Show Transcript
Deconstructing Dinner
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Jon Steinman: And welcome to Deconstructing Dinner, produced in the studios of Kootenay Co-op Radio CJLY in Nelson, British Columbia. I'm Jon Steinman, and today's broadcast marks the culmination of a widespread and in-depth investigation into an exciting new business being formed on Vancouver Island.

Recent polls have been suggesting that close to *three quarters* of Canadians are now looking for food grown by local farmers and produced by local businesses. But what is now obvious to anyone who fits into this demographic, demand far outweighs supply. While some small grocery stores and independent restaurants are making efforts to link up with farmers to source options for local food, the process is often far from efficient. And while the number of these businesses now taking on such a challenge is increasing, they represent only a minute fraction of overall Canadian foodservice and grocery operations that are offering local food to their customers.

But of course the reason for such difficulty that any Canadian business would face when seeking out food grown within their region is that the infrastructure that *once* existed to facilitate a regional food system has been hollowed out and replaced with a system that supports long-distance global transportation of food. And what makes today's broadcast so exciting is that, for the next hour, we will be exploring the creation of a business that is looking to resurrect and recreate a model for a regional foodservice distribution system that could maybe provide a working example of how Canadian communities can begin reclaiming control of local food systems and reinvigorate local economies.

This broadcast marks Part III of the ongoing series titled "Co-operatives: Alternatives to Industrial Food," and on today's broadcast we explore the Heritage Foodservice Co-operative Association just recently formed on Vancouver Island. Lending their voice to the program will be Bill Code of the Island Farmers' Alliance; Karin Lengger of Small Potatoes Urban Delivery (also known as SPUD); Graham Morry of the Nanaimo Association for Community Living; Marjorie Stewart of Nanaimo Foodshare; James Street of the North Vancouver Island Chefs Association; and Frank Moreland and Sandra Mark of Edible Strategies.

Why so many voices on the show, you may be asking? Well, this new business being formed to challenge the industrial food system requires widespread involvement from many different groups and businesses, and we will hear from all of them to best illustrate the need for such collaboration in order to ensure social and environmental values don't get tossed out in favour of a single bottom line. Most importantly, this is a business that will be looking to ensure *farmers* receive their fair share of that final food dollar, and it could be said that the Heritage Foodservice Co-operative is introducing a model for local, fair trade.

increase music and fade out

Jon Steinman: One quick mention before we embark on today's broadcast. There has been quite the level of interest from listeners in recent weeks to give Deconstructing Dinner as a gift in this upcoming holiday season. We are providing such an option on our website where we are offering Deconstructing Dinner CDs featuring Juno-award nominee and musician Adham Shaikh. The CD features highlights of all broadcasts aired between January and May of this year, and Adham Shaikh has created an exclusive soundtrack to accompany the highlights that help document how this program each week looks behind the scenes of our global food system and presents alternatives that are more socially and environmentally responsible.

Located on the top-right corner of the Deconstructing Dinner website is a link to a page where you can order these CDs. And that website is cjly.net/deconstructingdinner. All proceeds from the sale of this limited edition printing will help support Deconstructing Dinner.

soundbite

Jon Steinman: It's important to first launch today's topic with a brief acknowledgement of the rapidly changing face of business ethics in today's marketplace. As became evident during our recent two-part series on the marketing of biofuels around the world, the prevalence of greenwashing is rampant. As environmental concerns are on the top of the list for most Canadians, virtually every company operating within our borders has taken it upon themselves to paint their businesses as being clean, green, environmentally friendly and socially responsible.

Now while some of these rebranding efforts are simply words on paper, there are of course many companies who are indeed making efforts to reorganize their operations and adopt more ethical guidelines. But there's a threat to such a direction, and that threat comes from the very foundation upon which many of these businesses are formed: that so long as a company is bound to their shareholders (and, in being so, also bound to maximizing profits), the ability to maintain such environmental and social goals becomes next to impossible. What makes the formation of the business that will be focused on today so exciting is that incorporated into the model of this business are mechanisms to ensure that the ethical values that are becoming increasingly important will not fall to the wayside as the business grows.

And we'll learn more about how this will indeed plays out as this show evolves, but first, let's travel to Nanaimo. In October of this year I spent a few days speaking with many of those involved in the formation of this new model of fostering a more sustainable local food system. As part of my time there, I recorded Frank Moreland of Edible Strategies making the first public announcement of the Heritage Foodservice Co-operative and the Islands Good Food Initiative that helped spawn the creation of this business.

With their home in the community of Fanny Bay, Edible Strategies is a small consulting group working with various partners in the development of projects to help re-localize the food system. Vancouver Island at one point grew and produced most of the food consumed on the Island, but since the rapid expansion of the industrial food system the Island *now* grows less than ten per cent of the food consumed. This problem led to the formation of what has been called the Islands Good Food Initiative, organized by a group of community organizations, farmers, small scale food processors and locally owned food businesses who together are wishing to work towards re-localizing their food system.

As part of this initiative, Frank Moreland and Sandra Mark of Edible Strategies have been working on the formation of one business to help foster such a system. And here's Frank Moreland being introduced by Jen Cody, the Chair of the BC Food Systems Network.

