



Essentials of Selling Local Food



Christine
Anderson
Local Foods
Specialist

What Is Local Food?

Food grown, made and/or
harvested in Alberta



Local Food Supports...

Rural sustainability



Vibrant and engaged communities



Improved health and nutrition



Strong local and provincial economies



Size of the Alberta local food industry

- **40,638 farms in Alberta** (2016 Census of Agriculture)
 - 2062 farms in Alberta sell direct to consumer (~ 5%)
 - 424 farms have organic products for sale

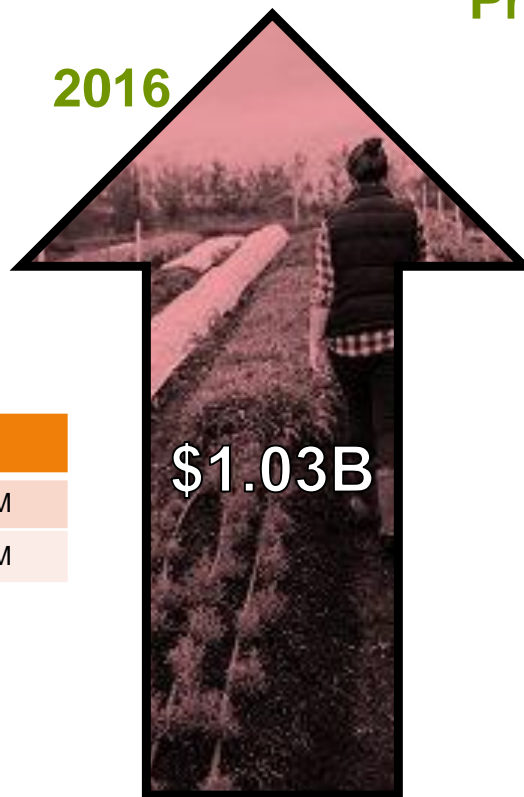
Direct Marketing in Alberta

- One in five direct marketing farms have sales greater than \$250,000
- Out of 2,062 farms selling direct, 35% were new entrants
- Beef cattle farms represent the highest proportion of farms selling direct
- More female and young operators are involved in farms selling direct

