

# LOCAL FOOD AND BEVERAGES STRATEGY

INCREASING AWARENESS, AVAILABILITY, AND SUPPORT FOR  
THE NEW BRUNSWICK FOOD AND BEVERAGE SECTOR  
2016-2018



BUY·ACHETEZ NB



# BUY·ACHETEZ NB

Local Food and Beverage Strategy

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## MESSAGE FROM THE MINISTER



In New Brunswick, we are fortunate to live in a part of the world that offers great opportunities to feed ourselves. Our coastlines are home to a wide variety of shellfish and finfish species, and the fisheries and aquaculture sectors they support form the economic and social heart of many communities. New Brunswick has a large amount of land used to produce a variety of agricultural products, such as potato, dairy, livestock, maple and blueberries as well as cereals, vegetables and other fruits. Highly productive land in New Brunswick is relatively affordable, and water, a key consideration, is abundant. We are seeing interest from new entrants to the sector, including young farmers and recent immigrants, which should be supported and encouraged.

We are taking action and by working together we will reach our objectives. Initiatives aimed at the promotion of local food and beverages have been identified as key opportunities for growth in the New Brunswick Economic Growth Plan. New Brunswick households spend \$2.6 billion on food each year. Much of that food is produced elsewhere. Imagine the impact on our GDP if even a quarter of it was produced right here at home!

We consulted and listened to industry stakeholders and New Brunswick. We know there is a strong desire throughout the province to provide healthy food to our families and to know where that food comes from. Increasing consumer awareness of locally produced foods and beverages will help drive production and availability, while retaining and growing the capacity to feed ourselves will support the rural economy.

Initiatives aimed at supporting the purchase of local foods by vulnerable and food-insecure individuals and families are improving access to healthy and sustainable food, while increased exposure to local products in younger generations is helping develop healthy habits that will bring lifelong benefits. By promoting province-wide availability of local products through shortened market channels such as farmers markets, community-sponsored agriculture and farm stands, we are encouraging a sustainable, community-oriented distribution system.

It is well known that minimally processed food is beneficial for human health. Increasing awareness and availability of New Brunswick foods, particularly fruits and vegetables, could contribute to the development of good eating habits and translate to reduced pressure on health care.

Finally, by relying more on local production for a larger share of our food consumption, we are reducing our impact upon the environment by reducing the energy required to get food onto our plates.

These are among the many reasons we are bringing forward a local food and beverages strategy for New Brunswick. Enabling New Brunswickers to make informed decisions regarding purchases of local foods, beverages and products contributes to growing our provincial economy, creating jobs and supporting and fostering growth in our diverse food and beverages industry. We are committed to working together to reach these goals and unite our strengths to capitalize on growing market opportunities locally and internationally.

A handwritten signature in black ink, appearing to read 'R. Doucet', with a long horizontal flourish extending to the right.

Rick Doucet  
Minister of Agriculture, Aquaculture and Fisheries



# PURPOSE AND OBJECTIVES

In 2014 the Government of New Brunswick committed to “develop a local food and beverages strategy to assist growers and producers in developing their products and getting them to market, including a focus on succession planning for farmers.”

This strategy and its implementation is the fulfillment of this commitment, but will touch only tangentially on succession planning for new farmers entering the industry. While its focus will be upon food derived from agriculture, New Brunswick’s successes in the fish, seafood and beverage sectors will be included as well.

With local food identified as a key opportunity in the New Brunswick Economic Growth Plan, the Government of New Brunswick is anticipating incremental business investment and job creation, leading to a sustained boost in GDP.

This strategy defines government’s mandate and role in growing opportunities for the producers, processors and consumers of local food and beverages in New Brunswick.

## Local food represents different things to different people:

- Small business or diversification opportunities for new or growing enterprises;
- Import replacement to reduce our carbon footprint;
- Increased focus on fresh fruit and vegetables for a healthy diet and a healthier populace;
- Healthy and sustainably produced food available to food-insecure individuals;
- A boost to rural communities and/or reversal of urbanization trends;
- A population that is more informed about and supportive of agriculture, aquaculture and fisheries;
- Increased economic activity for the province, leading to a sustained boost in the GDP.

Some of these perceptions can be in conflict at times. For example, it can be difficult for a small, local farm to produce food as cheaply as food that is imported, so financially challenged consumers may not always be able to afford to buy locally.

Processed food, in particular, requires large processing facilities to drive down their production costs, and the local market alone is usually not large enough to justify such scale.

This strategy attempts to strike a meaningful balance to promote local food and beverages production and marketing while not detracting from the significant opportunities driving the mainstream food and beverage sectors.