Jen Cody: And that's part of the reason why we invited Frank Moreland to come and speak with us this evening. He's got a bit of the local perspective. He's been working on a number of strategies to help connect farmers up with buyers. And he's also produced some edible strategies around looking at what's preventing people from being able to buy locally and what's preventing farmers from being able to sell locally. So welcome, Frank. (*audience:* applause)

Frank Moreland: So I'd like to start pretty much where Brent started. If we pay more for our food - money that actually gets to the farmers – then we are investing in a local food system. We may pay twenty per cent more for local food, or more than that, but we have to look at that as an investment in our local food system. We saw in his numbers that farmers are two per cent of the population. They've known these problems that Brent had presented for quite a long time: they are living them. What they need is us, the eaters that aren't part of that two per cent, to join and support them. And what I am going to be talking about is an actual formal, ethical business that we are creating on Vancouver Island to do that.

We are going from the buy local first, as Brent was saying. First and foremost local and then organic, otherwise the organic will be from off-shore, through Walmart, and we want to be the price makers.

Somebody was asking about what's beyond the farmers' market? The Island Good Food Initiative is formally linking farmers and food businesses so that we can brand Vancouver Island "organically grown" (we may not be getting around to the certification) food with

the family farms to meet foodservice market channels. So foodservice is institutional buying and the restaurants.

We want to partner up with the farmers' markets and help them deliver to the consumers there, but we would also like to work with the farmers' markets in expanding so that they can also provide food through us - their number twos and threes - which can be preserved through the foodservice system.

Partnerships we need - very important. The farmers are only two per cent. We need the farmers, the schools, the institutions, the chefs, the government, the local business and the consumer supported agriculture. So we are going to focus on institutional and foodservice leaders.

Jon Steinman: Two key points raised by Frank Moreland in that clip were the importance of partnerships and their focus on the foodservice sector. Why partnerships are so key to re-localizing a food system will become more evident as this broadcast progresses. We will also learn why foodservice is the focus for this local food business, with two reasons just up front here being volume and the mandates that many institutions look to uphold in providing their clients with healthy food. As local food is now recognized as being healthier, this new business is unique in that it is using this health lens as a means through which to emphasize the importance of what it is they're doing. There has been a significant amount of research that has gone into the formation of the Heritage Foodservice Co-operative, some of which focused on the needs of these bulk purchasers of food and the needs of farmers.

Frank Moreland: So of all the institutions we asked them the range of their annual food budget. From 114, they spend between $6,000,000 to $10,000,000 dollars every year on food. So that's 114 of the 600 that exist on the Island.

Then we had a practicum student that talked with the farmers that looked at the recent reports to find out what the issues for the farmers are: we've heard land prices; the availability of labour; government regulations; low food prices due to the cheap imports; high cost of production; lack of business acumen by farmers; lack of local distribution infrastructure; lack of marketing acumen; low farm income; limited local production; and lack of market access.

So from the B.C. Medical Service report we recommended future research to do that would be valuable for the farmers, for the ethical small food businesses on Vancouver Island, and for the other supportive groups that want to buy their food (Slow Food movements, food security movements, community development organizations that have good food boxes or community kitchens). They all need food and they all would like to buy food if it was convenient and competitively priced.

So for the next research that we are looking at, we'd like to propose that the current research initiative be followed by action research. And we'd like to start on that in January to encourage food purchasers and agencies - the decision makers in the agencies

- to work together, because a lot of the time the people at the top in an institutional purchasing situation do not communicate with the person that's actually buying the food. So we need inside institutions for them to be discussing and actually setting the budget at a few points over the Mexican food so that we can provide the local food at the cost of production that the farmers need to receive.

We've been working with about thirty particular farmers really closely in the last year and there's quite a few that have actually developed institutional contracts or personal contracts with individual restaurants, like Kingfisher and Gerry Pattison Farms in the Comox Valley, where I'm from.

But they're running up against walls. Kingfisher can use three hundred pounds of organic carrots in a month and one farmer can't do that. So we really have to consolidate a lot of the smaller farmers so that they can produce enough and we can collect them and wash them and grade them and add value for the institutions.

John Steinman: And this is Deconstructing Dinner and those last two clips were of Frank Moreland speaking in October in Nanaimo at an event hosted by Food Link Nanaimo.

Now I did sit down with Frank Moreland and Sandra Mark of Edible Strategies to learn more about how they've proposed to help re-localize their food system. Frank introduced to me that what they're doing is challenging the dominant model of supply chains by instead creating a *value* chain. The supply chains currently dominating our food system have allowed for some links within that chain to extract a disproportionate amount of that final food dollar. A value chain, on the other hand, looks to ensure that every link along the chain receives their fair share, with the most important link being the farmer.

Frank Moreland: The existing global supply chain has hollowed out the local food systems. That means basically that the actual physical infrastructure – the loading docks, the trucks – the infrastructure doesn't exist anymore for short distance food chains. A food chain is jargon to describe the businesses that are connecting the farmer to the eater.

And a lot of great work by the NFU shows how the supply chain actually vacuums profits from the productive farmer. So one of the existing models for a solution is the value chain, which helps people produce food and move away from commodity export strategies to more preparing value-added food for a local food system. But, see there is a great demand and a lot of farmers are trying to convert but neither side can find the trucks and the loading docks – the infrastructure for the short distance transportation and value-adding of food.

Jon Steinman: With the transportation and loading docks within communities now most often being controlled by those businesses profiting off of the unfair supply chain, how an alternative system can enter into the market is a tough obstacle to navigate around. But herein introduces one of the important segments of this new re-localizing model. Operating across the country within most Canadian communities are small-scale businesses and organizations already working towards achieving a more responsible local

food system. And so instead of reinventing the wheel, the Heritage Foodservice Co-operative is looking to first bring those *existing* businesses together and take advantage of what's already in place. In a nutshell, what this new co-operative will be looking to achieve is the connecting of farmers with labour, with transportation, with processing-and packing facilities, with distribution, with institutional food purchasers and, finally, with you and I as the final consumer.

