus additional hours at 25% off) and participate in monthly networking events but without any access to a desk.
- **Hot desk member** - \$10 for 5 hours hot desk use/month plus 2 free meeting room hours, \$20 for 20 hours/ month, \$40 for 50 hours/month, or \$60 for 100 co-working hours per month. A hot desk member gets access to a table area as well as free coffee and tea.
- **Permanent desk member** – a full sized desk with your name on it (provided there is space) - \$100 per month. This service could only be offered if there was an area sufficiently large enough to accommodate 6 to 3x5 sq. ft. desk areas.

The co-working service could include other small fee for service extras such as the use of a photocopier or printer, a package drop off and/or delivery service. The primary goal of this co-working service is to help cover some overhead costs but more importantly bring people to the centre daily to interact and build community.

## 4.6 Brokerage and online sales service

This service will facilitate actual sales between buyers and producers or processors, both by providing an on-line sales platform as well as through direct brokerage transactions.

---

<sup>5</sup> [http://www.bclaws.ca/Recon/document/ID/freeside/11\\_210\\_99](http://www.bclaws.ca/Recon/document/ID/freeside/11_210_99)

<sup>6</sup> <https://www.northernhealth.ca/services/environmental-health/contacts-questions>

### **On-line website platform**

The Centre will set itself up on an on-line sales platform (see Appendix E for a list of available platforms). The selected program should have the following key functionality:

- Producers can list their products, set their prices and remove products when they run out.
- Buyers can search the full list of available products from the region and order them for delivery or pickup by the producers or a third party.
- Producers can print out a “packing list” for each customer order.
- Delivery staff can set delivery charges for each order and be able to sequence their deliveries and print out a delivery list.
- Accounting staff can easily import orders into an accounting software program in order to create financial statements.

Once set up, the Centre would encourage producers to list the organization and all of their available products on the platform. Then the Centre would promote the platform to all potential buyers from 100 Mile House to Vanderhoof. The buyers would then place orders and the producers would ship the orders to the buyers. The Centre would mark-up the producer prices by 16% (or some similar amount) to cover its costs to manage the site, promote the site, and process the invoices. A big incentive of the platform would be that the Centre would guarantee payment to the producers within 15 days of delivery.

It is relevant to note that producers that offer CSA programs or retailers that offer grocery pickup or delivery could use the platform to make it is easy to order their groceries online.

### **Brokerage service**

Producers will provide a list of products to the Centre that it would like to find a buyer for. This could include products that it has not yet even produced but will only do so if the producer has a combined buyer. In this case, the Centre will email all potential buyers and determine who may wish to carry to product. Once it has found a buyer to carry the product, the Centre will arrange for the sale, receive payment from the buyer, and pay the producer for the product less 14% for its brokerage fee. The brokerage service will likely be used to arrange larger orders that may be delivered over multiple weeks, which cannot easily be accommodated through the online sales platform

## **4.7 Distribution service**

This service would likely only be provided if the online sales component is offered as it is designed to address the biggest logistical barrier to on-line sales, which is the challenge of getting the product from the producer to the buyer. The goal of this service will be to make it easier and more-cost effective for producers to get their product to the market, particularly given that the market the Centre will serve extends 500 kilometers from 100 Mile House to Vanderhoof. Here is how it could work.

All orders where the producer has agreed to third party delivery and where the buyer has specified that they want delivery, will be scheduled for delivery on Wednesday or Thursday (buyers will be given a choice to do pickup for a discount of X% or Y\$/case). Orders travelling north will be delivered on Wednesday and all orders travelling south will be delivered on Thursday.

Each of the five municipalities on the route will need to have a same day pick up drop off location, where, ideally, producers can drop-off any time up until the arrival of the driver. Ideally, the location should have at least 300 feet of space to temporarily store products and organize them in order of route delivery. The

delivery vehicle will ideally be enclosed, have air conditioning and be able to carry up to 60 cases or tote bins of products. The delivery schedule will likely be as follows:

Town or City	Day	Minimum producer Drop-Off window	Driver Arrival Time	Delivery Departure Time	Driving time to next town
100 Mile House	Wed	6:00 – 8:00 AM	7:45 AM	8:30 AM	70 min (93 km)
Williams Lake	Wed	8:00 – 10 AM	9:45 AM	10:30 AM	85 min (119 km)
Quesnel	Wed	10 AM - noon	11:45 AM	1:00 PM	90 min (122 km)
Prince George	Wed	noon – 2 PM	2:30 PM	3:30 PM	75 min (100 km)
Vanderhoof	Wed	3 PM 5 PM	5:00 PM	N/A	Overnight stay
Vanderhoof	Thu	6:00 – 8:00 AM	7:45 AM	8:30 AM	75 min (100 km)
Prince George	Thu	8:00 – 10 AM	9:45 AM	10:45 AM	90 min (122 km)
Quesnel	Thu	10 AM - noon	12:15 PM	1:30 PM	85 min (119 km)
Williams Lake	Thu	noon – 2 PM	2:45 PM	3:30 PM	70 min (93 km)
100 Mile House	Thu	No producer drop	4:45PM	N/A	N/A

A local driver will be responsible for delivering the orders to each of the customer locations within each town. Their vehicle should also be enclosed, have air conditioning, and be able to hold up to 30 cases. Both vehicles should be equipped with loading rams (for ground or dock level loading), shoring bars (to keep the cases from toppling over), and insulating blankets or dry ice containers to keep certain products frozen.

Initially, the delivery service will only be offered between Williams Lake and Prince George as these are the three largest communities. It also means that the distribution run could be completed in one day. However, once there is enough product supply from 100 Mile House or Vanderhoof, these two communities will be added to the delivery area.

## 4.8 Food and agriculture testing services

In partnership with BioMedix, the Centre could offer a food testing lab, as and when there is enough demand from local food processors as identified by the Centre. Food processors and producers could bring their food and environmental samples to be tested for pathogens, providing an outcome-based approach to enforcement and compliance. The test results could be used in conjunction with food safety plans to allow producers to sell to large institutions that have stringent purchasing requirements (e.g. Health Authorities, other government facilities and major retailers). This could also potentially reduce their costs if large institutions use this requirement instead of the costly HACCP certification for certain items. The results of the food testing lab would also give producers more peace of mind.

Another benefit is that data could be harvested and analyzed by the lab, while preserving anonymity. The results could help government implement and develop policies based on factual data and inform the Centre on what training is needed in the region.

The food lab would be ISO certified and self-contained to prevent the possibility of cross contamination. It would be staffed by a Quality Assurance person who would also educate and advise producers and processors. The requirements for the lab are as follows:

- 8' x 10' room
- Separate hot / cold running water and drain
- Exhaust Fan
- Internet access / phone access
- Separate entry for access

The Initial cost to set up the lab, in addition to leasehold improvements, would likely be \$15,000 to \$20,000. BioMedix would provide and set up the necessary specialized equipment and then provide 3 to 5 days of training. Ongoing operational costs would likely be one person at \$30/hour (beginning part time then expanding to full time after 1 year), plus its share of utility and rent expenses. The costs would likely be about 70% lower than an outside lab. A general test (e.g. e coli) would cost between \$10 to \$12 per sample and need to be performed weekly or biweekly. The ideal operator would be a third party not affiliated with any government, business or association to maintain its validity.

A forage and soil testing lab could also be offered in addition to (and separate from) the food testing lab. Currently most local farmers send their forage and soil samples to labs outside the region (normally Alberta). All laboratories known to provide agricultural testing services for farmers in British Columbia are located in the Lower Mainland and Sidney. While this is workable, some farmers say they it would be beneficial to have it in the region. The key benefit is the ability to consult with the lab personnel on the test results and get advice on how to improve the quality of their forage and soil, plus understand the fertility and physical properties of their soils and what can be produced on it.

The lab could also provide sampling equipment for rent, so farmers can obtain samples in the correct manner for accurate testing. The lab could potentially diversify and offer groundwater, feed and pesticide testing. Charges for the services range from \$25 for a forage nutrition test to \$150 for the mold test (mycotoxins). The lab would be a self-contained room with its own water supply and drainage. It would house testing equipment such as Bruker Tango FT-NIT Spectrometer.

Both testing services would require a significant number of producers and processors to agree to use them to justify the costs to establish them.

## 4.9 Contract grower fees

Farmers have stated that they would be happy to pay contract growers for a few weeks when they want to go on vacation or have to travel for some reason. Or other farmers, nearing retirement, said that they would be willing to pay for longer term contract growers to do longer term production with their mentorship so that they could continue to generate revenues from their land even after retirement. The Centre could co-ordinate this service by vetting contract growers and matching them with farmer requests coming in to the Centre. The Centre would take a percentage of the contract grower fees.

