

FEASIBILITY ASSESSMENT

Township of Langley Food Hub

*Township of Langley Food Hub Feasibility Assessment –
Phase 1: Community Context for a Food Hub in the Township
of Langley*

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Prepared for:

Township of Langley Agricultural Advisory Committee

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1. Community Context for a Food Hub in the Township of Langley

1.1. Purpose of this Study

The purpose of this study is to build on the existing technical work and community and stakeholder dialogue around establishing a food hub for the Township of Langley (ToL) and ask the question: *Is a food hub feasible? If so, how? If not, why not and under what conditions would it be feasible?* The National Good Food Network in the US (a leader on food hubs) describes food hubs as¹:

A regional food hub is a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand.

To this end, the study will explore and test the overall feasibility, food hub model (i.e. functionality based on need), key players and governance systems, and other key feasibility aspects of a food hub for Langley. Through best practice research, stakeholder engagement, and technical analysis, this study will ultimately recommend whether or not a food hub in Langley has broad support, can address current needs on the supply and demand side, and has the potential to attract the required investment and physical infrastructure.

1.2. Fertile Ground for a Township of Langley Food Hub

1.2.1. Agriculture in the Township of Langley

The Township of Langley farming sector generates \$257 million per year, a 20 year increase of 120%, making it the 3rd largest agricultural economy in BC. Three quarters of the Township's 316 square kilometers is in the Agricultural Land Reserve.

The average farm size is approximately 10 hectares (23 acres) with the majority of farms less than 4 hectares (10 acres). While there are fewer opportunities to develop viable farm operations on small lots, developing opportunities for small lots will have to be a priority moving forward in expanding the agri-food industry.

Langley farms produce a significant portion of the region's food supply. The climate, resources and proximity to Vancouver are very positive factors for the long term health of agriculture in the Township. The strength and resilience of the Langley agricultural industry will not only contribute to regional food security by producing more food that is bought and eaten locally, but also continue to be a major economic driver for the region.

¹ <http://www.ngfn.org/resources/food-hubs#section-3>

1.2.2. Types of agricultural businesses that a food hub can support

A large part of the Township's farming revenue is generated from the wholesaling of primary farm product within the local region as well as outside of it. However, there is another growing sector that generates revenue from the direct sales of primary and processed farm product, predominantly from small and medium sized farms, within the local regional market. The Agricultural Viability Strategy profiled business types within this sector:

- **Regional Farmers' Markets:** As of 2010, there are farmers markets every day of the week within the Lower Mainland. As such, farmers have an opportunity to bring their product to market in a direct sales environment. It is highly likely that direct sales opportunities such as farmers markets will continue into the future.
- **On-Farm Processing:** In the Township of Langley 1% of the ALR parcels have value added agricultural activities and 57% of all these activities create products for sale². Value-added agriculture is an important component of sustainable agri-food development and, similar to direct sales, allows the farmer to incrementally increase their margin and revenues with the product they grow.
- **Non-Farm Processing of Local Products:** In 2010 there were just six non-farm processing sites in the Township of Langley (as defined by the Fraser Valley Farm Direct Marketing Association – FVFDMA). Processing includes baked goods, wine, drinks, meat, seafood and eggs.
- **Agri-Tourism Destinations:** In 2002 culture and heritage tourism was estimated to generate 130 full time equivalent jobs in the Township³. A culture and heritage tourism inventory⁴ listed more than 40 agri-tourism assets, ranging from specific farms to vineyards and wineries, nurseries, greenhouses, apiaries and gardens.
- **Value-Added Agricultural Activities:** The 2007 inventory indicates that most value-added activity comes from farm related products with 44 parcels found active in this type of operation, accounting for 40% of all value added activities⁵. The berry industries are a large component of the Township of Langley's value added-industry. As of the 2006 Census on Agriculture, Langley was home to six wineries.

Most of the above business types over the past 15 years have seen an increase in activity and reflect the popularity and importance of small and medium sized agricultural production for the region. Further trends in the next section further highlight a more recent growth and demand.

² Langley Agricultural Viability Strategy – Phase 1 (AVS1)

³ Grant Thornton, Township of Langley, *Tourism and Heritage Inventory*, 2003.

⁴ Grant Thornton, Township of Langley, *Tourism and Heritage Inventory*, 2003.