So let's first explore one of the more interested stakeholders in the formation of this co-operative, and that is SPUD, also known as Small Potatoes Urban Delivery. Back in June of 2006, Deconstructing Dinner ran a feature on this unique on-line grocery delivery company with operations in Calgary, Seattle, the Greater Vancouver area, and Vancouver Island. To learn more about how SPUD's business fits into the formation of this new co-operative, I spoke over the phone with Karin Lengger, the General Manager of SPUD's Vancouver Island operations, and she outlines one of the major problems facing the Islands' food supply.

Karin Lengger: Well, I think there are a few really significant things missing from the food system on Vancouver Island, and one is coordination. Unlike the Lower Mainland, where there is more supply and there are formalized distribution streams, that really isn't so much the case here for local products. It is for products being imported to the Island but not for local products. So I think the coordination of getting the products grown and to the user is going to be huge for this area.

Jon Steinman: SPUD is an ideal business to become part of this new co-operative because they maintain what is known as a triple-bottom line, which is a measure of success that incorporates social and environmental outcomes.

Karin Lengger: We're very much interested in the triple-bottom line way of doing business. So we're interested in supporting our suppliers to the extent that we can, and definitely supporting local farmers is high on our agenda, for a number of reasons. One is it's really the right thing to do, from a purely business sense. In the long term we don't feel that we will have a business unless we have a local food supply. So from a business standpoint it makes good sense for us to support local farmers. And just from individual and from a philosophical standpoint, we certainly believe that that's the right thing to do.

So right now we do a lot internally as a business, helping and working with farmers and trying to reach out to farmers to get more local products on our list. I think that's one of the big things that this co-operative is going to help us with because it's actually quite a bit of work, and we're not really in business to do that, and we're not experts at it, so we do the best we can. I think this co-op will provide an opportunity for us to know where the products are, where the farmers are, and to be able to have sort of a one-stop shopping: to buy products from local farmers and know that they're going to benefit from that whole stream of the co-op. And that is really important to us – that the farmer stops getting the short end of the stick, which typically has been happening as you know.

Jon Steinman: As Frank Moreland introduced just earlier, there is a gap in the ability for farmers to find the necessary transportation and distribution of their product, and SPUD's current presence on the Island provides one piece of this puzzle.

Karin Lengger: We're hoping to as a business be able to also provide assistance to the co-op. Our role will probably be in the longer term some help with distribution up and down the Island - moving product from farm to processing kitchen, for instance - and also to help with some IT help, because the co-op intends to have an active, on-line presence.

Our warehouse is located in Esquimalt. The intention of the co-op is to have growing happening up and down the Island in all the agricultural zones, and to develop processing kitchens and cold storage in the areas where the farmers are. And so there will be a need to move product around from farm to field. But right now we are located in Esquimalt and distributing all the way up to Gold River. So our trucks are already on the road, and we can tie that in with picking up and delivering things for the co-op as well.

Jon Steinman: As SPUD's current infrastructure will assist in the operation of the Heritage Foodservice Co-operative, the Co-operative will also help SPUD in better realizing the company's mission of providing as much local food to their customers as possible.

Karin Lengger: I think the biggest thing the co-op is going to provide for us is more local food, and knowing where the local food is, and getting access to the people growing the local food. Right now, if we can find a product on the Island that we need to sell, we'll buy it preferentially from the Island, always. But we have to bring in food from all over British Columbia, that's for sure. Even in the highest season of growing - in the summer time - we are still bringing food over because we can't source it on the Island here.

So there is a huge opportunity for more growing to take place. But the farmers growing the food need to be financially sustainable, that's for sure. And hopefully this co-op will move them in that direction.

Jon Steinman: And that was Karin Lengger of Small Potatoes Urban Delivery (also known as SPUD). Karin is one of the four founding Directors of this new co-operative and I spoke with her over the phone from her office in Victoria.

Now Karin's last comment addresses the foundational piece in the puzzle of accessing local food: the farmer. And farmers will, too, be members of the Heritage Foodservice Co-operative.

One of the individuals who has also been involved in the formation of this co-op is Bill Code, the President of the Island Farmers' Alliance, that represents farmers and other organizations on the Island. The group manages the "Fresh from the Island" logo found on many Vancouver Island food products. Bill is a resident of Duncan, and he shared with me why the IFA got involved in this new co-operative.

Bill Code: I was approached early on because I was the President of the Island Farmers' Alliance and I've always been keen on those issues. I was approached by them to be the original farmer of the group of five when we had our inaugural meeting. It's an opportunity for me as a farmer but then also as a member of other farmers and interested consumers to the local food, to try and really make that a possibility rather than the farmer trying to develop multiple personalities (by raising the food, processing the food, marketing the food, going to the farmers' markets when they're already busy in their personally employed job) to support their farming habits.

Jon Steinman: As preserving the viability and sustainability of farming is the most vital component of re-localizing a food system, Bill outlines one of the major benefits to farmers that this Heritage Foodservice Co-operative will provide.

Bill Code: I think the biggest is to allow the farmer more opportunity to time on their farm improving their production when they've already been compromised doing several things in marketing the produce or going to the farmers' markets and all those other scenarios.

So by doing that we need to essentially put some profit in the farmer's hands. Because if you spend a dollar on food a hundred years ago, then forty cents would get back to the farmer. Today if you spend a dollar on food, seven cents gets back to the farmer. But by improving the value added and the local food chain's ability then that can increase. Not only that, we've checked things through, and there are a lot of consumers willing to pay more for quality food if they know it's local.