## 4.10 Community farm leases

The Ministry of Natural Resources and Forestry is responsible for managing community farm leases, but this is not their core business, so they partner with local organizations to administer the leasing of these lands. According to one local producer, over 30 of these community farm lease opportunities but the Ministry is not marketing them. If this is true, the Centre would be an ideal party to lease these properties to ranchers and collect a fee for this work. It was felt that this could add \$30,000 or more in revenues for the Centre each year.

## 4.11 Economic development service

Stakeholders cited the importance of promoting the region as a desirable place to pursue farming and food processing. This work is currently done by economic development agencies in each of the municipalities and regional districts in the wider region. As such, the Centre could further support them as an expert and central player in the wider region's agri-food sector. Examples the Centre could support economic development initiatives include:

- Work with existing producers and processors to strengthen the local food economy
- Attract new producers and processors to the region by connecting with existing land owners and organizations (e.g. Young Agrarian's land linking program),
- Attending conferences and tradeshows to promote agri-food in the Region.
- Conduct market research on new local food investment opportunities,
- Identify market opportunities / new food trends (e.g. lamb burgers, processed turkey products)
- Track policy changes (e.g. changes to D and E meat processing licenses, maximum number of chickens allowed to rear for egg production or meat production without buying quota).
- Develop and roll out a regional brand for the local food economy.

## 5.0 Ownership, management & staffing plan

### 5.1 Ownership structure

The Centre will be set up as a non-profit society incorporated in British Columbia. This will require a name search to be submitted to the provincial registry and, once approved, to be following with an application to form a provincial society under the societies act. The non-profit society will be governed by a volunteer board and will apply for charitable status as soon as it qualifies.

### 5.2 Board of directors

The Centre will establish a strong and effective board that has members with the following range of skills and knowledge:

- Knowledge and experience in local agriculture and food processing
- Experience as a local entrepreneur or advisor to local entrepreneurs
- Financial management and accounting
- Strategic planning and sales management
- Human resource management and leadership

To achieve this, the board size should be initially set at 10 people, one of whom will be the Executive Director. The board will meet quarterly.

### 5.3 The Executive Director

The Executive Director position is the most important role for the Centre. Ideally the person who fills this role will have the following skills and knowledge:

- Have good general knowledge about local food production, distribution and retailing.
- Be respected by local food producers and processors
- Be an excellent networker with exemplary interpersonal skills
- Be highly entrepreneurial with an ability to identify and implement revenue generating services.

Given the diversity of skills required for the job, it may be appropriate for this to be a position shared between two people each working half time.

The Executive Director will report to the Board of the Society that governs the Centre and have the following primary duties:

- Liaise with local producers and processors to understand their needs and connect them with the services and resources they need.
- Oversee the implementation of service work that will be provided directly by the Centre.
- Manage the day to day operations of the Centre and supervise all staff.
- Speak at local and regional events on the importance of local food to increase demand.
- Provide quarterly progress reports to the Board of Directors.

Because this role will be very entrepreneurial, it would be appropriate to offer a performance bonus.

## 5.4 Staff roles

The Centre may rely on a number of potential staff roles once sales and profits reach a certain level. However, it is likely that, at least for the first full year, all of these roles will be performed by the Executive Director. These roles are discussed below.

**Marketing assistant** – Duties are to:

- Conduct research
- Identify potential opportunities
- Maintain the website content and regularly monitor and update social media
- Help prepare proposals and grant applications

**Project coordinator** – Duties are to:

- Manage the logistical details of fee-for-service projects
- Liaise with contractors and consultants to ensure work is done in a high quality, timely and cost-effective manner.

**Office administrator/book-keeper** – Duties are to:

- Track revenues and expenses and enter receipts into an accounting software program
- Perform other administrative duties such as purchasing supplies, organizing the logistics for meetings/events

## 5.5 Contractor roles

The Centre will likely engage a number of contractors to provide certain services that are contemplated for the enterprise. These could include the following:

- Trainers that provide various training courses
- Online sales coordinator, to manage the website
- Distribution coordinator/driver
- Facility equipment rental

## 6.0 Marketing plan

### 6.1 Market positioning

The region has a wide range of food and agriculture organizations that support food growers and processors, each with their own specific goals and clients. An important role of the Centre is to collaborate with these organizations to co-ordinate, enhance and promote their collective services. The Centre will do this in three ways:

- (1) Develop close ongoing relationships with the organizations and partners.
- (2) Create a welcoming physical location that brings people together to create an exciting energy around regional food businesses
- (3) Develop a comprehensive and dynamic website that highlights the services in the region, promotes workshops and other related events, allows food businesses to rent equipment and/or facilities and enables customers to buy products from local producers and processors.

A second key role of the Centre is to directly increase the revenues of food producers and processors in the region, as a networker, broker and distributor. Depending on the Centre's business growth this could range from being a connector to a full aggregation and distribution service, and potentially be supported by a regional brand.

Finally, the Centre will also be a key promoter of the region to encourage producers and processors to launch a farming operation or food enterprise.

### 6.2 Key Customer Groups

The Centre will serve the following customer groups:

**Primary users** of the Centre will consist mainly of primary producers (e.g. farmers, ranchers, hunters, fishers, foragers) and food processors (e.g. beverage manufacturers, meat processors, preserved food manufacturers). Those located closest to the Centre are expected to use its services weekly, while ones further out will likely use them on monthly or quarterly. Primary users will also include potential new food and farm business owners that are considering establishing a food enterprise in the region.

**Secondary users** are those organizations and individuals that buy products from the producers and processors as follows:

- Retailers (e.g. independent grocers, restaurants, pubs, cafes) and
- Institutional buyers (e.g. hospitals, schools, municipalities).
- Distributors (local and long-distance distributors)

The Centre will need to engage with them to increase demand for its primary users.

**Tertiary users** include those parties that use some services of the Centre but are not direct participants in the food value-chain. These will include small businesses using the co-working space, non-food groups wanting to rent equipment and facility space, individuals wanting to take courses or workshops through the Centre.

**Partner users** of the Centre are a special group that includes food related associations or support agencies (e.g. industry associations, government agencies, farming institutes, farmers' markets).

## 6.3 Unique Selling Propositions

The Unique Selling Propositions (USPs) for the Centre include the following:

- The single most important hub of information on farming and food processing in the Region.
- The best collaborator of agri-food stakeholders in the Region,
- The widest-range of services offered to agri-food entrepreneurs in the Region
- The most important catalyst for expanding agri-food business sales in the Region
- The best physical location for food producers to connect and discuss agri-food opportunities

## 6.4 Branding and messaging

The Centre will create a regional brand that represents agri-foods across the three regions (Cariboo, Fraser Fort George west and Bulkley Nechako east). It will call itself a Regional Agri-Food Centre and may also include a geographic label such as the Cariboo and Northern BC Regional Agri-Food Centre. Its tag line will highlight the Centre's role as supporting and growing the agri-food sector in the region. The tag line may also help to define its geography (e.g. "Growing the food economy from 100 Mile House to Vanderhoof"). Imagery for the Centre will highlight producers and processors and messaging will highlight the value in supporting the local food economy (e.g. "There's no taste like home.").

## 6.5 Market development strategies

The Centre will pursue the following general market development strategies:

### 1) Execute a marketing outreach program

Before launch, the Centre will develop a comprehensive list of potential service providers and users in the Region and then conduct an outreach program to engage with them. Most of the Centre's contacts will be obtained through personal relationships and connections of the steering committee and producers, plus the following:

- Attend and present at specific community and food-related events (e.g. local business networking events, workshops, grower AGMs, conferences, fairs and association gatherings),
- Generate referrals through the Centre's board and partners (e.g. Chamber of Commerce, Community of Futures, farmers' markets, Small Scale Food Processors and grower associations).

The strategy should focus on building up a large list of contacts and continually updating it. The Centre will use a customer relationship management tool (CRM) such as Zoho or Salesforce to manage contact details.

### 2) Maintain and promote an information-rich website

The Centre will maintain and promote its own website (see section 3.3) with important information for regional agri-food businesses. The website will be promoted using a Search Engine Optimization strategy to maintain high visibility. This is so that when potential clients, within the surrounding regions, search for agri-food services, the Centre's website will be on the first page. The website will be live prior to the launch and developed over time in line with the services being offered by the Centre. Most of the content will be provided by 3<sup>rd</sup> party service providers (e.g. workshops, consulting services) and therefore added as and when those services are available.

### **3) Create an online presence through social media services**

Building on the website, The Centre will create accounts with popular social media services including Instagram, YouTube and Facebook. The Centre will publish content to these accounts on a regular basis, highlighting agri-food services in the region. The Centre will also produce a newsletter every quarter highlighting clients' successes, its services and other local food news. The newsletter will be disseminated using MailChimp and through social media channels. This should be launched within the first 6 months of operation as it is very helpful for attracting new users and engaging existing ones.