AB Farm Direct Food Sales

Source: Study of Local Food Demand in Alberta, 2016

2016



2017
Projected

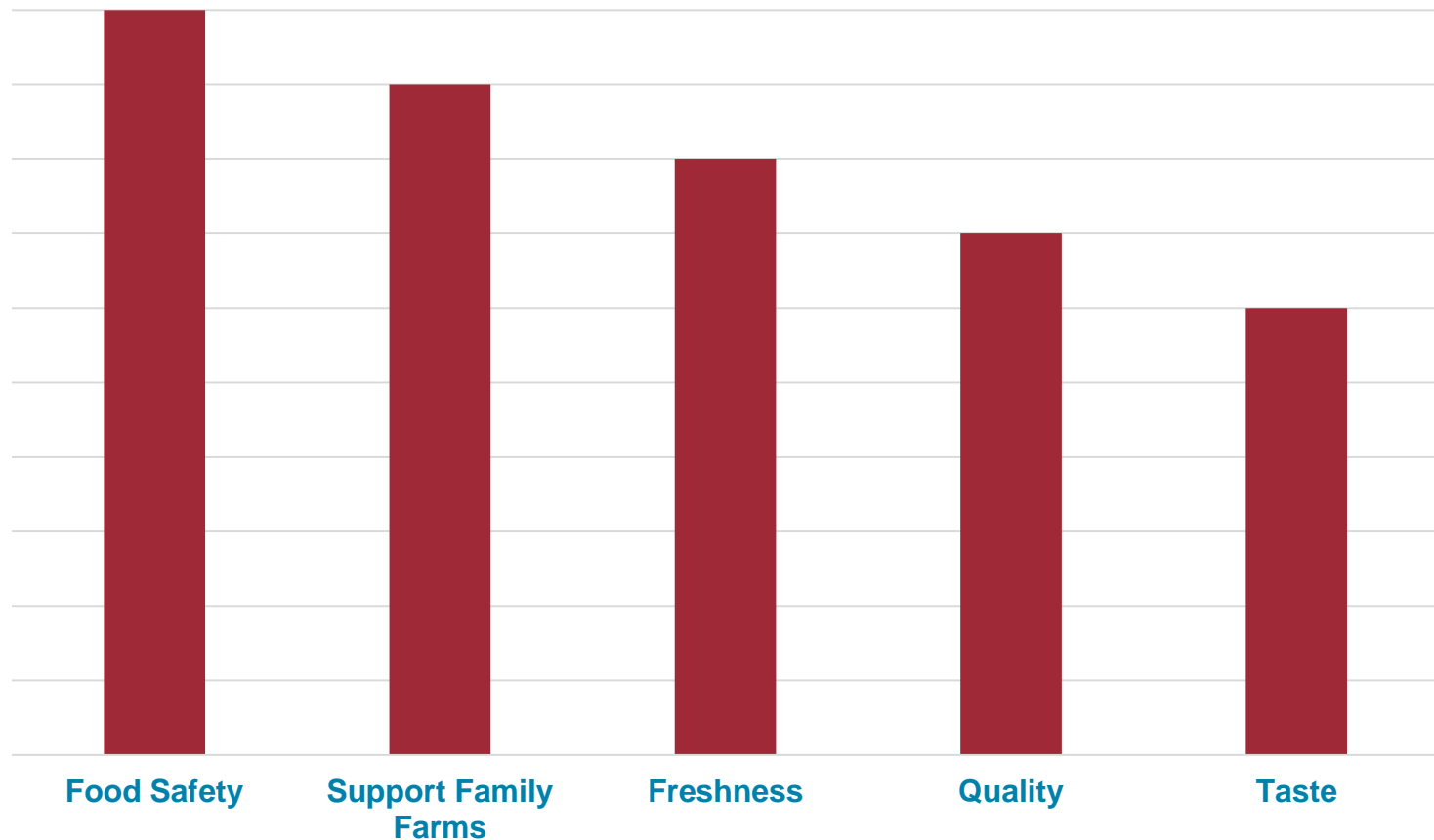


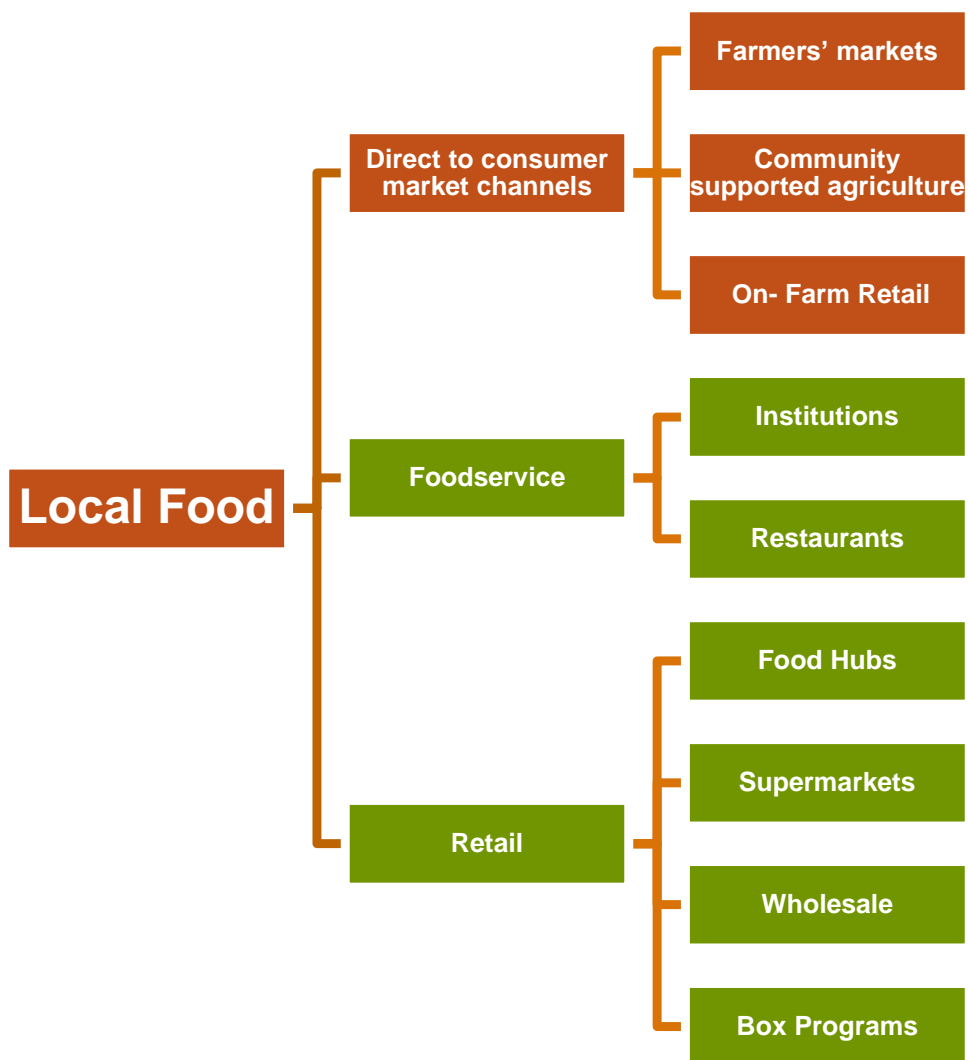
Channel	2016	2017
Farmers' Markets	\$753.7 M	\$858.8 M
On-Farm	\$279.3 M	\$371.4 M



Local Food Purchase Influencers

Influencers





What is Farm Direct Marketing?

- trust relationship between producers and consumers
- producer has accountability and rewards of delivering food products directly to the consumer
- involves consistently supplying quality products in a clean, customer-friendly environment

Benefits of Selling Direct

- no “middleman”
- more profit for producer
- market demand focus
- grow products to meet demand
- “pull” vs “push”
- price setter vs price taker



Barriers to Buying Local

- Lack of availability, seasonality
- Affordability
- Limited variety, selection
- Information & labelling
 - Why and where to buy
 - Ingredient list
- Convenience



Research and Consulting Inc.

Report on local food demand in the
Edmonton Region

Alberta Agriculture and Forestry
January 2016



Roadside Stand/ Farm Gate Sales

- Located on or near the farm
 - Often seasonal
- Staffed or honour system



Roadside Stand/ Farm Gate Sales

- **Advantages**

- low overhead
- expansion to a farm store or u-pick is relatively simple
- little or no transportation costs



• Challenges

- rely on word of mouth or drive-bys
- AHS inspected storage facility/units may be required
- AHS inspected vehicle (meat)



Pick Your Own/U-Pick

- Produce sales
- Customer does the harvesting



Pick Your Own/U-Pick

• Advantages

- less seasonal labour
- no transportation, processing, packaging & storage costs
- easy to expand
- sell the experience AND fresh product
- WOM advertising once customer base established



Pick Your Own/U-Pick

- **Challenges**

- risk of loss/damage
- site management
- long hours in season
- weather
- harvest notification
- increased costs



Farm Store/Farm Retail

- Permanent version of the roadside stand
 - May operate year-round
 - On the farm or on a nearby site



Farm Store/Farm Retail

- **Advantages**

- simple to high-end
- permanent structure
- opportunity for family or local employment
- opportunity for additional profit centres



Farm Store/Farm Retail

- **Challenges**

- higher operating costs, including facility costs
- possible zoning and planning restrictions
- parking limitations
- inventory in stock
- location



Farmers' Market

- Oldest, most common form of direct marketing
 - Make, bake grow philosophy
 - Farmers' Market or Public Market?