Jon Steinman: And that was Bill Code of the Island Farmers' Alliance. And this is Deconstructing Dinner and Part III of our ongoing series here on the program titled "Co-operatives: Alternatives to Industrial Food." Today we are looking at the formation of a new co-operative on Vancouver Island that is looking to re-localize the food system and, in doing so, create more access for Island residents to food grown and processed *on* the Island.

Now one recurring comment that may concern some listeners is the reference to the consumer needing to pay more for their food in order to preserve and enhance the presence of local food production. While such a suggestion is most certainly true given Canadians spend the least of our disposable income on food (less than ten per cent), it does raise the question of what about those who are spending upwards to forty per cent of their disposable income. Where will *they* find the money to afford this food?

And here introduces one of the most socially responsible pieces of this new co-operative in that, first and foremost, the idea for the Co-op was created upon recognizing the threats to services that provide inexpensive food to marginalized populations. Many of you have probably heard of the good food box programs operating across the country that look to provide healthy food to such marginalized populations. Frank Moreland and Sandra Mark of Edible Strategies describe how the idea of this new business was spawned out of the threats facing good food box programs throughout Canada.

Frank Moreland: Well, from the research with the good food box program and finding that each program was duplicating the administration, like ordering and payment and packing and delivering, some of these efficiencies could be looked at from a business point of view and commercial volumes. If we link it with institutional market demand and restaurant demand we could achieve volumes of scale to make it a partial program of what we are doing.

So to get the research from the institutional buyers on the Island we hired five researchers that actually worked in communities with good food box programs. We thought it would be very important to help train them so that they could discuss purchasers from institutions that purchase hundreds of thousands of dollars of food a year. They would get a good understanding on how the institutional market works for fresh foods and that.

Sandra Mark: The interesting result of doing this kind of research using a health lens was that the people who are in the demand side and wanting to see more food out there really do not understand the supply problems. This came out very clearly; that even purchasers were unaware of the issues because they aren't involved in that discussion. In institutions that are publicly funded they are not involved in those discussions. The community people are not involved in the discussions with farmers. There are all these different silos of people who have some kind of concern or knowledge but they aren't connected in any fashion.

So, the idea for the Islands' Good Food Initiative arose to say, okay, let us bring all those people to the same table. Let's get representatives from all parts of the system who have concern from one way or another - the farmers, the labour, the non-profit organizations who are concerned with health and social well-being and food security, the institutions, the restaurants. Let's get all these people into the same room to say, "How can we solve this problem?" Because every single actor in this group of people wants to solve the problem, they just all feel frustrated because they don't know what to do. Somebody else needs to do something because they can't figure out what to do.

So, the result is now we are saying, "Let's figure out what to do." And in fact what it comes to is rebuilding that infrastructure that was lost as we all fell down and were happy to get cheap food coming in from the industrialized food system until most recently we're starting to realize that we have paid a huge price for this cheap food.

Jon Steinman: Now the social value to be found in incorporating the social services side of food distribution into the for-profit side of a business is quite revolutionary. Government funding for such services has decreased significantly and, in some cases, altogether. Sandra Mark further expands on the connection between the good food box programs operating on the island and the Heritage Foodservice Co-operative.

Sandra Mark: The Good Food Box program, as we looked at what's happening in B.C. and we looked at what's happening across the country, clearly actually influences people's eating behaviour and does have impact on their health.

In talking to the Good Food Box people we said to them, "Look, if you get the Ministry to understand this, perhaps they would in fact give you the money to do this properly." However, that is a long road to hoe to get the message through. In a sense, a lot of funders are tired of the Good Food Box program because it has not become sustainable.

So, the other thing that we said to the Good Food Box group was, "Look, lots of people are now interested in local food. There is this problem of getting that food happening and getting it to the people who want it. So maybe we should look if there's feasibility to link between the desire of the general population to get local food and your desire to increase the health of the people that you are dealing with as well as the general population. Maybe if we link these two demands we would in fact be able to start liberating the resources needed to start rebuilding the infrastructure that's going to be required if we are going to re-insert a local food system here."

Jon Steinman: We've now heard from two of the four founding Board of Directors of the Heritage Foodservice Co-operative. And a third is Marjorie Stewart, the Chair of Nanaimo Foodshare. I spoke with Marjorie while attending a trial farmers' market taking place in Nanaimo, and she explains who Nanaimo Foodshare is.

Marjorie Stewart: Nanaimo Foodshare is a seven-year-old agency in this community. It was originally established to be a network for food security interested agencies, which would include emergency food groups and food advocacy groups. Unfortunately, the Canada Revenue Agency said you can't at one and the same time be a charity and a network. Of course, you can't track the money, can you – the donations.

So at that point Foodshare morphed into an independent charitable agency, which now delivers various projects. As of this moment, as the Chair of this society I am responsible for an agency with roughly a quarter of a million dollar budget, nearly all of which is dedicated to program delivery and very little of which is available for operating expenses, which is a common obstacle to agencies attempting to do social programs.

Jon Steinman: Nanaimo Foodshare operates the largest of the good food box programs on the island, and Marjorie Stewart explains how it's this that led Foodshare to become involved in the Heritage Foodservice Co-operative.

Marjorie Stewart: Well, how we connect in is that this initiative is an initiative of all the good food box projects on Vancouver Island. One way or another Nanaimo seems to be the largest, and therefore we took the responsibility of doing the business administration for the initiative, which is at the research stage. We're as interested as anybody else in seeing what comes out of the potential business models that we could adopt and the potential business partnerships that we could take on.