## In doing this it will address the following three objectives:



IMPROVED CONSUMER AWARENESS OF LOCAL FOOD AND BEVERAGES



IMPROVED AVAILABILITY OF LOCAL FOOD AND BEVERAGES



IMPROVED SUPPORT FOR NEW OR EXPANDING FOOD AND BEVERAGE ENTERPRISES

These will be discussed further after providing a snapshot of the current situation in the province.

# CURRENT STATE OF NEW BRUNSWICK'S FOOD AND BEVERAGE SECTORS

In 2014, New Brunswick's agricultural and marine sectors brought in nearly \$1 billion in sales at the primary (farmer/fisherman) level.

## Food

New Brunswick households spend \$2.6 billion on food each year. Much of that food is produced elsewhere (the total GDP contribution from food – wholesale/retail/restaurants – is about \$1 billion per year). Promoting consumption of locally produced food and beverages can contribute to GDP growth due to import substitution.

In 2014, New Brunswick's agricultural and marine sectors brought in nearly \$1 billion in sales at the primary (farmer/fisherman) level. The agriculture and agri-food sector consists of about 2,600 farms of varying sizes with about 140 processing plants (the latter generating sales of more than \$1 billion) while the marine products sector (aquaculture and fisheries) generates annual revenues of \$1.5 billion with more than 108 plants active in this sector. In terms of employment, the combined sectors generate approximately 17,700 jobs across the province, with about 10,600 of these in processing facilities. Of that number, 6,100 fall under agriculture, 320 under aquaculture, and 4,200 under fisheries.

The New Brunswick Department of Agriculture, Aquaculture and Fisheries (DAAF) has created a food self-sufficiency model which extrapolates national food consumption data to New Brunswick consumers and combines that with annual agriculture production data to provide an estimate of New Brunswick's ability to feed itself. Note this is only an approximation, since many New Brunswick commodities are processed elsewhere before re-entering the province as finished food products.

### That said, the highlights of this model are revealing:

- **Supply-management** (the domestic market-sharing system in Canada) has ensured 100 per cent self-sufficiency in **milk, eggs, chicken and turkey**. While it may be difficult to start farms in these established sectors or to set up supply-managed systems for new commodities, this system is a source of

prosperity in many rural areas and for maintaining a safe, secure supply of staple food products for New Brunswickers.

- For New Brunswick's export commodities, such as **potatoes, wild blueberries, maple syrup and seafood**, we are generally over 1000 per cent self-sufficient. Given the small market in New Brunswick when compared with the rest of the world, it makes sense for these producers to focus upon export markets. However, opportunities remain for improved local sales so that New Brunswickers can benefit from these nutritional products.
- Even when one considers that we have a short production season for a product that doesn't always store well, New Brunswick is far from self-sufficient in **vegetable** production, at only eight per cent. While data from home gardens and farm market sales of vegetables are not included in the model, it is still evident that we have lost production over many years as cheaper imports have entered the wholesale/retail marketplace more and more.
- Self-sufficiency in **beef** (21 per cent), **pork** (20 per cent) and **grain** (57 per cent but largely used for livestock feed) are similarly low for New Brunswick, in part because of reliance upon imported feedstocks with higher transportation costs. It is often cheaper to transport the finished product than to transport the much larger volumes of inputs, such as livestock feed.

These numbers would suggest there exists an opportunity to grow the volumes produced in these primary sectors and move them towards local markets and processing.

While growing the food sector is at the forefront of this strategy, it must be noted that food premises must operate with the appropriate license and adhere to provincial (**New Brunswick Department of Health**) and federal regulations (**Canadian Food Inspection Agency (CFIA)**) when deemed necessary.

## Beverages (Alcohol)

Over the last 10 years, New Brunswick has seen a significant increase not only in the number of producers but the pace of development in the small-scale alcoholic beverage sector. There are 18 licensed Cottage Wineries, 21 microbreweries, five cideries, three distilleries and five Grocery Wine Pilot stores currently operating in the province. As demand grows, so does the incentive for new entrants and for the expansion of current operations.

For the wine sector, there has been significant advancement in the quality and diversity of grape varieties suited to production in New Brunswick's relatively harsh climate. Consequently, the quality and diversity of the product local vintners are now able to produce from New Brunswick grown grapes has seen a rapid increase, to the point that award-winning products are now regularly capturing national and international attention. Expansion of existing wineries, opportunities for contract growers of grapes and new non-grape wines based upon other fruits grown in New Brunswick indicate significant potential for growth.

While not included in the DAAF food self-sufficiency model, it appears that, with only 1.3 per cent market-share for New Brunswick wines in the Canadian market (versus 2.2 per cent of the population) New Brunswick wines have room for growth in the local market. Further, per-capita consumption of wine in New Brunswick is 9.4 litres, well below the national annual average of 16.9 litres.