⁵ Agricultural Viability Strategy Phase 1: Township of Langley Agricultural Profile December 2011 HB Lanarc

1.2.3. Demand for locally produced food from the local region

With nearly 3 million people living within a 2 hour drive of the Township of Langley and the increase in demand for locally produced food it is widely acknowledged by industry, non-profit local food advocates, and government that there is a large opportunity for direct sales of farm product within the local region from small and medium sized farms. Four key indicators highlight this:

1. The 2014 hottest restaurant trend in Canada, the fourth year in a row, is “Locally produced and locally inspired dishes”.⁶
2. A 2012 survey identified 85% of British Columbians frequently buy local vegetables.⁷
3. The number of BC farmers’ markets have increased by 147% in the past 6 years.⁸
4. Gate receipts for farm product in the Township of Langley have increased by ~120% from \$118 million in 1991 to \$257 million in 2006.⁹

In fact, to further build this demand in 2013 the BC Ministry of Agriculture launched the “Buy Local Program” to “lead the agri-foods sector growth into a \$14-billion-a-year industry by 2017”. This is a 28% increase over the industry’s 2011 gross receipts.¹⁰

1.2.4. Gap in infrastructure for small and medium sized local producers

While the growing demand for local food is good news for the industry, supplying this demand poses a challenge. As identified earlier in the report small and medium sized farms find that the lack of suitable processing, storage and distribution creates a barrier to sell their local products even though the demand is there. This lack of infrastructure also hampers their ability to grow their business: expanding sales to new buyers and increasing production on their lands.

With the right investment in agricultural infrastructure that supports the direct sales of agricultural product to the local regional market, the community has great potential to increase its farm gate receipts, provide community and professional farm education resources, develop the local economy and create additional local long-term jobs by linking local products with regional markets.

⁶ . National Restaurant Association’s (NRA) annual “What’s Hot” culinary forecast 2014

<http://www.restaurant.org/Downloads/PDFs/News-Research/WhatsHot/What-s-Hot-2014.pdf>

⁷ 2012 BMO study <http://newsroom.bmo.com/press-releases/bmo-survey-canadians-willing-to-pay-a-significant-amount-for-local-products>

⁸ Economic and Social Benefits of Farmers’ Markets November 2012. Dr. David Connell, UNBC and BCAFM.

⁹ Agricultural Viability Strategy Phase 1: Township of Langley Agricultural Profile December 2011 HB Lanarc

¹⁰ http://www2.news.gov.bc.ca/news_releases_2013-2017/2014AGRI0022-000869.htm

1.2.5. How elements of a food hub could begin to meet the demand and fill the infrastructure gaps

Stakeholder consultation with farmers in 2011¹¹ identified a lack of agricultural infrastructure within the region. Participants in the survey suggested developing a “Langley Food Hub” to fill this gap with the following elements:

- an agri-industrial park to encourage investment in food processing facilities with an emphasis on local economic value chain, local food production and local food processing;
- an agri-complex to act as a “centre of excellence” for agricultural education, exhibition, food processing and value-add production;
- a demonstration farm; and
- a permanent farmer’s market.

Participants in the survey also suggested ways how a food hub could support the local agricultural community by getting people interested in farming, sustainability and local food production.

- Build a centralized agri-complex that could act as a community centre, an education hub, an exhibition hall, a museum and historical centre, and a local food hub providing a one-stop shop for food production, marketing and sales. The complex would be a “meeting place” for the farmer and the consumer. In addition, it would provide office/meeting space for local agricultural groups allowing for knowledge sharing and community building.

As well as;

- Brand Langley agriculture: participants identified farmers markets, farm tours, and harvest festivals as key ways to educate people about local food production and farm practices,
- Promote community gardens in urban areas can lead to increased awareness about food systems and the importance of local agriculture.

1.3. A Brief History of the Food Hub Process to Date

As agriculture is a major economic component of the Township over the years the municipal government has set out to protect and support the industry:

- In 1993 The Langley Rural Plan was adopted to be more responsive to agricultural issues and to build a rural land use vision that pro-actively supports the agricultural sector.
- In 2000 the Agricultural Advisory Committee was formed to establish and maintain communication between the rural/agricultural community and Township Council regarding agricultural issues.

