Farming survival in BC 2009... and beyond

There is nothing simple about this!

Brent Warner
White Loaf Ridge Management
2009
# Resources in British Columbia Agriculture

## Resources In British Columbia Agriculture

<table>
<thead>
<tr>
<th></th>
<th>1991 Census</th>
<th>1996 Census</th>
<th>2001 Census</th>
<th>2006 Census</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Land (hectares)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provincial Land Area</td>
<td>89,307,184</td>
<td>89,307,184</td>
<td>89,307,184</td>
<td>89,307,184</td>
</tr>
<tr>
<td>Land in Agricultural Land Reserve</td>
<td>4,708,628</td>
<td>4,714,016</td>
<td>4,727,332</td>
<td>4,624,890$^{[2]}$</td>
</tr>
<tr>
<td><strong>Total Farm Land</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,392,341</td>
<td>2,529,060</td>
<td>2,587,118</td>
<td>2,835,458$^{[3]}$</td>
</tr>
<tr>
<td>Land in Crops</td>
<td>556,796</td>
<td>565,738</td>
<td>617,545</td>
<td>586,238</td>
</tr>
<tr>
<td>Land in Pasture</td>
<td>241,004</td>
<td>240,236</td>
<td>233,044</td>
<td>245,793</td>
</tr>
<tr>
<td>Summerfallow</td>
<td>57,476</td>
<td>39,017</td>
<td>36,765</td>
<td>25,581</td>
</tr>
<tr>
<td>Unimproved Land</td>
<td>1,030,568</td>
<td>1,172,591</td>
<td>1,207,553</td>
<td>1,499,563</td>
</tr>
</tbody>
</table>

## Age of Farm Operators$^{1}$ in 2006

<table>
<thead>
<tr>
<th></th>
<th>Under 35 years</th>
<th>35 to 54 years</th>
<th>55 years and over</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Columbia</td>
<td>1,770</td>
<td>14,555</td>
<td>13,540</td>
<td>29,870</td>
</tr>
<tr>
<td>Canada</td>
<td>29,925</td>
<td>164,160</td>
<td>132,975</td>
<td>327,055</td>
</tr>
</tbody>
</table>

*Source: Statistics Canada Census of Agriculture 2006.*
The issue is not just about losing farmland...it is about losing farmers!

"Adapt or die"

...Charles Darwin
In 2006 BC # 1 in:

salmon (farmed), blueberries, cranberries, sweet cherries, raspberries, clams & oysters (farmed)
Food has NOT been important in NA
2009 Keystone Ag producers in Manitoba. Basket of groceries up 3.2%, farm share down 1.7%

Consumer paid $6.01 more

farmer received $.86 less
In late August 2009, the price for hogs in the Iowa-Southern Minnesota Direct hog trade was just over $45/cwt, compared to nearly $85/cwt a year earlier. Production costs have exceeded market costs in 20 of the last 22 months.
Strawberries
2001: 753 ha
2006: 439 ha
Change: -41.7%

APPLES
2001: 5,982 ha
2006: 4,470 ha
Change: -25.3%

Cauliflower
2001: 214 ha
2006: 85 ha
Change: -60.3%

Sweet Cherries
2001: 944 ha
2006: 1,297 ha
Change: 37.4%

Strawberries
2001: 753 ha
2006: 439 ha
Change: -41.7%

Apples
2001: 5,982 ha
2006: 4,470 ha
Change: -25.3%

Grapes
2001: 2,861 ha
2006: 3,155 ha
Change: 10.3%

Blueberries
2001: 2,956 ha
2006: 4,775 ha
Blueberries up 61.5%
Chicken producers receive $1.56-$1.65 kg

SaveOn $5.05 kg, Safeway $9.46 kg

Cattle $1.87 kg @ auction in Williams Lake on Sept 17

Rib eye steak at SaveOn Foods in Vancouver $30.84 kg
Farming as we have known it for the last 50 years is not sustainable

...this is a farmer’s reality...
less and less money spent on food as a percentage of income except in 2009 up 4.4%
We farmers have been told for decades to specialize. Specialize, specialize, specialize. And what do the big companies do? They diversify.