### **4) Create branded materials**

Prior to launch, using branding guidelines the Centre will create printed materials such as business cards, flyers, stickers and other promotional materials that highlight the region and the services of the Centre and its partners. The materials will be predominantly available at the Centre, but also used at trade shows and meet and greet events.

### **5) Develop a public relations strategy.**

Prior to launch, the Centre will prepare a list of media organizations (e.g. newspapers, community papers, online publications, trade publications, radio, TV, etc.) and send out press releases around major agri-food events and success stories (e.g. launch of the Centre, new business openings, conferences and major producer and processor developments). The Centre will also promote classes, workshops and other services by advertising in selected media outlets and by radio.

As the service grows, new promotional strategies can be added to this list as sales and marketing is an ongoing task that needs increasing support as the Centre grows.

### **6) Host "Meet and Greet" events**

In line with launching the aggregation and distribution service, the Centre will organize, and host meet and greet events, where producers and processors can meet with potential buyers. These can be hosted at the Centre and in other locations throughout the region.

### **7) Create trusted relationships with key stakeholders**

It is essential the Centre is seen as a trusted and reliable partner in the region. To do this, the Centre will conduct itself in a professional manner, strive to embed itself in the regional food producing community, and demonstrate unwavering commitment to growing the agri-food sector in the region.

### **8) Focus on client retention**

Once the Centre has established an initial list of clients and contacts, every effort must be made to retain its relationship with them. To do this the Centre will provide a high level of customer service and provide essential services for the success of its clients, including:

- Be attentive to client's needs and actively help them grow their business (e.g. identify sales opportunities at grocery stores and restaurants, bring in experts that can provide financial, business, marketing and/or production advice),
- Provide a welcoming environment at the Centre where people want to linger and connect,
- Offer services that are strongly needed, high quality and affordable,
- Attract a broad range of service providers,
- Nurture collaboration among clients and partners.

## 7.0 Financial plan

### 7.1 Overview of financial plan for the Centre

In this section, we present an overview of the financial plan for the Centre.

#### **Initial start-up costs**

The initial start-up costs for the Centre will likely be somewhere between \$60,000 and \$120,000. Note that this cost estimate excludes time that will likely need to be spent by municipal and provincial staff on planning support for the Centre. A breakdown of the initial start-up costs is presented in Table 7.1

#### **Assumptions**

We created revenue and cost estimates for most of the Agri-food Centre services listed in Chapter Four. We excluded some of them, such as co-working, community farm leases and economic development services because they were too uncertain to make any kind of estimates. For those services that we included in the financial projections, there are still a large number of assumptions. These are summarized in Table 7.2. We caution that each of the assumptions may need to be significantly adjusted and therefore, we recommend that the demand for each service be tested before expending a significant amount of funds to develop each service.

#### **First Year Projections**

Based on the assumptions, and assuming that the full range of services are offered (or other services are identified to replace those that are not offered), the Centre is projected to generate revenues of just over \$300,000 in its first full year of operations (see Table 7.3). We are projecting a loss of about \$68,000, which is roughly about -22% of revenues.

#### **Summary five-year financial projections**

In Table 7.4, we present the summary three-year financial projections for the enterprise, which estimate the revenues rising to about \$1,000 in Year 5. The Centre is projected to incur declining losses in years 2 to 4 before finally reaching a financial breakeven in year 5, at which time it is projected to make a profit of about \$25,000 (2% of revenues). These projections are highly speculative but they hopefully conservative given the geographic scope of the Centre and the broad range of services that could potentially offer. Another way to view these figures is to say that unless the Centre is sufficiently valued that it can reach at least \$1,000,000 in revenues, it is difficult to say that it has had a meaningful impact in expand local food production and creating a significant number of new local food jobs.

#### **Key Sources of Funding**

A number of potential sources of grant funding may be available from government agencies and foundation. The Centre may also be able to apply for loans from Community Futures and other lenders as well as pursue private donations and crowdfunding. The Centre likely needs about \$120,000 in start-up funds plus another \$1500,000 in working capital to reach financial breakeven. On possible funding scenario is presented in section 7.7.

## 7.2 Initial startup costs

The key pre-launch tasks and associated costs for the Centre are presented in Table 7.1.

**Table 7.1 Start-up costs for the Centre**

Description of start up soft cost item	Low cost Estimate	High cost Estimate
Implementation planning labour	\$25,000	\$35,000
Do name search and incorporate non-profit	\$1,000	\$1,000
Prepare initial branding (logo, letterhead, biz cards)	\$3,000	\$5,000
Develop dedicated website	\$10,000	\$16,000
Create initial social media presence	\$2,000	\$3,000
Do leasehold improvements to centre	\$10,000	\$40,000
Purchase initial office supplies	\$500	\$1,500
<b>Total</b>	<b>\$51,500</b>	<b>\$101,500</b>
	<b>Low cost Estimate</b>	<b>High cost Estimate</b>
<b>Description of start up hard cost item</b>		
Computer equipment for 2 staff	\$3,000	\$4,000
Desk, chair and filing cabinet for 2 staff	\$2,000	\$3,000
Tables and chairs for c-working meeting rooms	\$3,000	\$5,000
Photocopier, projector, printer, phones	\$2,000	\$3,500
Common area furniture, reception	\$2,000	\$3,000
Central filing cabinets and other equipment	\$500	\$1,000
<b>Total</b>	<b>\$12,500</b>	<b>\$19,500</b>
<b>Total start-up costs</b>	<b>\$64,000</b>	<b>\$121,000</b>

## 7.3 Key Assumptions for projections

Table 7.2 Key Assumptions for Centre financial projections

Assumptions/metrics	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Tot/Avg
<b>Consulting Service</b>													
Consulting Hours per month	0	5	7	9	11	13	16	19	22	25	28	31	186
Average consulting rate charged	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$0
Average consulting rate paid	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$0
<b>Training Programs</b>													
Training program hours	0	26	28	30	32	34	38	42	46	50	54	58	438
Average revenue per training hour	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$0
Average cost per training hour	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$20	\$0
<b>Equipment Rentals</b>													
Total equipment rental hours	0	20	24	28	32	36	46	56	66	76	86	96	566
Avg equipment rental charge/hour	\$15	\$15	\$16	\$16	\$17	\$17	\$18	\$18	\$19	\$19	\$20	\$20	\$27
Commission on rental fees	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Facility Rentals</b>													
Total facility rental hours	0	10	11	12	13	14	15	16	17	18	19	20	165
Average facility rental charge	\$20	\$21	\$22	\$23	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32
Commission on facility rental fees	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Food Storage Space Rentals</b>													
Number of pallets days of storage	0	10	12	14	16	18	26	34	42	50	58	66	346
Storage rental fee/ pallet-day	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15
Storage space rental charge	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12	\$12
<b>Distribution Service</b>													
Number of totes delivered/day	0	0	60	62	64	66	68	120	122	124	126	128	940
Number of delivery days per mo.	0	0	2	4	4	4	4	8	8	8	8	8	58
Charge per tote delivered	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Distance driven per day (km)	500	500	500	500	500	500	500	500	500	500	500	500	500
Vehicle cost per km	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Driver cost per day	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160	\$160
<b>Brokerage Service</b>													
Number of products offered	0	0	25	27	29	31	33	38	43	48	53	58	385
Sales per product per month	0	0	100	108	116	124	132	152	172	192	212	232	1540
Average revenue per product	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3	\$3
Margin on product sales	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
<b>Contract grower service</b>													
Producers needing growers	0	3	4	5	6	7	8	9	10	11	12	13	88
Grower days needed/grower	0	2	2	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	2
Fees charged per grower day	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
Fees paid per grower day	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108