One of the interesting things about Nanaimo Foodshare is that there was a huge community fund drive to buy a building. And in the building we have four agencies: we have Nanaimo Foodshare; we have supportive apartment living, who have morphed into

the people who put together most of the good food boxes; we have community kitchens, where they do projects now that involve teaching people to cook out of the box; and we have community gardens, who of course produce all of the stuff that goes into the boxes. That's been an enormous asset that other communities very often don't have.

What we have identified as the major needs in this community from our perspective is a community kitchen facility that people can use in order to process some of this food so that it is available out of season; some way of partnering up with community gardens so that they can find the space they need to garden, because community gardens in Nanaimo is faced with a crisis in terms of finding appropriate land; and some way to participate in the business model that will emerge from this initiative.

I'm particularly enthusiastic about the co-op model because I've been looking at business models for over forty years now. There are only three: you can only go non-profit, private or co-op. I like the co-op model because it's democratic and it can't get bought out from under you.

So the proposal that's coming out of this is to form a business co-op, which will include a values change stretching from farmer to consumer. The role of Nanaimo Foodshare has not yet been decided but we're certainly very interested in being supportive of the Co-op.

Jon Steinman: And that was Marjorie Stewart, the Chair of Nanaimo Foodshare. Now what is forecasted to be able to take place is that once the volumes of locally grown and processed food can make their way into restaurants, businesses and institutions, it will then become financially feasible to sell some of this food at cost to the not-for-profit agencies such as those providing good food boxes to low-income eaters.

And as today's broadcast is looking to connect many of the pieces of the local food puzzle together, we now arrive at another piece: labour. And this, too, introduces another social service agency operating in Nanaimo. And that group is the Nanaimo Association for Community Living (NACL), an organization providing services to members of the community with disabilities. As it's this demographic that faces some of the greatest employment challenges, it has presented an ideal fit to fill the labour needs of farms and the processing facilities of the Co-operative with those currently receiving services from NACL.

And to help introduce how such an idea came about, we come back to Sandra Mark of Edible Strategies, the consulting group that has put the business plan for the co-op together.

Sandra Mark: A student of mine was working with a group of folks who are self-advocates - adults with developmental handicaps. And I was supporting her in her work and met with these folks. There are about twenty young adults in this group.

I can't tell you how moved I was to listen to these people talking about how everybody just wanted them to do volunteer work. They would take training programs but the

minute their training was done and they were free labour then they wouldn't be hired. They saw that people wouldn't hire them because they looked funny or they talked funny. Those are their words: "People think we look funny. People think we talk funny. They won't hire us. They don't think we are any good." Yet between them this group of people had work history, they had training, they had a very strong work ethic. They wanted to be part of something that made sense. They didn't just want to be pushing a broom somewhere or hauling garbage or whatever. They wanted to do something that they felt would really make a difference in the world.

So after meeting with these folks and having cogitated on this labour problem and having had experience in the past working with street folks, street kids, women on welfare, First Nations youth - all of whom have difficulties entering the labour market - we thought, "Well, could we engage some of the agencies who support these folks to help us design a labour strategy?" So we went to the Nanaimo Association for Community Living and said, "Look, this is what we are trying to do. We feel moved to think that your folks could be leaders here." Because as an organization they want to be seen to be contributing to the community, not simply asking all the time for help and money and all that sort of thing. They want to show that these folks can be productive. They don't have to be the recipients of service.

Jon Steinman: As the Executive Director of the Nanaimo Association for Community Living, Graham Morry is now also one of the founding Directors of the Heritage Foodservice Co-operative. Graham was also at the farmers' market I attended in Nanaimo, and I spoke to him there about his organization's involvement in helping re-localize Vancouver Islands' food supply.

Graham Morry: It was approximately twenty months ago that we became involved when we were approached by Frank Moreland, who is a representative of some farmers and they indicated a quite significant labour shortage. So we saw this as a golden opportunity to build some really dignified employment for the people we support on a long-term sustainable basis.

We support adults with developmental disabilities, and they range in challenges from physical challenges to fairly extreme cognitive issues. But the therapeutic component of working on a farm or agriculture has been clearly identified. So we see this as something for all the people we support. There is a place for everybody, whatever they may be doing. It may be one hour a week, it may be forty; it depends on their abilities and their wants and dreams.

Jon Steinman: One of the most startling figures that Graham shared with me was the current unemployment rate of those with disabilities.

Graham Morry: The unemployment rate for people with disabilities can be up to ninety per cent so it's always been a large barrier. But with the current labour shortage we see another great opportunity. For employers they get really a committed employee base, and

the employers are willing to commit the extra expense and time, because some of our of folks need more training basically than with your typical employee.

Jon Steinman: As is part of the Islands Good Food Initiative that helped spawn the Heritage Foodservice Co-operative, the training programs are in the planning stages as this show goes to air. And in wrapping up my chat with Graham Morry he described the current quality of food that is making its way into the group homes that NACL operates. He's optimistic that by supporting local farmers through the this new co-operative, some healthier food can then make its way to those living within the homes.

Graham Morry: Most of our groceries are purchased regular (big box, Quality Foods - that sort of thing), which is fine - they provide a service - but we know there are greater nutrients in locally produced produce specifically. And that means that our people are better cared for and they don't get sick as often.

