

## Gap Analysis: Statistics available.

Existing data from Statscan, OMAFRA and other scattered sources allows us to assemble a snapshot of the main structure of the existing food system in Grey and Bruce. Statscan provides Provincial data on per capita food purchasing and consumption, and regional data on gross production. Statscan also provides data on the financial performance of farms in the region, which allows us to assess how well the current food system is working, from the producer's perspective. OMAFRA provided regional information on slaughter numbers. The Local Food Project (LFP) generated data from a survey of customers, vendors and managers at Grey Bruce farmers markets.

### 1) Food Purchasing and Consumption Patterns:

Much of the information we have on food purchasing and consumption is derived by multiplying Province of Ontario per capita behaviors by Grey Bruce population figures. Table 1 sets out selected Grey Bruce 'total consumption' in \$ per household. Table 2 sets out selected Grey Bruce 'total disappearance' in kg/yr.

Table 1: Grey Bruce Food Consumption in \$ (based on 2006 census data)

Item	Ontario per household consumption (\$/wk)	Grey Bruce total consumption (\$/wk)	
Population	11,737,033	159,960	1.36%
# of households (p/h)	4,379,490	59,549	2.69p/h
Total weekly food expenditure	\$123.76	\$7,369,784	
Purchased from stores	\$86.79	\$5,168,257	
Purchased from restaurants	\$38.93	\$2,318,242	
Meat	\$18.26	\$1,087,364	
Fish	\$2.81	\$167,332	
Dairy and eggs	\$12.68	\$755,081	
Bakery and cereal	\$12.51	\$744,957	
Fruit and nuts	\$9.82	\$584,771	
Vegetables	\$8.67	\$516,289	
Condiments, sugar, oil	\$6.61	\$373,788	

Non-alcoholic beverage	\$4.80	\$285,835	
Other	\$8.45	\$503,189	

Table 2: Grey Bruce food disappearance in kg/yr. (based on 2006 census)

Item	Canada per capita disappearance	Grey Bruce total disappearance	
Beef	29.34kg	4,693,226kg	
Pork	23.41kg	3,760,659kg	
Poultry	38.07kg	6,089,677kg	
Eggs	14.60doz	2,335,416doz	
Butter	2.56kg	409,497kg	
Margarine	3.86kg	617,445kg	
Cheese	12.33	1,972,306kg	
Yogurt, Ice Cream, Sour cream	15.74L	2,517,770L	
Milk	75.56L	12,086,577L	
Apples	10.58kg	1,692,376kg	
Grapes	5.28kg	844,588kg	
Strawberries	3.05kg	487,878kg	
Beans (Fresh Green & Waxed)	.95kg	151,962kg	
Carrots	6.02kg	962,959kg	
Sweet Corn	3.35kg	535,866kg	
Cucumbers	3.58kg	572,568kg	
Onions	7.24kg	1,158,110kg	
Potatoes	65.84kg	10,531,766kg	
Pumpkin/squash	1.07kg	171,572kg	
Tomatoes	7.09kg	1,134,116kg	

Table 3: Grey Bruce total production and consumption compared (kg/yr).

Item	Total animals/hectares	Total production in kg (%of carcass wt)	Total disappearance
Beef	75,587	17,203,258kg(70)	4,693,226kg
Pork	181,998	7,445,768kg (70)	3,760,659kg
Poultry	1,417,610	2,256,363kg	6,089,677kg
Eggs	19 farms	?	2,335,416doz
Milk	19,806	143,651KL	12,087KL
Cheese	1	1,022,727kg	1,972,306kg
Apples	1496ha	50,381,181kg	1,692,376kg
Grapes	11.43ha	448,800kg	844,588kg
Strawberries	36.8ha	186,363kg	484,878kg
Beans (Green & Waxed)	16.1ha	90,909kg	151,962kg
Carrots	5.67	171,818kg	962,959kg
Cucumbers	8.1ha	170,198kg	572,568kg
Sweet corn	185.9ha	191,818kg	538,866kg
Onions	8,97ha	294,545kg	1,158,110kg
Potatoes	140.9ha	2,043,181kg	10,531,766kg
Pumpkin/squash	56.68ha	98,902kg	171.572kg
Tomatoes	14.9ha	186,455kg	1,134,116kg
Honey	5654hives	170,969kg	
Maple Syrup	119,000taps		