Microbrewery products account for approximately three per cent of the provincial beer market. New Brunswick's craft microbreweries are capable of meeting about 30 per cent of that demand, meaning that there is a potential for growth in this sector to meet local demand. In 2015, direct and indirect economic spinoffs of the microbrewery sector amounted to \$8.3 million annually. Moreover, cider and spirits are becoming increasingly popular in New Brunswick and abroad, showing potential for growth.

While this strategy includes some actions to grow this sector, it must be noted that, as a regulated product associated with public safety considerations, **the final authority rests with Alcool NB Liquor.**





## WHAT WE HEARD

Throughout 2015, the Department of Agriculture, Aquaculture and Fisheries (DAAF) conducted consultations with producers and processors, retailers, advocacy groups and consumers (general public) of local food in New Brunswick to gain a broad perspective of the interests, opportunities and challenges surrounding this industry.

### Buy Local Survey

A Buy Local Survey was conducted by DAAF from July to October 2015 to gauge the public's interest in and perspective of the local food and beverage sector in New Brunswick. The survey was either conducted in person at various local food venues and events, or was completed online by interested participants. While the participants could be considered to be already supportive of buying local, the response (**2,156**) and general trends are informative.

#### In general:

- Respondents tended to be from 25-to-54 years old;
- They define “**local**” as food produced in New Brunswick;
- When they buy local it is to support the local economy, to obtain fresher food and to know where their food comes from; and
- Those that do not buy local food indicate it is because the quality is not better, it is less available and the price is too high.



#### More specifically:

- Most respondents indicated fruits and vegetables to be the main local products they purchase;
- Fewer respondents realize their purchases of eggs, chicken and dairy products are almost exclusively local;
- Some respondents indicated they also purchase local meat and seafood;
- A majority of respondents said they purchase local food and beverage weekly, while some only purchase seasonally; and
- The majority purchase local products at farmers markets although other sources are sometimes found.

Respondents' recommendations to grow the local food and beverage sector are captured in the **Objectives and Action Plan** section of this strategy.



## Other stakeholder discussions

Additional information, obtained in part through interviews with producers, industry associations, agricultural cooperatives and environmental advocacy groups, was pulled together to create the following list of opportunities and barriers facing the local food and beverages sector.

### Opportunities:

- Make more use of suitable land – estimated at 50 per cent overall, only five per cent of New Brunswick land is currently farmed;
- Tie local food and beverage sectors to culture and tourism events in New Brunswick;
- Make it easier to identify New Brunswick products as New Brunswick products;
- Improve promotional efforts for New Brunswick products including events at farmers markets;
- Encourage procurement for local food in public institutions and promote agriculture in schools; and
- Encourage local food production as an entry point to the sector for new entrants and immigrant enterprises.

### Barriers and issues:

- Starting or expanding farm and fishing enterprises is expensive and most financial institutions require quicker payback;
- Regulations and retail certification requirements are extensive in the food and beverage sector;



- Private land tends to stay in families long after they leave farming, making it difficult to access land for new farmers;
- Aging demographics amongst farmers/fishermen (as in the rest of the population);
- Workers are difficult to attract to food businesses and some government programs act as a disincentive for seasonal workers;
- Lack of federally-inspected processing facilities, particularly for beef, pork and lamb, due to the sectors' small scale; and
- Access to traditional wholesale/resale chains is difficult to navigate even when local product can be price-competitive with imports (chains are often opposed to local label programs).

The **Objectives and Action Plan** that follows, reflects many of the themes presented in preceding discussion. It should be noted that the development and implementation of this Local Food and Beverages Strategy is not possible without cross-departmental cooperation within government.

The Department of Education and Early Childhood Development, the Department of Health, the Department of Social Development, the Department of Tourism, Heritage and Culture, and Alcool NB Liquor all have contributed.

Each department has defined their priorities, commitments and vision with respect to the production of, and access to, local food and beverages as each relates to their policies, programs and ultimately the stakeholders which they serve.

The background of the page is a dark blue grid of rounded squares. Each square contains a white line-art icon of a food or beverage item, such as a tomato, a bottle, a martini glass, or a leafy vegetable. The icons are arranged in a repeating pattern across the entire page.

# OBJECTIVES & ACTION PLAN 2016–2018

Each of the following three objectives must be considered as part of a continuum of priorities for the local food and beverage sector. Successes or failures in each will impact upon the others, and no single objective can move forward without the support of the others.

For each objective, it is necessary to provide concrete actions, people or agencies responsible and measures of success. These are not meant to be all-inclusive – additional action items may flow naturally out of the implementation of the ones illustrated on the following pages.