Farmers' Markets

- **Advantages**

- minimal marketing, packaging, advertising and promotion costs
- established market base
- test market new products
- unique status for approved markets
- insurance



Farmers' Markets

- **Challenges**

- need to transport products to market
- limited consumer volume per site
- limited hours/seasonal
- weather impacts customer traffic
- food safety concerns



Community Supported Agriculture (CSA)

- Consumers buy shares in advance
- Producers commit to supply a range of products over the entire season





www.csaalberta.com

SUMMER'S GOLD



Community Supported Agriculture (CSA)

- **Advantages**

- risk shared
- crop pre-sold before growing season starts - working capital is created at planting time
- reduced labour costs
- crop waste is reduced through market driven production



Community Supported Agriculture (CSA)

• Challenges

- increased management requirements
- increased time necessary to identify and develop customer base
- more time spent educating and communicating with consumers



Buying Club/ Home Delivery

- Product is pre-sold
- Delivered to consumers at a common location, on specific dates



Farm Direct vs Wholesale

Farm Direct Advantage

- Smaller packages
- Higher cost of sales
- Higher packaging costs
- More time selling
- **BETTER CUSTOMER KNOWLEDGE**

Wholesale / Retail Advantage

- Larger scale
- Fewer sales
- Lower cost per sale
- Less time selling
- **LESS CUSTOMER RELATIONSHIP**

- **Advantages**

- steady market through production season
- contact with buyer
- product flexibility
- brand name recognition



- **Challenges**
- location matters
- frequent deliveries
- selling entire animal
- product consistency critical
- being able to produce enough
- cost constraints



Direct to Retail

- **Advantages**
 - Larger market
 - Contract option
- **Challenges**
 - Independents
 - Cost cutting efforts
 - Negotiating price
 - Production quantity




• Advantages

- your location doesn't matter
- open 24/7, rain or shine

• Challenges

- logistics
- costs
- shipping outside Alberta



<p>HUMANELY RAISED CHICKEN</p> <p>We give our chickens time to grow and develop. We follow a rigorous set of government guidelines that monitor our animal safety and health. Buying from a dedicated producer, you can feel good about what you serve on the table!</p> <p>></p>	<p>PREMIUM NUTRITION</p> <p>Our chickens are raised free run in the fresh air, no medication and no hormones. They are fed only homegrown grain, with no animal or soy products. We strive to grow healthy, happy birds that in turn give you taste and nutrients.</p> <p>></p>	<p>BUY ONLINE & BUY LOCAL</p> <p>You can order ONLINE, arrange for a convenient drop off location or shop at our Farm near Stettler, Alberta. L.P. Farm Fresh Chicken products are also available in Co-ops and other select retailers in Calgary and Red Deer. Check our Shopping page for a complete list of retailers!</p> <p>></p>	<p>SHOP AT THE FARM</p> <p>We invite you to visit Lone Pine Colony Farm to buy or pick up your L.P. Farm Fresh Chicken products. Open Monday to Saturday from 9:00 a.m. to 4:00 p.m. Call us (403) 742-3454 ext. 274 or 298 for info. See you soon!</p> <p>></p>
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- **Advantages**
 - focus on growing
- **Challenges**
 - broker
 - product quantity
 - price taker
 - costs and fees
 - margins



Regulations



- Farm direct marketers are NOT exempt
 - More than just the Food Regulation
- **Different requirements** for approved farmers' markets vs other market channels

Know the Regulations

- AF Publication collection
 - General Legislation (federal and provincial)
 - Food Labels
 - Food Claims
 - Meat and Meat Products
 - Poultry and Poultry Products
 - Fruits, Vegetables and Products
- Available online and in print
- [http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex13504](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex13504)