And folks, they are wiping us out.

Bill Heffernan
University of Missouri
“Conventional wisdom would tell you small farms can’t operate as **efficiently** as large ones”
• what are we willing to pay for?

1. Communications
2. Health
3. Education
5. Recreation
7. Restaurants
11. FOOD!

*Excludes Hungary, Norway, Slovakia, Switzerland and Turkey
†Telecommunications equipment and services, and postal services
Source: OECD, SNA database
We have to put the farmer's face back on food!

...but is diversification really an option for doing that?

It is the ONLY option
The new White House is making changes....
To participate in this change we have to be aware of the issues!

This will not be a successful strategy

Consumer issues:

- health issues
- food safety
- renewed interest in food
- experiences are what they want!
Rapid change, new partners

- Health
- Food security
- Agriculture
- Local economic impact
- Culinary tourism
- Food safety
- Buy local
"We put fast food on every corner, we put junk food in our schools, we got rid of PE, we put candy and soda at the checkout stand of every retail outlet.

“The results are in. It worked.”

Harold Goldstein, director of the Center for Public Health Policy,
• 1 in 3 BC children born in 2003 is at risk for Type II diabetes

• 80% of type II is directly related to obesity
By the end of September, 78 Canadians with H1N1, or swine flu, had died.

More than 2 MILLION Canadians have the disease and it is estimated another 5 MILLION — 15% of the country’s population — are “pre-diabetic” and an increasing number of them are young adults & children.
All schools will have an opportunity to apply for the BC School Fruit and Vegetable Snack Program by 2010.
Food Safety

• one incident anywhere in the world can change an entire industry

WARNING: This product has not been pasteurized and, therefore, may contain harmful bacteria that may cause serious illness in children, the elderly, and persons with weakened immune systems.
More listeriosis cases expected; Maple Leaf Foods expands recall

Sept. 24
The Public Health Agency of Canada confirms a 18th person has died of listeriosis linked to tainted meat processed at the Maple Leaf Foods plant in Toronto.
Somewhere in Canada 2008
No labels, reused jars, hazardous products
Customers will pay for?

- the real from the genuine
- not the fake from the phoney
According to a national research firm, American shoppers bought more than 1.1 million freezers during the first six months of the year. That's up more than 7% from the same period last year.

That rings up to nearly $400 million in freezer sales -- a staggering figure compared to the rest of the home appliance sector, where industry data shows shipments are down nearly 8%.
About 45 per cent of Americans are eating out less this year to save money, a nearly 12 per cent increase from 2007, according to BIGResearch.

Amazon.com has seen double-digit growth in book sales in the food, cooking and wine category during this past year.

Bon Appetit, a magazine that serves up recipes for everything from gourmet meals to fast and easy dinners, said newsstand sales in May 2008 were up 39 per cent from a year ago.
The Little Potato Company is proud to present seven new potato varieties,
each one oozing with uniqueness in the way they look, feel, taste and cook. You see, we believe potatoes should be recognized for their distinct qualities. So, please check out 'Our Varieties' to learn more about LPC's products and their distinctive personalities!

Our History

The Little Potato Company started in 1996 with a one-acre plot near Edmonton, Alberta when Jacob van der Schaaf set out to determine if the small potatoes he loved as a boy in Holland could be grown in Alberta. He sold his first crop at a farmer's market with a dream that his potatoes would someday be found in restaurants and supermarkets. The following year, he and his daughter, Angela, brought that dream to life when they formed The Little Potato Company.
Big changes are coming to local retail

Our Commitment to Local Produce

Whenever possible we choose local and maritime grown first. As part of this commitment we have booked our corn for the season in advance from New Brunswick Growers. **Our goal is to offer a fair price to the producer and a fair price to the member. We will not lower prices to compete with corn grown outside of the Maritime Provinces. Our Corn is picked fresh and on our shelves within 24 hours. We promise to offer the best overall value on NB Grown corn to the membership and will continue to support our local growers.**

Thanks for supporting Fredericton Co-op!
Buying local?
Culinary Tourism
BC Chefs have discovered local!

global flavours, regional roots
EXPERIENCE THE BEST TASTES OF BC

Thank-you for visiting British Columbia’s leading culinary travel and event restaurant and culinary experience profiled on this website. We are an approved culinary destination established by the BC Culinary Network. We are proud to be certified by the BC Culinary Network and we guarantee that each establishment meets the highest standards of excellence.