Part of our mandate - we are one of the largest non-profits in the mid-Island region – is to give back to the community. We see ourselves as playing a pivotal role in rebuilding the local food infrastructure through our own purchasing power. We have a grocery bill of about a hundred and ten thousand a year and we are committed to spending as much of that locally as we possibly can.

Jon Steinman: And that was Graham Morry, the Executive Director of the Nanaimo Association for Community Living. Graham is also a founding Director of the Heritage Foodservice Co-operative Association.

What is one of the most important pieces within the model being created for this new co-operative is the way in which value is added to the products coming off of the local farms. In the long-distance food system that dominates Canada's food supply, this is often where most of the money is made within the supply chain. Now in the case of this new Heritage Foodservce Co-operative, that value will be shared *with* the farmers, and let's come back to Sandra Mark of Edible Strategies who describes this important piece of this foodservice co-operative.

Sandra Mark: The other piece of this is that the package of services that will be bundled in. So it isn't just Joe Blow with his carrots: it's getting those carrots to be prepared in exactly the fashion that the restaurant, the institution or the consumer requires it, and having the members of the business (of the Co-op) be the ones who get the profit from this, again, because each individual farmer can't probably invest in a whole value-added system itself. (I mean, there are some who have been able to do, that but most can't.) But let's make sure that when your product comes forward it is at the highest value it can go, that you will get the highest dollar back, and the profit will be shared back to you. And then making sure that the farmers and the labourers and the people that are now ruled out the supply chain are ruled back into the supply chain.

Jon Steinman: Sandra Mark introduced another important player in the whole value chain, and that is the restaurant. Undertaking some of the research that went into the

creation of the Heritage Foodservice Co-operative was James Street, the President of the North Vancouver Island Chefs Association. Based in the community of Courtenay, James researched 110 restaurants around the island from forty seat cafes to 150-seat fine dining operations, and I sat down with him in the offices of Edible Strategies in Fanny Bay. This new co-operative is set to respond to some major concerns facing restaurant owners, chefs and customers, and James first laid out some of these problems.

James Street: Well, there are many problems, one of which is that chefs really want local food on the menus. They're feeling the pressure from the consumers. What is happening is they don't have the time to try and source this product. The human resources problems that are going on right now: there aren't as many cooks as there was even three months ago. I was finding that most kitchens that I spoke with in the past four months were at half capacity. If they're trying to get local food on their menus next summer they have to go out and source this stuff on their own, and they just don't have the time, the convenience as well as the wholesale suppliers. There's an order sheet that comes in front of them. They tick off what they need to order and then it shows up the next day. In order for local food to get on those menus it needs to have at least some of those conveniences.

Jon Steinman: Prior to taking on a consultancy role within the restaurant industry, James was a chef as well, and he uses himself as an example in detailing the difficulties that chefs can face when trying to link up with farmers to grow their ingredients.

James Street: Well, just with myself I was with the Old House Restaurant for a couple of years and it took those few years to develop a relationship with one local producer, Jerry Patterson from Patterson Farms, and just working out the logistics between both businesses so that we could work out on a common ground. Getting together in November and picking out the seeds out of the seed catalogues. Then I'd have to go through my analysis of my restaurant and make sure that I knew exactly how many carrots I was going to go through at certain times of the year so he could implement that into his crop rotation.

So there was a lot of negotiation and a lot of meetings and just trying to go over the numbers over and over again. I had to make sure that the price was right for me so I could charge it on to the consumer properly. And the producer had to make sure that I was going to buy everything that he did grow, and he had to produce even a little bit extra over and above what I was going to order so he had an allowance for crop failure, or if he wanted to take some to the market. It was a huge undertaking and it took about three years to dial it in.

Jon Steinman: Now this is the process that many chefs now go through in order to access local food. When I interviewed Michael Allemeier of Mission Hill Winery's foodservice operation back in April of 2006, we learned of the pages upon pages of local farmers that he has listed as suppliers. It was during that broadcast that it was suggested that such a model is not ideal for most restaurants.

But when the dominant foodservice distribution companies like Sysco and Gordon Foodservice are so centralized in their operations, the alternatives for restaurants or foodservice to access local food are non-existent. James suggests how the Heritage Foodservice Co-op will respond to this.

James Street: There are very few Vancouver Island producers, or even B.C. producers for that matter, that are getting into the bulk wholesalers. Given that they are not at the scale in which these wholesalers can work with them effectively, they have to provide enough product that that skew can be on the order sheet for more than a day. Most local producers only have enough product that would last maybe even one day or two days in their warehouse. So an economy of scale, or a combination of these producers, so we can have some sort of distribution system where all of it is collected together. It may not be George's carrots from George's farm but a regional carrot brand.

Jon Steinman: Another concern that many chefs are facing on Vancouver Island is the availability of skilled labour. Without the necessary labour, the time required to process and prepare food from scratch increases. It's this very concern that the Co-operative is also looking to respond to.

James Street: Well, what we are finding is that there are a lot of chefs retiring right now. A lot of them are in baby boomer demographic, so just like every other industry in Canada we are facing that. And there are not a lot of people coming into the trade. A lot of them are being pulled toward Alberta, pulled toward construction. There was a huge boom in technology a few years back and that took a very large section of the demographic. So we are not having a large intake.

Curriculums that provide chef training are facing very low enrollment and schools are shutting down and classes are being shut down. So the kitchens are really feeling the pinch. And there is going to be a major reset here soon. Once the housing levels out and the construction levels out then we'll find some people coming back to the industry.