## IMPROVED CONSUMER AWARENESS OF LOCAL FOOD AND BEVERAGES

It is essential that New Brunswick consumers wishing to support local food and beverages are provided with sufficient information so they can recognize products in the marketplace.

It is also important that consumers are aware of the benefits of buying locally, the range of products available and the ways to prepare, serve or store local food and beverages.

Actions	Lead (■) & Support Roles (■)
Develop a brand image to make local food and beverages more easily recognizable	<ul style="list-style-type: none"> <li>■ Agriculture, Aquaculture and Fisheries</li> <li>■ Industry</li> </ul>
Develop and implement a promotion strategy for tourists to New Brunswick, including culinary tourism events	<ul style="list-style-type: none"> <li>■ Tourism, Heritage and Culture</li> </ul>
Support the Conservation Council of NB and the National Farmers Union of NB to update their directory of local products and develop a farmers' market map of NB	<ul style="list-style-type: none"> <li>■ Agriculture, Aquaculture and Fisheries</li> <li>■ Conservation Council of NB</li> <li>■ National Farmers Union of NB</li> </ul>
Support the Agricultural Alliance of NB to employ an education coordinator to develop age-appropriate information about agriculture, facilitate farm visits and the establishment of school gardens, etc.	<ul style="list-style-type: none"> <li>■ Agriculture, Aquaculture and Fisheries</li> <li>■ Education and Early Childhood Development</li> <li>■ Agricultural Alliance of NB</li> </ul>

**Measure of success:** Increased awareness of the **Buy-Achetez NB** Initiative as measured by annual population survey.



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## IMPROVED AVAILABILITY OF LOCAL FOOD AND BEVERAGES

Producers, processors and consumers have identified an opportunity to include more local products in traditional retail stores, farmers markets, schools and other institutions. However, distribution and access to infrastructure can be challenging to both producers and commercial retailers.

Accessing healthy local products on a limited income can also be challenging but various initiatives have shown a positive impact on food security in vulnerable populations.

Actions	Lead (■) & Support Roles (□)
<p>Support the implementation of Policy AD-1709: Local, Healthy Food Promotion and Purchase and establish a benchmark to track local food usage in events sponsored by GNB by including information on the origin of food on tender forms</p>	<ul style="list-style-type: none"> <li>■ Agriculture, Aquaculture and Fisheries</li> <li>■ Service New Brunswick</li> <li>■ Health</li> <li>■ Social Development</li> </ul>
<p>Expand the Grocery Wine Pilot and increase the number of pre-approved farmers markets to sell more local wines</p>	<ul style="list-style-type: none"> <li>■ Alcool NB Liquor</li> </ul>



Actions	Lead (☐) & Support Roles (☐)
Explore options to implement or expand existing programs aiming to reduce barriers to healthy local food access for lower income consumer	■ Social Development
Evaluate and develop a model for local food procurement in all public schools, aiming for a medium-to-long-term target of 30% local food	■ Agriculture, Aquaculture and Fisheries ■ Education and Early Childhood Development
Evaluate the necessary funding to support healthy and local food fundraising in schools	■ Agriculture, Aquaculture and Fisheries ■ Education and Early Childhood Development

**Measure of success:** Increased number of locations selling local beverages and increase availability of local food in schools and for low income consumers.



## IMPROVED SUPPORT FOR NEW OR EXPANDING FOOD AND BEVERAGE ENTERPRISES

In addition to primary production enterprises, a vibrant local food and beverage sector requires a variety of support enterprises to process, store, distribute and market their products. While these “value-chain” businesses already exist in New Brunswick, they are primarily involved with exported products.

Gearing them to smaller-scale local markets requires a more generalist approach with a different business model. In any case, financing, networking and information needs are critical to the successful establishment of new and expanding local food and beverage businesses.

Actions	Lead (☐) & Support Roles (☐)
Review the Agri-Food Local Market Development Program and bring necessary adjustments to support the strategy	■ Agriculture, Aquaculture and Fisheries
Develop a mentorship program for producers	■ Agricultural Alliance of NB
Release of the <b>Farming in New Brunswick, A Road Map for New Entrants</b> , a reference manual to assist those who are interested in a career in farming to access services and information.	■ Agriculture, Aquaculture and Fisheries
Support craft wine and microbrewery sectors by diverting some proceeds from sales at ANBL to industry promotion	■ Alcool NB Liquor

**Measure of success:** Growth of the agri-business sector through new, expanded, and improved programs.



## ACCOUNTABILITY FOR RESULTS

The Local Food and Beverage Strategy is a multi-departmental strategy in which each action and its effectiveness is measured by the lead department.

In order to evaluate the success of the Local Food and Beverage Strategy and in preparation for the biennial revision, key performance indicators (KPIs) have been developed.

The results will be communicated annually.



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