## 7.4 First year financial projections

Table 7.3 Financial projections for the first 12 months of Centre operations

Revenues	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1 Total	% revs
Consulting services	\$0	\$300	\$420	\$540	\$660	\$780	\$960	\$1,140	\$1,320	\$1,500	\$1,680	\$1,860	\$11,160	4%
Training programs	\$0	\$650	\$700	\$750	\$800	\$850	\$950	\$1,050	\$1,150	\$1,250	\$1,350	\$1,450	\$10,950	4%
Equipment rentals	\$0	\$300	\$372	\$448	\$528	\$612	\$805	\$1,008	\$1,221	\$1,444	\$1,677	\$1,920	\$10,335	3%
Facility rentals	\$0	\$210	\$242	\$276	\$312	\$350	\$390	\$432	\$476	\$522	\$570	\$620	\$4,400	1%
Storage space rentals	\$0	\$150	\$180	\$210	\$240	\$270	\$390	\$510	\$630	\$750	\$870	\$990	\$5,190	2%
Distribution fees	\$0	\$0	\$840	\$1,736	\$1,792	\$1,848	\$1,904	\$6,720	\$6,832	\$6,944	\$7,056	\$7,168	\$42,840	14%
Brokerage fees	\$0	\$0	\$7,500	\$8,748	\$10,092	\$11,532	\$13,068	\$17,328	\$22,188	\$27,648	\$33,708	\$40,368	\$192,180	63%
Contract grower fees	\$0	\$720	\$960	\$1,500	\$1,800	\$2,100	\$2,880	\$3,240	\$3,600	\$3,960	\$4,320	\$4,680	\$29,760	10%
Other Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
<b>Total Revenues</b>	<b>\$0</b>	<b>\$2,330</b>	<b>\$11,214</b>	<b>\$14,208</b>	<b>\$16,224</b>	<b>\$18,342</b>	<b>\$21,347</b>	<b>\$31,428</b>	<b>\$37,417</b>	<b>\$44,018</b>	<b>\$51,231</b>	<b>\$59,056</b>	<b>\$306,815</b>	
<b>Cost of Sales</b>														<b>margin</b>
<b>Total cost of sales</b>	<b>\$0</b>	<b>\$2,030</b>	<b>\$9,948</b>	<b>\$13,057</b>	<b>\$14,699</b>	<b>\$16,424</b>	<b>\$18,933</b>	<b>\$25,992</b>	<b>\$30,846</b>	<b>\$36,198</b>	<b>\$42,050</b>	<b>\$48,401</b>	<b>\$254,282</b>	17%
Average gross margin %	#DIV/0!	12.9%	11.3%	8.1%	9.4%	10.5%	11.3%	17.3%	17.6%	17.8%	17.9%	18.0%	17.1%	
<b>Overhead labour</b>														<b>% revs</b>
<b>Total Overhead labour</b>	<b>\$6,600</b>	<b>\$6,600</b>	<b>\$6,600</b>	<b>\$79,200</b>	25.8%									
<b>Expenses</b>														<b>% revs</b>
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Utilities	\$200	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$2,950	1.0%
Marketing and Promotions	\$200	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$11,200	3.7%
Accounting/bookeeping	\$300	\$525	\$525	\$525	\$525	\$525	\$525	\$525	\$525	\$525	\$525	\$525	\$6,075	2.0%
Consulting/legal	\$200	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,500	1.1%
IT services and expenses	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400	0.8%
Insurance	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$2,000	0.7%
Office supplies/telephone	\$100	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,750	0.6%
Local Travel	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200	0.4%
Meals and entertainment	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$1,000	0.3%
Non-local Travel		\$500		\$500		\$500		\$500		\$500		\$500	\$2,500	0.8%
Miscellaneous	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400	0.8%
<b>Total expenses</b>	<b>\$1,717</b>	<b>\$3,442</b>	<b>\$2,942</b>	<b>\$3,442</b>	<b>\$2,942</b>	<b>\$3,442</b>	<b>\$2,942</b>	<b>\$2,942</b>	<b>\$3,442</b>	<b>\$2,942</b>	<b>\$3,442</b>	<b>\$2,942</b>	<b>\$36,575</b>	11.9%
Expenses as % of revs	#DIV/0!	148%	26%	24%	18%	19%	14%	9%	9%	7%	7%	5%	12%	
<b>EBITDA Profit/loss</b>	<b>(\$8,317)</b>	<b>(\$9,741)</b>	<b>(\$8,275)</b>	<b>(\$8,891)</b>	<b>(\$8,016)</b>	<b>(\$8,124)</b>	<b>(\$7,127)</b>	<b>(\$4,106)</b>	<b>(\$3,470)</b>	<b>(\$1,722)</b>	<b>(\$861)</b>	<b>\$1,113</b>	<b>(\$67,537)</b>	-22.0%

## 7.5 Five-year summary projections

Table 7.4 Summary Five Year Financial Projections for the Agri-Food Centre

Revenue/Cost Categories	Year 1 Total	% of revs	Year 2 Total	% of revs	Year 3 Total	% of revs	Year 4 Total	% of revs	Year 5 Total	% of revs
<b>Revenues</b>										
Consulting services	\$11,160	4%	\$16,740	3%	\$20,925	3%	\$26,156	3%	\$32,695	3%
Training programs	\$10,950	4%	\$16,425	3%	\$20,531	3%	\$25,664	3%	\$32,080	3%
Equipment rentals	\$10,335	3%	\$20,670	4%	\$25,838	4%	\$32,297	4%	\$40,371	4%
Facility rentals	\$4,400	1%	\$6,600	1%	\$8,250	1%	\$10,313	1%	\$12,891	1%
Storage space rentals	\$5,190	2%	\$7,785	1%	\$9,731	2%	\$12,164	2%	\$15,205	2%
Distribution fees	\$42,840	14%	\$68,544	13%	\$85,680	13%	\$107,100	13%	\$133,875	13%
Brokerage fees	\$192,180	63%	\$288,270	55%	\$360,338	56%	\$450,422	56%	\$563,027	56%
Contract grower fees	\$29,760	10%	\$44,640	9%	\$55,800	9%	\$69,750	9%	\$87,188	9%
Other Revenues	\$0	0%	\$50,000	10%	\$60,000	9%	\$70,000	9%	\$80,000	8%
<b>Total Revenues</b>	<b>\$306,815</b>		<b>\$519,674</b>		<b>\$647,093</b>		<b>\$803,866</b>		<b>\$997,332</b>	
Cost of sales	\$254,282	83%	\$410,542	79%	\$491,790	76%	\$594,861	74%	\$728,052	73%
Gross margin %	17%		21%		24%		26%		27%	
Overhead labour	\$79,200	26%	\$100,000	19%	\$120,000	19%	\$140,000	17%	\$160,000	16%
Non-labour expenses	\$36,575	12%	\$57,164	11%	\$64,709	10%	\$72,348	9%	\$84,773	9%
<b>Profit/loss</b>	<b>(\$67,537)</b>	<b>-22%</b>	<b>(\$48,033)</b>	<b>-9%</b>	<b>(\$29,407)</b>	<b>-5%</b>	<b>(\$3,343)</b>	<b>0%</b>	<b>\$24,506</b>	<b>2%</b>

## 7.6 Key sources of funding

Possible funding sources for the Centre include the following:

- **City of Quesnel** – Possible access to low or no-cost office or storage space; promotional support for the Centre.
- **Regional Districts** – Three Regional Districts could provide economic development support to promote the region as a great place to live and operate a food enterprise.
- **BC Ministry of Agriculture Agri-hood Innovation Centre** – They could provide up to 3 years of operating costs for a food hub, if the services offered matched their program requirements; provide agricultural extension services at the Centre for certain hours each week.
- **BC Investment Agriculture** – They could provide up to 3 years of operating
- **Agriculture and Agri-Food Canada** – The federal government offers a wide range of funding programs, each with a particular focus (e.g. technology and cleantech demonstrations, diversity programs to better allow youth, women, indigenous peoples and people with disabilities)<sup>7</sup>.
- **BC Real Estate Foundation** – They offer funding for Buy Local programs, agri-innovation, environment and climate change initiatives and BC health programs<sup>8</sup>.
- **Northern Development Initiative Trust** – They recently funding an Agricultural Coordinator position in the Bulkley Nechako Regional District. They may be a source of seed funding for the Executive Director role.
- **BC Rural Dividend** – This BC program provides \$25 million/year to help rural communities with a population of under 25,000 to reinvigorate and diversify their local economies. A compelling argument could be made that the agri-food centre would help to transition Quesnel from forestry to agriculture. The most applicable program is one where a municipality or non-profit can apply for up to \$100,000 provided that they provide at least 20% of the total cost via financial or in-kind contributions.

### Other sources of funding

Below we list some other sources of funding for the centre

**Loans** – The Centre could obtain a loan from a local lending agency such as Community Futures. Community Futures has indicated a willingness to offer loans at an annual interest rate of 5- 7% if the Centre can provide a solid business case that it is able to re-pay the loan in an acceptable time period.

**Investments** – If the Centre creates a for-profit subsidiary, it could issue shares to impact investors as a way to raise capital.

---

<sup>7</sup> <http://www.agr.gc.ca/eng/programs-and-services/?id=1362151577626>

<sup>8</sup> <http://iafbc.ca/funding-opportunities/>

**Private donations** – The Centre could set itself up for donations by adding a donate now button to its website (or pre-launch website) and provide tax receipts if it is able to obtain charitable status. Canadahelps.org is one of the primary platforms through which non-profits solicit small donations on an ongoing basis.