But until that time we have to find economies in the kitchen system themselves. So it may not be a case of having carrots come in whole and with the peel on; they may have to come in either peeled or pre-cut. We are looking at salad mixes; perhaps a stocked kitchen that's providing stocks. Because the chefs do not have the time to source out a lot of people with skills, and if they do have green people come in, they don't have the time to start from scratch and train these people up to provide the consistent products that they need. So if they have a convenience product coming in from a supplier (albeit a wholesaler or local food) - something say like a stock - then they can hit the ground running with the kitchen. They don't have to spend a lot of time on labour.

Jon Steinman: In closing out my conversation with James Street of the North Vancouver Island Chefs Association, he concluded by indicating how excited chefs on the Island are to know that such a co-operative is being formed, to not only provide them with local food, but with product that will also be prepared in such a way as to relieve them of the labour shortage facing the industry.

James Street: The chefs were very excited. The common response was, "Well, it's about time." Many of them had been trying to do this on their own and some of them said, "Well, I don't need any help. I have a few producers that I'm working with." But, generally they accepted that this was a fantastic opportunity to get more local on their plate without them having to do the extra work. Because they feel like they are on their own, they feel like they've been abandoned by the foodservice industry on the whole because they are getting the pressure from the consumer but nobody is helping them get this on the plate.

Jon Steinman: And that was James Street, the President of the North Vancouver Island Chefs Association. I spoke with James during my recent visit to the Island.

soundbite

Jon Steinman: And a quick reminder that if you missed any of today's broadcast it will be archived on our website at cjly.net/deconstructingdinner where you can also subscribe to our weekly podcast.

As we near the end of this Part III of our ongoing series titled "Co-operatives: Alternatives to Industrial Food," we'll close out with some more segments from my time spent with Frank Moreland and Sandra Mark of Edible Strategies. Frank and Sandra have been at the forefront of accessing the financing required to help the Islands Good Food Initiative spawn the creation of this Heritage Foodservice Co-operative. And Sandra shared with me some of the many groups providing the necessary finances.

Sandra Mark: We need to find access to finance. Bankers and traditional financing people have not been willing to put money into food and agriculture because of what I just said: it doesn't make you any money right now.

So we've had to work with what we call our "friendly financing group" – credit unions, foundations, United Ways - who have been investing in food projects on the non-profit side because they have those sorts of concerns. We've gone to them with a whole bunch of partners and we've said to them, "We need you to invest strategically. We need you to help us design a package of investment tools, and granting tools, and development tools, but particularly investment tools that will make it possible for us to begin to reinvest in this sector."

If we fail with the reinvestment strategy, all these things we're talking about will almost be impossible. So it's really a critical and very difficult problem. We feel encouraged, however, because we have had really good support from Coast Capital Savings Credit Union, Van City Credit Union, the United Way of the Lower Mainland, Western Economic Diversification, and the Enterprising Non-Profit Program that brings several funders together. We've had representatives from banks and other groups sitting in to figure out how they could be part of this. And so there is currently a study group going on

with these people - Vancouver Foundation has been the lead - to figure out how they can help us solve these problems.

Jon Steinman: When looking at how and if other communities across Canada could take on a similar project like the one featured on today's broadcast, it's also important to look at the many barriers that may hinder such a model for reclaiming greater control of local food systems. As part of the research that went into this new business, Edible Strategies approached the Environmental Law Centre at the University of Victoria, where student Kendra Milne was put to the task of investigating what *legal* barriers such a model may face. And here is Frank and Sandra describing some of this research and, in particular, the restrictions placed on the raising and processing of chicken through Canada's supply management system.

Frank Moreland: We simply asked, "What are the legal barriers for local food systems?" because we had been hearing over the email about TILMA and NAFTA and how supply management systems were looking at special quota allocations. So she worked for a full semester and wrote two memos.

Sandra Mark: The bottom line here is that, in actual fact, you can think about it: it is illegal in some ways to grown local stuff, particularly with the supply management system, which we as farmers support. We are worried, however, that the supply quotas can disappear from a region. There's a real need to re-think the way quota systems work.

We've talked to chicken people, for example. We've lost most of our large chicken producers on the Island because they just got too tired and there wasn't the ability for processing over the last few years on the Island. They sold out: their quota has gone to Abbotsford. I think the per cent I was told was we are now growing twenty per cent of the chicken we eat on the Island, and we actually can't grow anymore. Efforts are being made to have specialty chicken quota being created and so on, but the rate at which quota is being created and the demand has got a huge gap in between it.

So we need to understand how these things manifest, and then we have to figure out what is the way around it. Can we work with the Farm Industry Review Board to deal with some of these things? Is this something that has to come through citizen action, or how can we get around them?

Jon Steinman: The entire report compiled by Kendra Milne will be linked to from the Deconstructing Dinner website. Another important question that should most appropriately be addressed as part of our ongoing series on co-operatives is why choose the co-operative model for this particular business? The more common business models used in Canada are often ones that prevent the effective implementing of social and environmental principles to be incorporated into a business plan. But as Frank Moreland and Sandra Mark indicate, the co-operative model they've chosen will help ensure that such values can be upheld.

Sandra Mark: When we were thinking about how to capture all of these pieces, in a workshop that was held last spring with all the people who were involved at that particular time, all of them really acknowledged that farmers and the workers needed to be represented in the process because they are the ones - that if we don't have the farmers and workers the whole thing is gone.

They all decided that they also wanted to have a way to share the eventual profits of the business in an equitable fashion, particularly covering the needs of the farmers and the workers. So the notion of a multi-stakeholder co-op came forward so that each sector that is represented in this initiative would have a seat on the Board.