### Discussion:

Table 1 shows the total food dollars being spent in Grey Bruce, based on provincial averages. Our population of 160,000 spends close to \$7.5 million dollars weekly on food. The largest share of that goes to supermarkets, followed by restaurants (all classes), convenience stores and ‘others’. Unfortunately, we have no aggregated data on direct local food sales from sources like farm gate, farmers markets, local food retailers, butchers and bakers, etc. No doubt sales in the local food system are a small fraction of

food dollars spent. With probably not more than 500 operators engaged in direct sales in the region, a few 'big' players, relatively speaking, assure aggregated sales would exceed 1% of total food dollars (\$75,000/ wk), while the many part time operators, would see direct sales are far short of 10% of total food dollars.

Table 2 shows per capita average consumption of selected food products in Canada in the first column and total consumption in Grey Bruce (derived by multiplying average per capita consumption by Grey Bruce population). Consumption totals in this table are for fresh fruits and vegetables only, not processed products (like pasta sauce, or apple juice).

Table 3 uses Statscan regional data to calculate total Grey Bruce production of selected food products (column two). Column 3 is total Grey Bruce consumption (from Table 2, column 2) so total production and total consumption can be compared. The table shows that production exceeds consumption in only 4 food categories: beef, pork, milk and apples. This table clearly shows that we have a serious deficit in production of all fresh vegetables – not surprising, as demand for many fresh vegetables is now year round, while production is restricted to a few weeks of the years (like strawberries).

Table 3 gives gross production and consumption only. It gives us no information about what percentage of production is consumed locally. For example, while Grey Bruce produces 4 times more beef than it consumes, there is no doubt that a significant share of local weekly beef dollars goes to purchase beef not produced in the twin counties. Once a beef animal enters the federal meat inspection system, say through Cargil's Better Beef plant in Guelph, its provenance is lost. No doubt beef moving through area supermarkets, which source solely from federally inspected plants of which we have none in the area, is a mix of meat produced in many areas of Ontario. Alberta and US sourced beef will also command a significant market share, possibly larger than the share cornered by the local food system (through GBs 12 provincially inspected plants).

No doubt a larger share of some of the vegetables that are produced in smaller quantities stays within the local food system. While we produce only one fifth of the potatoes we consume, it seems probable that a significant share of that produce is sold through direct sales to consumers in the region.

Even given the limited inferences that can be drawn about the local food system from Table 3, it makes clear that there are many production opportunities available for producers that want to tap into the direct sales market. For example, LFP experience in working to increase local foods going into area restaurants and institutional kitchens has shown that it is not possible at this time to source wholesale volumes of potatoes in the twin counties.

Tables 1,2 and 3 give a basic picture of food production and consumption in the region. Given Ontario's highly productive agriculture industry, plus the food imported into the Province (in 2008, Ontario exported \$9.23 billion in food products - it imported \$16.46 billion), Ontario consumers are presented with a veritable cornucopia of food choices. Given that food costs only about 11% of the total budget of the average Ontario household, food in Ontario is an affordable luxury.

## 2) Financial Data for Grey Bruce Farms:

Given that the current food system in Ontario is a boon for consumers, it is fair to ask how well it works for producers. Tables 4 and 5 explore the available financial data we have on Ontario and Grey Bruce farms and farm operators.

Table 4: Net farm income, Ontario, 2006-2008 (\$'000)

Ontario	2006	2007	2008	3 year average
Total operating revenue	\$8,853,344	\$9,289,623	\$10,229,756	\$9,457,574
Total operating expenses	\$7,592,905	\$8,061,702	\$8,778,278	\$8,144,295
Net Farm income/farm	\$1,260,439	\$1,227,921	\$1,451,482	\$1,312,656
Total Net Income (less depreciation)	\$72	-\$219,987	\$262,139	\$42,224
Number of farms (2006)	57,211			
Net Income /farm	\$1.258	-\$3.845	\$4.582	\$1.997

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Table 5: Total income per operator, including off-farm income, Ontario, farms over \$10,000 gross sales per annum only, 2008.