- Federal: Department of Justice

<http://laws-lois.justice.gc.ca/eng/index.html>

Click on Consolidated Acts or Consolidated Regulations in left sidebar

- Provincial: Queen's Printer

http://www.qp.alberta.ca/Laws_Online.cfm

Either type in the title or select List All Acts/List All Regulations

Food and Drugs Act

- Federal → applies to ALL food sold in Canada
- Protects against health hazards and fraud
 - ensures food is safe
 - ensures ingredients are disclosed
 - prevents false or misleading messaging
 - standard foods
- Sale = trading, bartering and giving without expectation of compensation
- Illegal to sell unpasteurized milk anywhere in Canada

Labelling – the basics

- Food and Drugs Act AND the Consumer Packaging and Labelling Act cover labelling for **pre-packaged** foods
- Canadian Food Inspection Agency (CFIA) enforces labelling
- If you package it – Label it!
- www.inspection.gc.ca
 - Food → Labelling → Industry Labelling Tool

Industry Labelling Tool

Core
Labelling
Requirements

Claims &
Statements

Food Specific
Labelling
Requirements

Core Labelling Requirements

Common Name

Identity & Principle Place of Business

List of Ingredients & Allergens

Net Quantity

Date Markings & Storage Instructions

Nutrition Labelling – unless exempt

Bilingual Labelling – unless exempt



Safe Food for Canadians Act

- Passed into law in 2012
- Regulation anticipated for Spring 2018
- Consolidates:
 - Fish Inspection Act
 - Canada Agricultural Products Act
 - Meat Inspection Act
 - Food provisions of Consumer Packaging & Labelling Act
- For information: www.inspection.gc.ca
 - About the CFIA → Acts and Regulations → Regulatory Initiatives → SFCA → Proposed Safe Food for Canadians Regulations

- Canadian Food Inspection Agency
 - www.inspection.gc.ca
 - North of Innisfail/Bowden 780-395-6700
 - South of Innisfail/Bowden 403-299-7680

Alberta Regulations

- Alberta Public Health Act & Food Regulation (AHS)
- Bee Act (Agriculture & Forestry)
- Honey Grading Regulation (Agriculture & Forestry)
- Purchase & Sale of Eggs and Processed Egg Regulation (Agriculture & Forestry)
- Dairy Act (Agriculture & Forestry)
- Meat Inspection Act (Agriculture & Forestry)
- Marketing of Agricultural Products Act (Agriculture & Forestry)

Marketing of Agricultural Products Act

- Marketing Boards: supply managed commodities
 - Quota Exemptions
 - Broilers – less than 2000 birds/year*
 - Turkeys – less than 300 turkeys/year*
 - *END CONSUMER ONLY
 - Milk – producing less than 50 litres **cow's** milk/day
 - Eggs – less than 300 laying hens
- Marketing Commissions
 - help with the marketing of the commodity and do not deal with production

Interprovincial Sales

- Must follow federal regulations unless:
 - Non-federally registered products
 - e.g. infant foods, alcoholic beverages, bakery products, cereal products
 - May be marketed intra-provincially or inter-provincially

Non-Food Regulations

- Cosmetic Regulations
 - Must register “recipes” with Health Canada
 - <http://www.hc-sc.gc.ca/cps-spc/cosmet-person/regulations-reglements/index-eng.php>
- Textile Regulations
 - Textile products must also be labelled
 - Generic name of each fibre present
 - Dealer’s full name and postal address or a CA identification number

Associations

- **AFFPA**
- albertafarmfresh.com



"Bringing fresh, healthy, local food and farm experiences to Alberta communities by connecting local farms and local people."