Providing restaurants with fresh, organic, and local foods.

Fresh local flavours... right to your door. More and more, both local diners and restaurants are eager to taste the best that BC has to offer. Your BC on the ground events and promotions give you the premium pick of the freshest BC grown produce and deliver it right when you need it.

get local

BC Chefs have discovered local!
"I work with them and other farmers because I want to contribute to their success in some way. Because I need them [in order] to do what I do," he said.

"Because their eggplants taste of brown sugar, and their strawberries are little miracles, and they are good people doing important work."

Without them, Vandemark seemed to say, there would be no heirloom tomato salads, no fancy five-course prix fixe dinners, no food at all.
Farmers’ Markets alive and well…
In the beginning, 4 years ago, I cooler of meat in a box.
8 freezers and 10 animals processed per month

4 years later
British Columbia Farmers' Market
Nutrition and Coupon Pilot Project
Do we need more “experiences?”

“Hotels need to provide an enriching experience.”

“It is no longer mai tais and lie on the beach. We need to deliver a bit of history…and teach them more about Hawaii. We want our guests to learn and take something away when they leave.”

Mary Lou Foley, Outriggers Waikiki’s events coordinator.

United Airlines IN Flight Magazine, October 2006
What do visitors want?

1. Natural Focus
2. Agricultural Focus
3. Winery Focus
4. People/social Focus
5. Accommodation Focus
6. Other Attractions
7. Town Infrastructure
8. Dining Focus
9. Sky & Weather Focus
10. Information Focus

11. Heritage Focus
12. Outdoor Pursuits
13. Shops & Galleries
14. Festivals & Events
15. R&R Focus
16. Arts & Crafts Focus
17. Watercraft Focus
18. Environmental Mgt.
19. Entertainment Focus

Examining the Wine Tourism Experience in the South Okanagan
Marcie Dumais
Learn from the wineries

Award-Winning VQA Wines
Tasting Room & Patio
Lunches
Self-Guided Tour
WineLovers'Club Concerts

360° EXPERIENCE
What is experience worth?

Coffee

- The coffee bean costs a few cents a cup.
- The product costs a bit more packaged and sold in the grocery store.
- The service of delivering a hot cup costs a dollar.
- But the new value in an experience can go for as much as five dollars.

Figure 1-1. Price of Coffee Offerings
Coffee is... an Experience!
Family business that supports 3 growing families

Now includes:

- farm market
- mixed fruit, vegetables, flowers
- school, commercial tours, festivals
- bakery
- craft sales
- processed products

Davison Orchards

2006, over 250,000 on site farm customers

20 years ago over 90% of apples went to a packing house
2006

• 2007, 300,000 on site customers ... this is values added

Agritourism!
… the “value” in hosting visitors at the farm...

… Agritourism
How do new people get into agriculture?

“The typical path to farming is entry through the family farm business.”
### How the Farm/Ranch Was Started

<table>
<thead>
<tr>
<th></th>
<th>&lt;10 Acres (n=36)</th>
<th>10-49 Acres (n=33)</th>
<th>50+ Acres (n=27)</th>
<th>British Columbia (n=100)</th>
<th>All Canada (n=251)</th>
<th>All North America (n=1135)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased land and started the farm</td>
<td>58.8%</td>
<td>64.5%</td>
<td>34.6%</td>
<td><strong>53.6%</strong></td>
<td>52.1%</td>
<td>47.5%</td>
</tr>
<tr>
<td>Purchased an existing farm</td>
<td>32.4%</td>
<td>19.4%</td>
<td>19.2%</td>
<td><strong>23.2%</strong></td>
<td>22.1%</td>
<td>21.4%</td>
</tr>
<tr>
<td>Inherited an existing farm</td>
<td>2.9%</td>
<td>9.7%</td>
<td>26.9%</td>
<td><strong>11.6%</strong></td>
<td>14.2%</td>
<td>16.0%</td>
</tr>
<tr>
<td>Inherited land and started the farm</td>
<td>5.9%</td>
<td>3.2%</td>
<td>11.5%</td>
<td>7.4%</td>
<td>5.0%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Other</td>
<td>0.0%</td>
<td>3.2%</td>
<td>7.8%</td>
<td><strong>4.2%</strong></td>
<td>5.8%</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