Ontario		
# of farms	36,730	
# of operators	50,370	
Total operating revenue (\$'000)	4,578,166	
Total operating expenses (\$'000)	4,013,566	
Total operating income (\$'000)	564,601	
Average on farm income per operator (\$)	11,209	
Total off farm income (\$'000)	1,776,308	
Average off farm income per operator (\$)	35,265	
Total income per operators (\$'000)	2,340,908	
Total per operator (\$)	46,474	75.8% off farm income
Grey Bruce on farm income per farm (\$)	\$7723	

**Discussion:**

It should be noted at the outset that farm accounting is a complicated procedure, in no small part because business and home are located on the same site. This means that, often, aggregated statistics are widely variable, essentially meaning that across tables, one is often comparing apples and oranges, rather than apples and apples. For example, Table 5 includes a column for Net farm income which is gross operating income less gross operating expenses. This column does not include such fixed costs such as interest or depreciation.

But however farm financial status is calculated, the picture is bleak. For example, although the figures vary, both Table 4 and 5 show that average

Net On Farm Income across Ontario has ranged from a low of -\$4000 to a high of \$11000 per year. Table 5 places average on farm income for Grey Bruce in 2008 at \$7723. (This figure will be substantially skewed on the high side because of the inclusion of the supply managed sectors (dairy and feathers), which consistently outperform all other primary production sectors.) At the same time, average off farm income, per farm, in 2008 was \$35,265, which accounts for 75% of total farm income. Many of the smaller and even some of the medium sized farms in Grey and Bruce actually subsidize food production on their farms with their off farm income. It is a standing joke in the farm community that many of our older farm operators are ‘sharing their pension checks with their livestock’!

### 3) Meat Processing in Grey Bruce.

	Total	Beef	Chicken	Lamb	Pork
2004	105,376	19,134	78,301	2,423	5,518
2005	94,134	22,967	57,165	2,236	11,807
2006	88,295	26,223	35,487	2,685	23,800
2007	101,955	30,282	48,926	2,504	20,095
2008	106,955	20,499*	69,181	1,355*	15,920*

\* One of our larger red meat abattoirs went federal in 2008

**Discussion:** The Grey Bruce region supports 7 provincially inspected red meat abattoirs, one province poultry plant, one provincial rabbit plant and one federally inspected red meat plant, for a total of 10 abattoirs active in the local economy. While there are no hard numbers, a conservative estimate puts the number of small abattoirs in Grey Bruce in the 1950s at well over 50. The decline in numbers coincides with the introduction of the provincial meat inspection system, in the 60s for red meat, in the 80s for poultry and others. While the cost of regulatory compliance is no doubt a major factor in the decline in abattoir numbers, it is not the only factor – consolidation in the meat packing industry being another.

The traditionally strong red meat sector in Grey Bruce has been able to sustain a small abattoir slaughter capacity that is second to none in the Province, and the envy of many areas that are now radically under-serviced. At least in the red meats, Grey Bruce still has the slaughter capacity to be self sustaining (which is not to claim that we current are). However, the cost of new or replacement facilities are now prohibitive for small abattoirs,

meaning that every abattoir we loose is a permanent loss of capacity in the local food system. We lost one provincial plant in 2008. We may loose another in 2010. The prospects for at least 3 more are tenuous, due to age of the facilities and/or the owner/operators.

#### **4)Farmers Markets in Grey Bruce**

Grey Bruce now supports 12 Farmers Markets. Seven of these started in 2007/08. Two more plan to start in 2010. We have no hard data on market share for farmers markets, although we know that one of our larger market grosses in a year about the same as one of our larger supermarkets grosses in a week! In August and September this year, LFP staff conducted a spot survey of 11 of our markets, polling customers, vendors and market managers.