Frank Moreland: One element that I would like to point out is that we needed to build a business that if it was successful would not be bought out. If we look at Clodhoppers in Winnipeg, when they finally got the order to fill Walmart they had to borrow so much money they lost control of the business.

When a private business that has social goals - and many of them do - is sold to a public liability company that is traded on the public stock exchange, all the social and environmental goals are lost, because the single fiduciary responsibility is to maximize the profit to that shareholder. So a co-operative, by having four of the directors or stakeholders as businesses and one as a community organizational non-profit, we hope that that business structure, if we are successful, we won't come under the pressures to sell out to Unilever.

Jon Steinman: Frank Moreland's last comment further illustrates how social and environmental values are incorporated into Canada's food system. On a policy level, Canada never really has maintained what could be referred to as a *food* policy. Instead, what has been maintained in Canada is better referred to as a commodity policy. Virtually all protections and incentives paid to the agriculture and food sectors favour the production of large-scale export crops and do not support the easy creation of local food systems that foster social and environmental benefits.

Sandra Mark: The fact that there is a supply problem is not well understood and the reason for the supply problem isn't understood. Basically it comes down to the fact that policies at the federal level in particular favour commodity production and don't really favour food production. We don't have a food policy in Canada.

The result of all this is that we are importing food much more cheaply than it can be produced here. So the supply problem is the crux of trying to in fact fulfill that demand that people are now manifesting. They want local food because they are now understanding it is healthier. Climate change is being affected by the fact that we are hauling food so far to our plates.

On the Island here we are concerned very particularly about food security. We have only a couple of days worth of food at any one time. We only grow about six per cent of the food we eat here. So there is really the issue of how secure is our food system.

This really calls now to a resurgence for local community economic development - for communities to look at how they can rebuild a system that used to be here. We used to export food actually. On the Island we used to produce eighty-five per cent of the food that was eaten here and exported. So it's not that we can't; in fact we can. We have growing conditions and lots of agricultural land that could be used, but we need to relearn how to make those connections once again.

Jon Steinman: What is one of the more important questions to end today's broadcast with is one that addresses whether the model created for the Heritage Foodservice Co-operative will be able to exist elsewhere in Canada and perhaps around the world. While this business will be acting as somewhat of a pilot project, Frank Moreland predicts that the Island has room for about fifty similar value chains. And with the other value chains that do already exist, Frank also predicts that overall costs could eventually be significantly reduced if more similar co-op models are adopted on the Island.

Frank Moreland: By starting small, working in a niche market and educating all our partners that this isn't the only value chain that can exist on Vancouver Island. This is a demonstration pilot project and we actually have got potential for fifty value chains. If we have fifty value chains on Vancouver Island, with all different commodities and different food types and different market channels, each one of those value chains invests in $150,000 to $200,000 dollars for their core administration. So that's 200,000 times fifty. If there is one central administration doing that as a service for all the value chains you can immediately see the cost relief.

So we are starting small, we're building the infrastructure, the bones that other organizations and potential value chains…Natural Pastures' cheese is a value chain; Lyle Young's chicken is a value chain. So we have got to actually celebrate the existing value chains and say, "Look, we need more. The same cost that everybody has - how can we share that cost and reduce it for everybody involved?"

Jon Steinman: And that was Frank Moreland of Edible Strategies. At its core, today's broadcast has shared the basics of one model through which communities across Canada can begin reshaping local and regional food systems that provide healthier food; tastier food; food with a lighter environmental footprint; food that invigorates local economies; and food that, most importantly, provides farmers with the adequate finances they deserve to grow and raise the very food that sustains us.

We've heard recent examples here on Deconstructing Dinner of carrots being grown in Ontario and being shipped to North Carolina, where in that same community in Ontario, the carrots available in *their* grocery stores are *from* North Carolina. We've heard of dungeness crab fished off the coast of British Columbia and being shipped to China, where, after being shelled, are then shipped back to Canada to be sold as Canadian crab.

It was fitting to have spent time with Frank Moreland and Sandra Mark in Fanny Bay, where we spoke of creating more efficient food systems, because Fanny Bay is famous

for one thing: oysters. In fact, virtually the only business operating in the community is Fanny Bay Oysters. There we were, walking into the one restaurant located in Fanny Bay, and - what came as no surprise - the restaurant only had one order of oysters left. As I was told, it's not because the product is in high demand, but because hardly anyone in Fanny Bay eats oysters.

You can learn more about the Islands' Good Food Initiative and the Heritage Foodservice Co-operative by visiting the Deconstructing Dinner website at cjly.net/deconstructingdinner. Today's broadcast will be archived under November 29th 2007.

Sandra Mark: The Islands' Good Food Initiative will work because there are so many people who get that we need do something and that we need to do it collectively. Frank and I have taken the role of development and project managers and project developers. We are working our hearts out on this because we really believe of the importance of this. We want to eat good food. We want our families to be able to eat good food. We'd like to see some sustainability in the picture. There's a lot of passion in what we do.

But it won't work if it's just our passion; it has to be everybody's. And that's the thing that I feel the most encouragement from and the most joy in: that we have so many people now who are taking this on, who are saying, "This is my initiative; this is what we're doing. We're part of something really important here."

So we have reached that point where we no longer have to push it: it's now rolling down the hill. It's wonderful.

ending theme

And that was this week's edition of Deconstructing Dinner, produced and recorded at Nelson, British Columbia's Kootenay Co-op Radio. I've been your host Jon Steinman. I thank my technical assistant John Ryan.

The theme music for Deconstructing Dinner is courtesy of Nelson-area resident Adham Shaikh.

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