### Number of Generations in Farming

<table>
<thead>
<tr>
<th></th>
<th>First generation</th>
<th>Two generations</th>
<th>Three generations</th>
<th>Four generations or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>dance</td>
<td>71.4%</td>
<td>17.1%</td>
<td>8.6%</td>
<td>2.9%</td>
</tr>
<tr>
<td>dance</td>
<td>69.7%</td>
<td>18.2%</td>
<td>9.1%</td>
<td>3.0%</td>
</tr>
<tr>
<td>dance</td>
<td>48.1%</td>
<td>22.2%</td>
<td>14.9%</td>
<td>14.8%</td>
</tr>
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</table>

### Farm will be Passed to Next Generation

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>dance</td>
<td>40.0%</td>
<td>60.0%</td>
<td>77.8%</td>
<td>63.6%</td>
<td>57.6%</td>
<td>57.9%</td>
</tr>
<tr>
<td>dance</td>
<td>63.6%</td>
<td>36.4%</td>
<td>22.2%</td>
<td>24.2%</td>
<td>42.4%</td>
<td>42.1%</td>
</tr>
<tr>
<td>dance</td>
<td>57.6%</td>
<td>42.4%</td>
<td>57.9%</td>
<td>56.5%</td>
<td>65.1%</td>
<td>65.1%</td>
</tr>
</tbody>
</table>

### Business Structure

<table>
<thead>
<tr>
<th></th>
<th>&lt;10 Acres (n=36)</th>
<th>10-49 Acres (n=33)</th>
<th>50+ Acres (n=27)</th>
<th>British Columbia (n=100)</th>
<th>All Canada (n=251)</th>
<th>All North America (n=1135)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole Proprietorship</td>
<td>77.1%</td>
<td>72.7%</td>
<td>33.3%</td>
<td><strong>62.6%</strong></td>
<td>52.4%</td>
<td>60.6%</td>
</tr>
<tr>
<td>Partnership</td>
<td>11.4%</td>
<td>24.2%</td>
<td>44.4%</td>
<td><strong>26.3%</strong></td>
<td>27.0%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Incorporated</td>
<td>2.9%</td>
<td>3.1%</td>
<td>14.8%</td>
<td><strong>6.1%</strong></td>
<td>15.3%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Limited Liability Corporation (LLC)</td>
<td>8.6%</td>
<td>0.0%</td>
<td>0.0%</td>
<td><strong>3.0%</strong></td>
<td>2.8%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Other</td>
<td>0.0%</td>
<td>0.0%</td>
<td>7.5%</td>
<td><strong>2.0%</strong></td>
<td>2.5%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>
• so we must move beyond undifferentiated commodities
Or as BIG Al says...

APPLE (low value)

SALE TO BROKER, WHOLESALER OR RETAILER

JUICE ($1.95/750 ml)

ON-FARM SALE

VINEGAR ($20/750 ml)

ON-FARM CONSUMPTION

ICE CIDER ($60/750 ml)

ON-FARM CONSUMPTION WITHIN A WIDER AGRICULTURAL TOURISM EXPERIENCE

DISTILLATE ($150/750 ml)

...this is more than a processing "VALUE"
this is the future...and it is now

$6.50 lunch?
baked goodies
ready to eat mixed greens
No sugar
quick peel squash
The important thing is not to stop questioning.

Albert Einstein

In other words…

The opportunity is in putting the farmer's face back on food.

Thank you!