##### **Customer Survey:**

Seventy % of customers survey were regulars/locals with 50% supporting more than one area market. 70% identified the quality of the food as a primary reason why they frequent FMS, with 30% adding that it is a social event in their community. 80% of customers were shopping for fruits and vegetables, with 40% seeking meats and baking. 50% named products that they would purchase but are not available on the market, including mostly fruits and vegetables and eggs and cheese. 60% of customers thought prices were fair, which the remainder split between to low and too high. 90% stated that shopping at the market was important to them, with most identifying support for local farmers and community as the number one reason, with food quality as number two.

##### **Vendors Survey:**

Seventy % of vendors have been at the market for less than 4 years, reflecting the growth in the FM system in Grey Bruce. 25% have been marketing for more than 10 years. 55% attend more than one FM, usually in the Grey Bruce area. 60% also have other outlets, mostly farmgate sales, but about 30% in stores or restaurants. 75% said they sold all they produced and 90% were happy with the prices they got. 45% said they were dealing with regulatory obstacles, although if fruit and vegetable producers, for which there are far fewer regulations, are removed, 90% of other vendors identified ongoing issues with regulatory compliance. About 60% of vendors said they would consider expanding their production. Only 10% were interested in expanding into wholesale sales, with those not interested identifying

production volume and price point as two prohibitive obstacles. About 30% of vendors thought their FM could be improved, mostly by bringing in more vendors and customers.

### **Managers Survey:**

Seven of the 11 managers surveyed had been managing for 3 year or less, no surprise as 7 of our markets are 3 years old or less. 7 of the markets are run by vendor associations, although 4 of these describe the association as 'unofficial'. Six hosting municipalities have been actively supporting their FMs, while 5 are not. Two managers identified problems dealing with their municipalities. 10 managers are satisfied with their current venue. Seven markets are experiencing acute difficulties in getting local vendors, with 4 claiming they feel they have a good mix of vendor types, while the others identified fruit and vegetables, meat and fish, and dairy and eggs as lacking. Only 7 of 11 managers knew about the FM exemption to the Food Premises Act.

### **Discussion:**

The majority of customers surveyed are regular Farmers Market customers, identifying community/farmer support and quality food as their main reasons for coming to market each week. Even given that they knew the market, and the vendors involved, over half of the customers stated that they would like to see the market expand, offering a wider selection of products for purchase, including fruits, vegetables, meat, eggs and cheese. The smaller markets in particular (all but Owen Sound and Keady), struggled to offer customers the selection they would like.

The large majority of vendors attend more than one market and many also have other outlets at the farmgate and through stores. Three quarters of vendors stated that they sold all their products, yet only 60% claimed interest in expanding production to meet demand. Outside of vegetable producers, nearly all vendors claim their business is hampered by regulatory obstacles.

Seven of 11 market managers claim they have acute difficulties soliciting local vendors, identifying fruits & vegetable producers as the hardest to find.

The survey makes clear that there is unmet demand for local food through our Grey Bruce farmers market system. The short season – most of our markets run between late May and Thanksgiving only – may explain why this production/marketing opportunity is not being fully exploited: it is very difficult to make a living from a twenty week income stream. Nevertheless, it seems likely that we can do more, in terms of promoting the opportunity, in terms of increasing primary production, and in terms of fully exploiting the production that is already out there.

### **Overall Conclusions:**

Those sectors where Grey Bruce which show a large surplus of production over consumption (beef, apples, honey), show industry buy in to the ‘commodity’ production model, which obliterates product identity, and emphasizes comparative advantage and production efficiency over food security and food quality. The commodity production system has caught producers in a cost/price squeeze that has marginalized the mixed family farm as a food production unit.

Those sectors showing a gap between production and consumption (fruits other than apples, vegetables, chicken and eggs, cheese) identify an opportunity, but the financial data strongly suggest that it is not a business opportunity, as those are normally understood. A different sort of business model – one which emphasizes ‘lifestyle’ values rather than return on investment – might help to stimulate, further interest in small scale food production in Grey and Bruce.

The data collected here provides only a partial picture of the workings of the local food system in Grey Bruce. The LFP should continue to add to the information contained in this study, as opportunity presents itself. Even given the rudimentary nature of the data, it is possible to identify opportunities – like increasing vegetable production – and threats – like loss of abattoir capacity – to the local food system. LFP should disseminate this information to producers, processors and consumers across the region.