- **AFMA**
- albertamarkets.com
- **Organic Alberta**
- organicalberta.org



Resources: Equipment

- Costco – canopies, tables, shelving, etc.
- Blank labels – Staples, Grand and Toy or stationery supply store
- Clear plastic bags –
 - www.sysco.ca
 - <http://www.gfscanada.com/en/service-areas/edmonton>
- Dollar stores
- Discount fabric stores
- Egg cartons – South Country Livestock - Lethbridge
- Impact canopies – www.impactcanopy.com
- Moneris, Square, etc. - handheld debit/credit machines
- Restaurant Equipment and Supplies –
 - www.hendrixequip.com <http://www.russellfood.ca/catalogue.htm>
 - <http://www.hesco.ca/> www.classicpkg.com

- Disposable gloves
 - http://www.diamed.ca/extra_info_pages.php?pages_id=12
 - <http://www.greggdistributors.ca> www.acklandsgranger.com
- Food grade plastic totes
 - Shippers Supply Inc.: www.shipperssupply.com
 - Johnston Equipment Co. Ltd.: www.johnstonequipment.com
- Farmers' Market Decision Making Tool – pages 15-16
- www.agriculture.alberta.ca ➔ Directories ➔ Services for Agri-Processors and Producers

- Agriculture & Forestry website
 - www.agriculture.alberta.ca
 - Directories: <http://www.agric.gov.ab.ca/app21/loadir>
 - Agricultural Processing Industry Directory
 - Obsolete Parts
 - Services for Agri-Processors and Producers
 - Used Food Processing Equipment



- **Explore Local**
 - explorelocal.ca
 - Upcoming events
 - Newsletter
 - Research
 - Marketing
 - Links
 - Related microsites
 - Associations

Resources

The screenshot shows the Explore Local website. At the top, there's a navigation bar with links for 'Contact Us', 'External Access', and 'Using this Site'. Below this is the 'Alberta Agriculture and Forestry' header. The main banner features the 'explore local' logo on the left and three images on the right: a bowl of soup, a person in a greenhouse, and a display of fresh vegetables. A secondary navigation bar includes links like 'About the Ministry', 'Agriculture', 'Forestry', 'Find Staff', 'Decision Making Tools', 'Directories', 'General Store', and 'Maps & Multimedia'. The 'Agriculture' link is highlighted. Below this is the 'Explore Local: Home' section. On the right, there's a link for 'Agri-News This Week'. A horizontal menu bar contains 'Home', 'Selling Local', 'Tools & Resources', 'Research', 'Events', and 'Links', with 'Home' being the active page. The main content area is divided into two columns. The left column, titled 'Welcome', contains text about the organization's mission and a quote from the Minister of Agriculture. The right column, titled 'Explore Local Spotlight', lists several news items with links to 'Local Food Producer Profiles', 'A Food Policy for Canada' consultations, 'Coliseum Area Redevelopment', 'Lepp Farm Market' webinar, and 'Kuhlmann's Market Garden'.

Alberta.ca > Agriculture and Forestry

Alberta Agriculture and Forestry

explore local

Alberta.ca > Agriculture and Forestry

About the Ministry Agriculture Forestry Find Staff Decision Making Tools Directories General Store Maps & Multimedia

Explore Local: Home

Agri-News This Week

Home Selling Local Tools & Resources Research Events Links

Welcome

Explore Local provides support to Alberta's local food producers and processors who market their products direct to consumers.

We are a multi-disciplinary team of professionals focused on connecting people and businesses through information, learning opportunities, coaching, monitoring and advocacy.

Alberta's local food market is vital, prosperous and ever-expanding. Let us help you take full advantage of the opportunities available.

Explore Local Spotlight

- Check out our newly updated [Local Food Producer Profiles](#) - highlighting some direct to consumer local food businesses.
- Canadians are being asked about which food issues matter to them via the launch of "A Food Policy for Canada" consultations. Learn more about the consultation and the focus of the process at www.canada.ca/food-policy.
- The City of Edmonton is starting public engagement on the [Coliseum Area Redevelopment](#). Among other things, they will examine food systems/food security and urban agriculture opportunities. Get involved! Have your say!
- Customers want to hear your story. For tips on how to do this well, watch our previously recorded webinar with [Lepp Farm Market](#).
- Staff are the backbone of your business. Watch our You-Tube video on how [Kuhlmann's Market Garden](#) work with their staff to create a memorable experience for their customers.

Christine Anderson

Local Foods Specialist

christine.anderson@gov.ab.ca

780 968-3514