**Crowdfunding** – The use of crowdfunding platforms has been successful in raising \$25,000 - \$50,000 from the local crowd for a variety of local food projects. For example, a Kickstarter campaign for a poultry cooperative in Hamilton, raised over \$40,000 in a single weekend through online solicitations. Two crowdfunding platforms headquartered in British Columbia could be an idea for this purpose:

- **InvestlocalBC.com** – this platform, established by Community Futures in Stuart Nechako, is for local nonprofits, the arts communities and business startups to create online forums to fund, support and evolve their initiatives and projects.
- **Wayblaze.com** – this platform, co-founded in Vancouver by one of the members of our consultant team, is a community crowdfunding platform, that exclusively supports non-profit organizations and small businesses who want to raise money for projects that improve local communities. Their largest category is local food projects and they have raised money for farmers, food processors, and food education groups in BC.

## 7.7 One possible funding scenario

As noted above, the Centre likely needs about \$120,000 in start-up funds plus another \$150,000 in working capital to reach financial breakeven. Below we present one possible funding scenario that could be used to attract the funds and provide a \$20,000 contingency.

Funding for staff for two years from NDIT	\$90,000
Funding from the BC Ministry of Agriculture	\$30,000
Funding from the BC Rural Dividend	\$80,000
Patient capital loan repaid from cash flows with interest	\$50,000
Grants from a range of foundations interested in local food	\$30,000
Net proceeds from a rewards based crowdfunding campaign:	<u>\$10,000</u>
	<b>Total \$290,000</b>

This breakdown shows that with some creativity, it should be feasible to raise the required funds.

## 8.0 High Level Implementation plan

To achieve a successful launch, the Centre should follow these implementation steps:

1. **Establish pre-launch Steering Committee** – This committee, will be made up of a diverse group of key stakeholders and provide an overall governance structure until the Society is incorporated and a Board of Directors is established. A preliminary set of Terms of Reference for the Steering Committee are provided in Appendix F.
2. **Create partnership agreements with similar groups in other towns in the region** – To maximize the impact of the Centre it will be important to reach out to groups or enterprises with a similar agenda in 100 Mile House, Williams Lake, Prince George and Vanderhoof and establish partnership or collaboration agreements.
3. **Finalize the initial scope for the Centre** – The Steering Committee will finalize the initial scope of services and key metrics for the Centre and update the financial projections accordingly. While an initial scope of services is presented in the business plan, it will be up to the Steering Committee to make a final decision on which services they ultimately want to launch with.
4. **Seeking funding commitments** – A fundraising subcommittee will work to raise an initial tranche of funding for the Centre. It will probably need to obtain commitments of about \$120,000 in funding (including in-kind contributions) before it can justify moving forward. The funds would only be advanced after the non-profit Agri-Food centre Society has been established.
5. **Make final go/no go decision on the centre** – Based on the outcomes of the previous three work steps, the Steering Committee will make a final decision on whether or not to go forward and set up the Centre. If the decision is no, then this will be the last step. If it is a yes, then it will carry on with the remaining implementation steps.
6. **Set up the Board of Directors** – An initial set of Directors will be appointed or elected. The Directors will sign the application for incorporation.
7. **Select society name and submit name request** – The Directors will finalize the name for the Society and then submit a request for the name to be approved by the BC government. It generally takes 2 -3 weeks for a name search to be processed.
8. **Establish Purposes of the Society and set up Bylaws** – The Directors will work to establish the purposes of the Society in BC under one or more of 15 allowed categories<sup>9</sup> and to set up the Bylaws. It can choose to adopt the BC Model Bylaws or create its own Bylaws<sup>10</sup>
9. **Incorporate the Centre as a non-profit society** – The Directors will submit the application for incorporation. Two types of non-profit societies are recognized in BC (Ordinary Societies and Member-funding Societies). The Centre will most likely be set up as an Ordinary Society.

---

<sup>9</sup> <https://www2.gov.bc.ca/gov/content/employment-business/business/not-for-profit-organizations/societies/incorporate-society/about-society-purposes>

<sup>10</sup> <https://www2.gov.bc.ca/gov/content/employment-business/business/not-for-profit-organizations/societies/incorporate-society/bylaws>

10. **Establish bank account and deposit initial funds** – Once the application is approved, the Society should set up a bank and deposit the initial funds from the pledged contributors from Step 4.
11. **Hire an executive director** – Now the Society is properly set up and has initial funding in place, it can now move forward on operational implementation aspects. The first of these is to hire an Executive Director. Once hired, the Executive Director can then help implement all of the steps that follow.
12. **Finalize the location and sign a lease** – The Directors and the Executive Director will finalize the headquarters location and secure a lease, ideally for 3 years.
13. **Set up initial website and social media accounts** – A website designer should be hired to build an initial website for the Centre and to set up email accounts and social media accounts for Facebook, Instagram and YouTube.
14. **Conduct initial outreach to all users and stakeholders** – As soon as the previous work-step is complete, it will be important to share the website and social media accounts with all users and stakeholders and begin to build up its email lists and social media followers.
15. **Set up initial set of services** – The Society should go through each of its initial set of services and ensure that it has the contractors, equipment, supplies and/or facilities lined up to successfully offer them.
16. **Conduct initial customer outreach** – The Society will reach out to potential producers and processors, especially those that have expressed interest in taking advantage of services for which the Centre can generate fees and invite them to sign up for those services.
17. **Conduct initial buyer outreach** – The Society will reach out to potential buyers of local food products throughout the region and make them aware of the Centre and to try to secure initial commitments to buy products from producers and processors involved with the Centre.
18. **Conduct launch event**– The final step before officially declaring the Centre open for business is to conduct a launch event for up to 100 people, including local media to create additional exposure and support for the centre.

## 9.0 Risk Analysis

### 9.1 Limiting Factors and Obstacles

Several factors limiting the successful implementation and growth of the Agri-Food Centre, including:

- 1) **Start-up and operational funding is not secured:** The business plan for the centre requires some startup and operation funding to establish a position and a headquarter space.
- 2) **Cohesive governance and leadership is not achieved:** In order for the Centre to be successful, strong leadership is required to both govern and manage the Centre.
- 3) **Insufficient demand for the Centre services:** If anticipated users of the centres don't know about services and programs, don't see how it can help their businesses, and don't participate in programs, then the Centre will not be able to meet financial targets.
- 4) **The larger food and agriculture economy does not diversify:** If new types of food enterprises are not cultivated in the region, it will be challenging for the Centre to deliver value.

### 9.2 Critical Success Factors

The following factors have been identified as critical to the success of the Centre:

- 1) **A financially sustainable model:** A financial model that combines grant funding and revenue generation for the first phases of the Centre is key. Being able to generate enough profit from activities to cover the costs of the centre is an essential element for long-term success. In addition, the Centre should have adequate funding reserves to avoid any disruption to service.
- 2) **An experienced and connected board:** An experienced and well-connected board will help the Centre be responsive to change and take advantage of emerging opportunities. Ideally, this Board would have representation from many user groups and be connected to other food & agriculture sector businesses, organizations, & industry associations.
- 3) **Current needs are met and balanced with growth potential:** The Centre must strengthen what is already happening in the region while also looking for creative ways to stimulate activity in new areas where producers and processors in the region could have a competitive advantage.
- 4) **Strong local support:** The Centre should be known to and appreciated by residents, businesses, and visitors in the Region.
- 5) **Effective cost controls:** The centre should establish cost control measures to ensure that operations are running as efficiently as possible.
- 6) **An experienced General Manager:** The role of General Manager is critical to the success of the Centre. This person should be a generalist and natural networker that is adept at listening and learning. Interpersonal skills and the ability to engage and work with people from a range of professional, gender, age, and ethnic backgrounds will be essential.
- 7) **An excellent headquarters location:** Securing a headquarters location that is visible and provides pedestrian and vehicle access is essential in order for the centre to be a hive of activity. Locating the Centre near to other complimentary uses will support the success of the Centre.