¹¹ Langley Agricultural Viability Strategy – Phase 2 (AVS2)
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- In December 2011 the Township of Langley Agricultural Profile (Agricultural Viability Strategy Phase 1) was prepared by HB Lanarc and From The Ground Up Rural Resource Consultants Inc.
- In July 2011 Public and Stakeholder Consultation exercises were done (AVS Phase 2) to help develop the AVS.
- In 2012 council endorsed the Township of Langley Economic Development Strategy, which devotes a section to agriculture. Specifically, there is a goal to support sustainable economic development that strengthens the agricultural economy and preserves the rural character. Several broad objectives have been adopted to achieve this goal, including investigating the establishment of an agri-industrial park and support new and existing agricultural businesses.
- Township of Langley is one of a number of institutions that is sponsoring a Kwantlen University study on Southwest BC Bio-region Food System design project¹². One component of the study is looking at local food distribution.
- In July 2013 The Township of Langley Council unanimously endorsed the Agricultural Viability Strategy, developed by Don Cameron Associates and the Agriculture Advisory Committee. The strategy *“was designed to enhance the viability and sustainability of agriculture and position agriculture in the Township for growth and further economic development”*. The vision of the plan is *“The Township of Langley supports agriculture while fostering and encouraging sustainable and viable production. Farmers are respected and appreciated for their contributions to the community and its citizens”*.
- In May 2014, Darren Stott from Greenchain Consulting presented to the Township of Langley Agricultural Advisory Committee on the findings from a feasibility research project, with FarmFolk CityFolk, looking at food aggregation/distribution opportunities for small and medium sized farms across Southern BC.
- In 2014 the AAC agreed to support this food hub feasibility study as the first formal step looking at a food hub for the region.

1.3.1 The Agricultural Viability Strategy

The AVS has a total of 4 core strategy areas, with two that are directly relevant to the context for a food hub:

- 2.1 Providing a welcoming business environment for farming.
- 2.2 Providing the required services and infrastructure.

¹² <http://bcfoodsystem.com/>
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Working within these strategy areas, several key AVS initiatives relate to the development of a food hub in the Township. The table below summarizes relevant parts of the AVS as key background:

Initiative	How a food hub can support it
2.1.4 Promotion of agriculture	Create additional jobs indirectly and directly.
2.1.11 Agri and culinary tourism	Provide an additional location that houses multiple agricultural businesses that visitors can visit and interact with.
2.1.12 Education & training	Provide additional space for workshops, seminars etc. on agriculture. Enhancing the culture around food and agriculture for local residents.
2.2.5 Processing and Value-Added	Provide needed infrastructure (e.g. commercial kitchen, storage and on-hand expertise) in one central location so businesses can process and value-add locally grown food.
2.2.6 Farmers' markets	House an indoor/outdoor market at the food hub.
2.3.1 Protection of agricultural land	Increase the profitability and financial sustainability of small and medium scale farming.

The AVS further highlights other steps to consider for the study and development of a food hub:

- Appropriate land in the Agricultural Land Reserve in the Aldergrove area may be available for such a hub. The Township also has industrial space available that could be considered for the location of a food hub.
- Document emerging food hubs that may be occurring in other jurisdictions.
- Consult stakeholder groups to review opportunities and financing options for the development of a food hub including;
 - Economic Development Department (EDD)
 - BC Ministry of Agriculture (BCMA)
 - Langley Sustainable Agricultural Foundation (LSAF)
 - Agricultural Advisory Committee (AAC)
 - Economic Development Advisory Committee (EDAC)
 - Investment Agricultural Foundation (IAF)
 - The farming community.
- Review functions and financial models for a food hub.
- Undertake planning process aimed at providing resources, land and infrastructure needed for food hubs.

1.4 Objectives and workplan of this study

This study has three key objectives:

1. Determine if there is a food hub model that would be feasible and broadly supported in the Township,
2. Engage stakeholders, specifically those that are investing in the food hub, in identifying the form and function of the food hub,
3. Undertake research and review of best practices from North America to establish a knowledge foundation for the dialogue.

The objectives of the study will be covered by the following work plan:

Phase 1 Community context for a food hub in the Township of Langley – Provide an overview of the context of the project, how the concept was initiated, what has been done to advance the concept and what are its long term vision and benefits for the community.

Phase 2 Develop the food hub concept and identify initial levels and types of interest - Compile previous research on food hub best practices and needs of local food producers and buyers. Propose 2 to 3 food hub models based on feedback from local stakeholders and identify potential local partners.

Phase 3 Test feasibility of food hub options for Township of Langley – test financial and operational feasibility of the food hub concepts and make practical recommendations on a food hub and its components.