## Appendix A List of food producers in the North Cariboo region

Alan and Elsie Brigdon	Knauf Ranch
Australian Ranch	Koster's Farm and Garden
Big Fire Farm	KRS Simmentals
Birch Place Farm	Lay J Ranch
Branmarly Farms	M/M Ranch
Buck Ridge Ranch & Gardens	Mackin Creek Farm
Cariboo Valley Farms	Mountain East Farms
Castle Rock Farm	Mufford Valley Ranch
Cloverleaf Farms	Nine Mille Ranch
Coyote Acres	North Star House Farm
Crystal Creek Land & Cattle Co.	Oddball Organics
Diamond E Ranch	Old Howe Place Farm (The)
Diamond Island Cattle Co.	Quarter Acres Farm
Dog Prairie Meats	Pinnacle View Limousin
Double M Ranch	Riversong Farm
Dragon Mountain Farm	Roddie Creek Ranch
Dragon View Angus	Ruby's Nursery
Dragonfly Farms	Shannon Spring Stables
Edgewood Farm	Sisters Creek Simmentals
Eragon Farm	Slow Train Farm
Family Tree Farm	Soda Creek Farm
Gardner Farms	Strathnaver Dairy
Glenrosa Garden	Sunnyside Ranch
Halls Farm	Sweet Tree Venture/ Diamond E Ranch
Harmony Farm	TaylorSmith Farm
HBar Ranch	Thibeault Trails
Heritage Acres Organics	Three Creeks Ranch
Hillside Farm	TJ Ranch And Perennials
Hixon Crocker Company	Triple J Ranch
Homepatch Ranch	Twin Springs Farm
Irish Hill Farm	Tyler Jasper
Kersley Creek Farm	Walkabout Homestead
Kersley Ranch	Wine Glass Ranch
Lighthouse Ranch	

## Appendix B List of food processors in the North Cariboo region

Organization Name	Location	Products	Notes
Quesnel Bakery	Quesnel	Baked goods	
Little Gold Bakery	Barkerville	Baked goods	
Inn at Moose Heights	Quesnel	Prepared foods/baked goods	
Artique Dairy Farm	Quesnel	Milk	
Fox Dairy Farms		Dairy, Proscutto	
La Belle Vallee Fromagerie	Quesnel	Cheese	
Cariboo Country Sausage	Quesnel	Sausages	
Moonshine Coffee Roasters	Quesnel	Coffee	
Moose Meadow Farms	Quesnel	Eggs, birch syrup	
Quesnel Beekeepers Assoc	Quesnel	Honey	
Queens of England	Quesnel	Honey	
Richbar Honey		Honey	
Sweet Tree Ventures	Quesnel	Birch Syrup, Toffee	
The Elder Witch – All Things Herbal	Quesnel	Fresh & dried herbs and jelly	
Petty Catwater	Quesnel	Marmalades/Preserves	Granola
Loco Local Market	Quesnel	Dried bulk items	Organic
Taco Gypsy	Quesnel	Prepared foods	
Stay Golden Nutrition	Quesnel	Soups, salads, baked goods	
Hixon Falls Cracker Company	Quesnel	Crackers	
Long Table Grocery	Quesnel	Prepared Meals/soups	
Morsel's Movable Feast	Barkerville	Gourmet street food	
Taco Gypsy	Quesnel	Mexican vegetarian food	
Barkerville Brewing	Quesnel	Beer	
Qbrew	Quesnel	Ubrew Wine	
Northern Lights Winery	Prince G.	Wine	
Coyote Acres Ranch	Quesnel	Sheep/ llama wool, yarn, pork, ham, sausage	
Cariboo Wool Bedding	Quesnel	Wool bedding	
Field of Dreams Boutique		Alpaca Products	
Wooded Bear Acres	Quesnel	Goats milk soap	
Lavender Blue Herbals	Quesnel	Natural artisan soaps	aka The Forest Garden

## Appendix C Potential Partners for an agri-food centre

The following list of organizations they could partner with an agri-food centre is primarily focused on the core region of the North Cariboo. However, some organizations from other parts of the broader region are included. Further identification of food/agriculture organizations is needed to establish a comprehensive list.

### **First Nation Groups**

Esdilagh First Nation  
Nazko Band  
Lhtako Dene  
Lhoosk'uz Dene

### **Educational Institutions**

College of New Caledonia-Quesnel  
University of Northern BC  
TRU – Williams Lake

### **Institutes**

District H Institute  
Dragon Lake Women's Institute  
Kersley Farmers Institute  
Kersley Women's Institute

### **Local/Regional Government**

The Cariboo Regional District  
The City of Williams Lake  
The City of Quesnel  
The City of Prince George  
The District of 100 Mile House  
Fraser Fort George Regional District

### **Farmer's Markets**

Quesnel Farmers' Market  
Prince George FM Assoc  
UNBC FM Assoc  
Wilson Square FM Assoc  
Williams Lake Farmers' Market  
South Cariboo Farmers' Market  
McLeese Lake Farmers Market

### **Agencies**

Agriculture Canada  
BC Ministry of Agriculture (regional agrologists)  
BC Forage Council  
Alex Fraser Park Society  
Quesnel Agricultural & Exhibition Assoc.  
4H Council in the Region  
NC Agricultural Dev. Advisory Committee  
Cariboo Agriculture Research Alliance (CARA)

### **Industry Associations/Groups**

BC Honey Producers Association  
Quesnel Bee Keepers  
Cariboo Growers Coop  
Poultry Associations in the Region  
Sheep Associations in the Region  
Cattlemen's Associations in the Region  
NC Agricultural Marketing Association/ Growing North  
Cariboo Society (FARMED)  
South Cariboo Agri-Culture Enterprise Centre Society  
Young Agrarians  
Nechako Valley Food Network  
PIRG Good Food Box Program (PG)

### **Community Associations**

Buck Ridge Community Association  
Bouchie Lake Community Association

### **Potential Funders**

Community Futures  
Northern Development Initiative Trust (NDIT)  
Ministry of Agriculture  
Ministry of Forests, Lands, Natural Resource  
Operations and Rural Development (Rural Divided  
fund)

## Appendix D Quesnel rental facility examples

	~Size (sq ft)	Location	Amenities	Notes
<b>Community &amp; Commercial Kitchens</b>				
Senior Centre	800	461 Carson Ave, Quesnel, BC V2J 2B6	<ul style="list-style-type: none"> <li>- Food preparation kitchen</li> <li>- Parking lot access to kitchen</li> <li>- Walk in cooler (~100 sq ft)</li> </ul>	<ul style="list-style-type: none"> <li>- Booking through the front desk.</li> <li>- Confirmed availability</li> </ul>
Bouchie Lake Community Hall	1000	1975 Centennial Road, Quesnel, BC V2J 7G8	<ul style="list-style-type: none"> <li>- Loading access to kitchen</li> <li>- Fridges</li> </ul>	<ul style="list-style-type: none"> <li>- Currently has good availability</li> <li>- Booking through Hall coordinator</li> </ul>
Kersley Hall	500	4829 Edwards Rd, Quesnel, BC V2J 6L1	<ul style="list-style-type: none"> <li>- Food preparation kitchen</li> <li>- Fridge</li> </ul>	<ul style="list-style-type: none"> <li>- Booking through Hall coordinator</li> </ul>
College of New Caledonia	1000	100 Campus Way, Quesnel, BC V2J 7K1	<ul style="list-style-type: none"> <li>- Food preparation kitchen</li> <li>- Some commercial equipment</li> <li>- Cold storage</li> <li>- Small office space</li> </ul>	<ul style="list-style-type: none"> <li>- Currently has good availability.</li> <li>- Further conversations to establish an agreement and coordinate booking.</li> </ul>
Long Name	300	324 Hoy St, Quesnel, BC V2J 1Y6	<ul style="list-style-type: none"> <li>- Food preparation kitchen</li> </ul>	<ul style="list-style-type: none"> <li>- This space is already very well prescribed and likely does not lend itself to commercial food processing.</li> </ul>
Friendship Centre	500	319 N Fraser Dr, Quesnel, BC V2J 1Y9	<ul style="list-style-type: none"> <li>- Food preparation kitchen</li> <li>- Fridge</li> </ul>	<ul style="list-style-type: none"> <li>- Booking through the front desk</li> </ul>
<b>Meeting and conference rooms</b>				
Shiraoi House	2000	690 Gray Ave, Quesnel, BC V2J 2V7	<ul style="list-style-type: none"> <li>- Small kitchen</li> <li>- Excellent natural light</li> </ul>	<ul style="list-style-type: none"> <li>- Booking through Quesnel-Shiraoi Twinning Society.</li> </ul>
Spirit Centre	1000	246 St. Laurent Avenue Quesnel B.C.	<ul style="list-style-type: none"> <li>- At grade access</li> <li>- Medium visibility</li> <li>- Office and meeting space</li> <li>- Washrooms</li> </ul>	<ul style="list-style-type: none"> <li>- Currently leased by the City and partially used by bylaw enforcement</li> <li>- Booking through Quesnel Downtown Association.</li> </ul>

## Appendix E Food hub software examples

Below is an overview of some of the more established ERP (Enterprise Resource Planning) software program for online sales of local foods.

Platform Name	Local Food Marketplace[1]	Local Orbit <sup>11</sup>	Delivery Biz Pro <sup>12</sup>	Lulus Local Food <sup>13</sup>
<b>Cost</b>	\$149/month + \$999 setup or \$229/month + \$1,499 setup	\$125/month Or \$450/month	Customized	Customized
<b>Inventory &amp; Distribution</b>	Fulfillment, inventory management, dispatch & routing	Fulfillment, inventory management, dispatch & routing	Fulfillment, inventory management, dispatch & routing	Fulfillment, inventory management, dispatch & routing
<b>Sales &amp; customer service</b>	Ordering & customer service tools	Fresh sheets, supplier profiles, download materials	Customized support & customer service tools	Customized support & customer service tools
<b>Online &amp; mobile</b>	Customizable website & app	User and mobile friendly website	User and mobile friendly website	User and mobile friendly website
<b>Multi-channel sales</b>	Food hubs, farm direct & CSA	Mainly for food hubs, some use it for CSAs	Mainly for farm direct sales, some food hubs	Food hubs, farm direct & CSA
<b>Reporting</b>	Multiple reports	Dashboard & reports	Dashboard & reports	Reports
<b>Users</b>	<a href="https://www.wmgcoop.com/">https://www.wmgcoop.com/</a> <a href="http://vfmdirect.localfoodmarketplace.com/">http://vfmdirect.localfoodmarketplace.com/</a>	<a href="http://www.lincfoods.com">http://www.lincfoods.com</a> <a href="http://www.goodnaturefamilyfarms.com/">http://www.goodnaturefamilyfarms.com/</a>	<a href="https://southmountaincreamery.com/">https://southmountaincreamery.com/</a> <a href="https://freshharvestga.com/">https://freshharvestga.com/</a>	<a href="https://rockyforkfood.luluslocalfood.com/">https://rockyforkfood.luluslocalfood.com/</a> <a href="https://strikefarms.luluslocalfood.com/">https://strikefarms.luluslocalfood.com/</a>
<b>Notes</b>	Membership management tools	QuickBooks integration		

Before finalizing a decision on which platform to use the team may want to develop a formal evaluation process. New Venture Advisors has put together a very useful report called Tech Guide for Food Hubs<sup>14</sup>, outlining what this process could look like. For example, they recommend the evaluation team run free trials of each of the ERPs they are looking at. They also provide a blank evaluation template<sup>15</sup>.

<sup>11</sup> <https://localorbit.com/>

<sup>12</sup> <https://www.deliverybizpro.com/>

<sup>13</sup> <https://www.luluslocalfood.com/>

<sup>14</sup> <https://www.wholesomewave.org/sites/default/files/network/resources/files/Food-Hub-Tech-Guide.pdf>

<sup>15</sup> <http://www.ngfn.org/resources/food-hubs/technology/food%20hub%20software%20assessment.xlsx>

## Appendix F Steering Cttee Terms of Reference

### **Purpose of Terms of Reference**

The purpose of this Terms of Reference (TOR) is to develop clear guidelines for the creation and functioning of a multi-stakeholder Steering Committee that will guide development of a Regional Agri-food Centre (“The Centre”) headquartered in downtown Quesnel over a period of 4 to 8 months. The Centre will serve a region about 250 kms around Quesnel with emphasis on the corridor between 100 Mile House and Vanderhoof (“The Region”)

### **Purpose of the Steering Committee**

The purpose of the Agri-Food Centre Steering Committee (The “Steering Committee”) is to:

1. Advance the vision for greater food production and a stronger local food economy in the Region
2. Finalize a headquarters location for the Centre, based on a clear set of criteria
3. Finalize who should own/operate the Centre
4. Begin implementing the Implementation Plan presented in the recently prepared Business Plan
5. Make a final decision about whether or not to proceed with the Centre
6. Facilitate a smooth transition of its duties to the ultimate Centre Owner

### **Duties of the Steering Committee**

The duties of the Steering Committee are to:

- Meet monthly to work on the above objectives
- Raise funds to support the work of the Steering Committee and the Centre
- Review relevant information that will lead to a decision on whether to proceed with the Centre.
- Review relevant information that will lead to a decision on whether to proceed with an abattoir.
- Make recommendations about various aspects of the Centre, including its primary location
- Be the primary group that liaises with municipal staff, other interested stakeholders, and the media, on issues related to the development of the Centre until a Centre Owner is established.

### **Membership of the Steering Committee**

The Steering Committee will consist of at least 15 members that reflect a broad spectrum of interests relevant to the proposed Centre. Represented interests include:

- 1 representative from the City of Quesnel
- 1 representative from the Cariboo Regional District
- 2 representatives from the BC Ministry of Agriculture (farming and processing)
- 2 primary producers
- 2 processors (1 of whom represents FARMED)
- 1 non-food producer or processor that relies on primary production inputs
- 2 local food buyers (grocery retail and/or restaurant)
- 1 representative from Community Futures
- 1 university/education representative
- 1 representative from Alex Fraser park

- 1 representative from a financial institution
- 1 representative from 100 Mile House, Williams Lake, Prince George and Vanderhoof

Some members of the Steering Committee may hold dual roles, which could further enhance the breadth of community representation on the Steering Committee.

### **Key Roles within the Steering Committee**

Key roles include the following:

**A Chairperson.** This person will be appointed from within the membership and will be responsible for preparing meeting agendas, chairing the meetings, reviewing minutes, meeting with key stakeholders interested in the Centre, and responding to media requests. Depending on the magnitude of work related to this role, it may be shared by two people.

**A coordinator/ minute taker.** If there is sufficient budget, a person will be hired on a part-time basis to coordinate Steering Committee logistics, record the minutes of each meeting, and distribute them. Additional duties may include research, preparation of updates, and social media tasks.

**Fundraising Committee (optional):** A three-member Fundraising Committee could be established to coordinate efforts to raise funds for the work of the Steering Committee. A Fundraising Committee chair would be appointed to lead this committee.

**Membership Committee (optional):** A three-person Membership Committee could be established to identify and recommend new members for the Steering Committee in the event of member resignations. A Membership Committee chair would be appointed to lead this committee.

### **Duties and Conduct of Members**

The Steering Committee members are expected to:

1. Adhere to basic committee member code of conduct (see below)
2. Attend all meetings and participate in discussions. If a member misses three (3) consecutive absences, they will be asked to resign.
3. Provide input to and accept feedback from others, creating a culture of mutual respect during the meetings.
4. Carefully consider whether they are in a perceived or real conflict of interest on certain matters being discussed by the Steering Committee. In such an event, they agree to disclose their conflict of interest and to either avoid participating in the discussion on the matter or asking for guidance from the Steering Committee on whether to participate.
5. Work to identify locations for the Centre, oversee development of a business plan, and determine the governance and ownership structure of the Centre.
6. Help make the final decision on whether to proceed with the Centre.

## **Frequency of Meetings**

The Steering Committee meets the third Monday of every month at 10am at a City Hall meeting room. 50% of members plus 1 person is needed to achieve a quorum at any given meeting.

## **Resources required**

- A meeting room to host up to 15 members every month
- Funds to hire a coordinator, develop the implementation plan, etc.
- Modest office supplies

## **Decision-making**

The Steering Committee will follow Robert's Rules of Order in making decisions and voting on issues, although the intent of the group will be to strive to reach a high level of consensus on most decisions.

## **Dissolution of the Steering Committee**

The Steering Committee will be dissolved under the following conditions:

- The decision is made not to proceed with the establishment of a Regional Agri-food Centre.
- The decision is made to proceed with the Centre and a new organization takes over the duties of the Steering Committee.

## **Basic Committee Member Code of Conduct**

- Strive to attend all meetings, sending apologies to the chair for necessary absences.
- Prepare for the meeting by reading the agenda, papers and any emails before the meeting.
- Talk to the chair before the meeting if you need to clarify anything.
- Arrive on time. Stay to the end.
- Participate fully in the meeting;
  - Listen to what others have to say and keep an open mind.
  - Contribute positively to the discussions.
  - Try to be concise and avoid soliloquies.
- Help others concentrate on the meeting. Discourage side conversations.
- Have the best interests of the organization/beneficiaries in mind at all times
- Draw attention to any potential conflicts of interest that may arise in the meeting.
- Fulfill any responsibilities assigned to you at the meeting and be prepared to report back on your progress at the next meeting

## Appendix G Feedback from Producer Survey

The number of producers and processors at the workshops was lower than expected, especially for food processors. Therefore, to capture more feedback, food producers and processors in the region were asked to fill out a survey between November 6<sup>th</sup> and 16<sup>th</sup> 2018. The survey results are presented below.

### Most survey respondents were located in or near Quesnel and produced meat

The survey attracted 34 respondents, of which 19 were in or near Quesnel - 2 were located in Quesnel and Williams Lake, 6 in Kersley, 2 in Hixon and 5 elsewhere in the Cariboo Regional District. One didn't identify their location. Respondents produced the following products:

Agrifood category	Meat products	Forage crops	Fruit and vegetables	Dairy products	Eggs	Processed foods	Non-food	Other
No. of producers	20	15	15	2	10	7	4	7
% of production	63%	32%	35%	85%	18%	43%	15%	27%

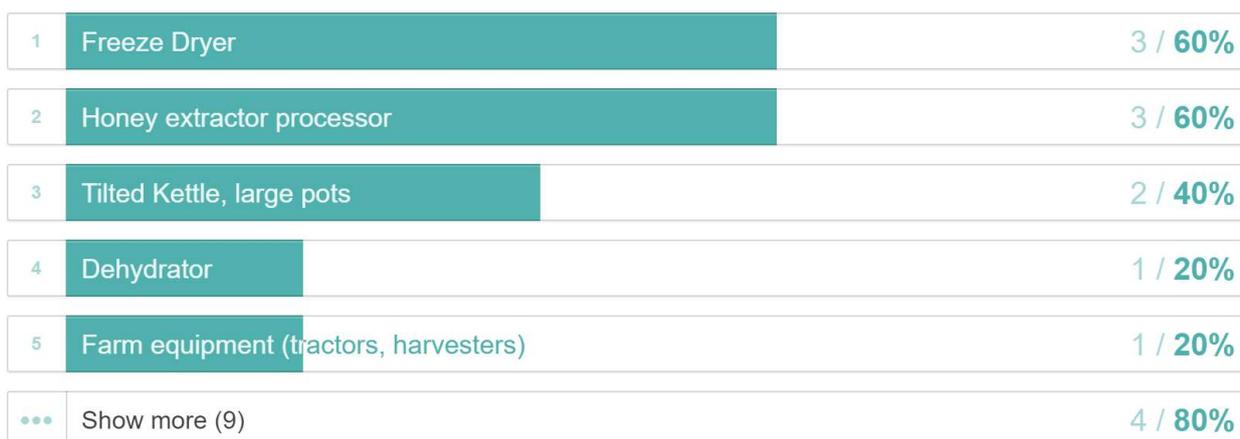
“Other” products mainly constituted rearing of horses.

### About 20% of respondents expressed interest in renting equipment

Only 6 respondents stated they would be willing to pay for rental of food production and processing equipment. Five responded to the type of equipment, with strongest interest in renting a Freeze drier or a honey extractor.

In the previous question, you selected “access to equipment”, please specify which equipment you would be interested to rent through the Centre:

5 out of 34 people answered this question



## Producers were keen to pay for workshops, discounted services, an abattoir and testing

Most respondents wanted workshops ranging from business planning, certifications and food production techniques, as well as access to an abattoir in Quesnel and to testing services such as soil, forage and food testing. The services are likely a reflection of the types of respondents (ranchers and farmers)

Which of the following potential Centre services would you be willing to pay for if they were offered in the North Cariboo region?

34 out of 34 people answered this question

1	Training/education workshops (on food production techniques, business management)	25 / 74%
2	Access to discounted services (e.g. insurance, bulk buying, introduction to pote ...	24 / 71%
3	Access to an abattoir near Quesnel	20 / 59%
4	Soil testing services (soil quality, presence of pathogens)	18 / 53%
5	Food certification workshops (GAP, HACCP certification)	15 / 44%
^	Show less	
6	Food testing services (presence of pathogens)	14 / 41%
7	Forage testing services (nutrient content, presence of pathogens)	14 / 41%
8	Contract farmer(s) (i.e. employ farmer(s) on a short-term basis e.g. when you a ...	13 / 38%
9	Delivery service to take your product to wholesale clients (e.g. restaurants, reta ...	12 / 35%
10	Broker to market/sell your product	11 / 32%
11	Rental of walk-in cooler or walk-in freezer storage space	11 / 32%
12	Access to online website to sell products to buyers in the region	10 / 29%
13	Rental of shared commercial kitchen space	10 / 29%
14	Delivery service to take your product to consumers	7 / 21%
15	Rental of food production or processing equipment	6 / 18%
16	Other	1 / 3%

## Respondents were lukewarm to the idea of a regional distribution service

Only 28% (9) respondents were extremely or very interested in a regional distribution service, where producers post their products on a central online platform for buyers to purchase. The service would be backed up by a distribution network from 100 Mile House to Vanderhoof.

One key initiative that the Centre could implement is to create a virtual food hub where you could list all your products on a website so that both wholesale clients and consumers from 100 Mile House to Vanderhoof could order them and have them delivered one day a week. You would need to deliver your products to one of 5 pickup locations (100 Mile House, Williams Lake, Quesnel, Prince George or Vanderhoof). The products would be combined with all other local food products and be dropped off in those 5 locations for pick up by the customers. The fees for this service would be like what a wholesale distributor charges and it would include all the invoicing, delivery logistics and customer service calls. All invoices would be paid in 15 days of delivery. How interested would you be in participating in this service?

32 out of 34 people answered this question



Those who were extremely and very interested in using a distribution service cited the following reasons:

- increased sales (especially when the farmers' market is closed for the season)
- reduction in current distribution costs
- ability to sell larger volumes of product
- generate greater profits

Those who were moderately interested were mainly interested in the service for the future.

Respondents that were somewhat interested were worried that the costs would be prohibitive or that they didn't produce enough food yet to justify it.

Respondents that weren't interested indicated that they already have their own distribution system, or their current customers take all their production

## **Respondents had many ideas to encourage new food entrepreneurs to set up in the region**

Respondents made the following suggestion on how the Centre could encourage new framers and food entrepreneurs to launch a food enterprise in the region:

### **Training, education, and information**

- Educate the public on importance and benefits of eating local, fresh, nutrient-dense foods.
- Provide training courses
- Provide classes/courses on specific aspects of farming.
- Provide education as many don't know how easy it is to get started.
- Help sort thru red tape issues that take farmers away from growing and are often quite confusing.
- Provide education and support services to help them get started
- Provide 4H programs and agricultural diplomas for people in the region

### **Networking and mentoring**

- Develop a mentoring program and provide information on potential food biz opportunities.
- Conduct on farm visits to help owners identify the best foods to produce on their land.
- Provide one on one mentorship
- Host social mixers for people to get to know each other

### **Marketing support**

- Provide marketing support to access larger buyers like grocery stores that buy year round
- Publicize positive testimonials from entrepreneurs that are using the services
- Conduct a marketing campaign highlighting the region's suitability for farming and easy access to markets through Prince George
- Create a consumer awareness campaign to increase consumer demand for their product.
- Promote the fact that land is cheap in the region.

### **Incentives**

- Provide incentives to start a food business (business licenses, taxes/write-offs, farm status, etc.)
- Provide financial incentives and business support to take an idea to market
- Provide financing to allow entrepreneurs to get started without going broke first.

### **Infrastructure, land and equipment**

- Provide access to resources and equipment
- Create this Centre, which will then be a catalyst to encourage residents to start a food business.
- Provide access to equipment and facilities (e.g. government inspected slaughter house, rental of specialty equipment)
- Provide access to land for food production
- Match young farmers with lease lands or open suitable crown lands.

### **Brokerage and distribution**

- Help get the product to market for those who do not already have an avenue to do so.

### **Other suggestions**

- Conduct pilot projects.
- Make it as easy as possible to sell farm products without a ton of rules and regulations and hoops to jump through, while still maintaining food safety standards.
- Collect as much info as possible on the different areas of the Cariboo-Chilcotin and have it easily available to inquiring newcomers - soils, climate, crops produced, markets, transportation,

population pockets, service centers for health, vehicle repair, government specialists, knowledgeable people in the industry, recreational opportunities, maps, etc.

### **Respondents suggested several ways the agri-food centre could be successful**

Below is a list of suggestions by food producers as to how the agri-food centre could be successful:

#### **The business model**

- Develop a Fee for service model that doesn't rely only on government funding
- Start with smaller, affordable services and build the services as the farming community grows.
- Start on a basic scale and grow it over time; providing lots of face to face contact
- Be an information hub to start. Any feature such as an equipment library will have to be developed slowly as local producers become aware of market needs otherwise huge amounts of money could be invested in equipment that is rarely used.
- Use the power of the nonprofit to establish infrastructure that can generate monthly revenue.
- Start with a good location that has meeting space and some room to grow then add features as producers define them.
- Controlling for product quality and offering distribution.

#### **Approach**

- Build community connections among growers/farmers (overcome being spread out).
- Focus on the needs of this region, instead of trying to meet urban needs....
- Ensure that the services offered are affordable
- Be a friendly and open place to do business.
- Meet with the farming community once a year to get input on how existing offerings are working and what new services would be useful. Listen to the farming community
- Consolidate all the ag groups under one framework:
- Do not follow a niche interest group – be relevant to a broad spectrum of users

#### **Marketing**

- Advertise the availability of the Centre and what services it can provide.

#### **Funding**

- Establish an ongoing fundraising group as one way to keep the Center 'in the news'.
- Provide funding for actual farming and growing activities. It does not seem to exist currently.

#### **Training and information**

- Provide workshops for adults and children. *I would pay to teach my child about farming, food, canning etc.*
- Create a website with all the latest ag news from our area

#### **Equipment rentals**

- *I have a fairly specialized business, breeding and doing artificial insemination with standardbred horses. We would like to access certain pieces of equipment (e.g. a decent breeding ultrasound).*
- Provide weigh scales for beef producers
- Ask producers to pull together a group interested in a certain piece of equipment to demonstrate commitment that might justify its purchase.