



**Ontario Federation of Agriculture**

**Ontario AgriCentre**

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September 14, 2017

The Honourable Jeff Leal  
Minister of Agriculture, Food and Rural Affairs  
Minister Responsible for Small Business  
77 Grenville Street, 11th Floor  
Toronto, ON  
M7A 1B3

Dear Minister Leal,

**Re: Bring Home the World – OMAFRA World Foods Consultation**

Thank you for the opportunity to offer feedback on the *Bring Home the World – Improving Access to Ontario's World Foods* consultation.

The Ontario Federation of Agriculture (OFA) is Canada's largest voluntary general farm organization, representing more than 36,000 family farm businesses across Ontario. These farm businesses form the backbone of our robust food system and rural communities, with the potential to drive the Ontario economy forward.

The agri-food sector is the powerhouse of the Ontario economy; generating \$37.6 billion in GDP and employing over 807,000 Ontarians. Diversification of our sector will strengthen and enhance the Ontario economy; however, farmers and agri-food businesses must be encouraged through provincial support for innovation, entrepreneurialism and mitigating risk for new ventures.

Overall, OFA believes the *Bring Home the World* objectives should be:

1. Support Ontario Farmers First;
2. Enhance Market Knowledge;
3. Enable Research and Innovation;
4. Offer Technical Expertise;
5. Coordinate Import Substitution Initiatives;
6. Provide Opportunities for Information Exchange;
7. Encourage On-Farm Value-Added Activities;
8. Mitigate Risk and Enhance Capacity;
9. Support Rural Economic Development; and
10. Facilitate Value Chain Connections.

**OFA's Survey on New and Specialty Crops**

OFA surveyed our members in January 2017 in collaboration with AMI and Synthesis Agri-Food Network to assist in developing a business resource for farmers. We received 402 responses and

the results are summarized following this letter. OFA welcomes the opportunity to discuss the findings and implications of this survey in further detail at your earliest convenience.

OFA appreciates the opportunity to respond to the following questions posed to industry:

### **1. What does locally-grown World Foods mean to you?**

Generally, OFA agrees with the definition of World Foods, *‘those which can be produced, harvested or processed in Ontario that reflect the diversity of the province’s population’*, and the examples provided contribute to our understanding of what would constitute a ‘World Food’.

In the Premier’s 2016 Mandate Letter, OMAFRA was tasked with developing ‘a strategy for the promotion of locally-grown world crops by winter 2017’ to meet the diversity of Ontario’s consumer marketplace. While OFA supports the promotion of locally-grown World Foods, we encourage OMAFRA to maintain the focus of the initiative on enabling Ontario farmers to diversify their operations and undertake new crops and other specialty agricultural products.

In OFA’s survey, a “new crop opportunity” referred to the introduction of a non-traditional or specialty crop to an existing conventional crop operation. Examples of non-traditional crops are listed on OMAFRA’s Specialty Croppportunities website: <http://www.omafra.gov.on.ca/CropOp/en>

### **2. Do you currently produce, process, or sell locally-grown World Foods?**

Our farmers produce a wide range of products, more than 200 different agricultural products to satisfy diverse domestic palates and worldwide demand for Canada’s safe, high-quality foods.

In OFA’s survey, 1 in 5 members surveyed had introduced a new/specialty crop in the last 5 years. For those who introduced a new/specialty crop in the last 5 years, on a scale of 1 to 7, on average, they rated their success 4.8. Only 7% rated 1 or 2, and 31% rated 6 or 7. For those who had *not* introduced a new/specialty crop in the last 5 years: 7% planned to introduce a new/specialty crop in the next 2 years, 49% did not, and 44% were undecided. These findings suggest that farmers are unsure or not confident about the outcomes of producing a new or specialty crop in the near future.

**Support Ontario Farmers First.** Recognizing the benefits of diversification, Ontario farmers have responded by expanding production for niche markets and placing more emphasis on the marketing of high-value-added products. In addition to primary production, Ontario farmers can feed into the local value chain by providing food ingredients that agri-food processors require if these initiatives are supported and encouraged through provincial programming.

**Action:** Develop policies and programs that highlight the value of sourcing Ontario products and ingredients by local food processors, distributors, retailers, and foodservice businesses.

### **3. Do you think there is a need for increased promotion and marketing of locally-grown World Foods? Please provide details.**

**Enhance Market Knowledge.** In the survey, when asked to rate the usefulness of each type of information when considering a new crop, the number one answer was “Marketing your crop”, closely followed by “Market knowledge”. Farmers want to ensure they can market the crop and

know that there is a buyer before they investigate how to grow it. However, “Agronomic information” is still a key factor that producers consider.

*Action:* Develop an organized process for obtaining and sharing information about market conditions and market opportunities for uncommon agricultural products.

**Enable Research and Innovation.** OMAFRA should continue to target and fund research by the University of Guelph and the Vineland Research and Innovation Centre to enhance farmers’ understanding of the marketing and growing of world crops and foods.

*Action:* Increase connectivity with Vineland Research Innovation Centre and other research institutions to increase knowledge translation and transfer of techniques and market opportunities for new/specialty products.

**Offer Technical Expertise.** OMAFRA’s technical experts are an excellent resource for growers expanding into new and specialty crops. In addition, tools such as the New Crop Resource currently in development by AMI, will provide business support management for farmers. OMAFRA should continue to provide technical advice and extension services for farmers exploring new crop opportunities.

*Action:* Develop pragmatic tools and resources for marketing specific new/specialty agricultural products.

#### **4. What opportunities do you see in locally-grown World Foods for the province's agri-food sector? Please provide details.**

**Coordinate Import Substitution Initiatives.** OMAFRA should focus on strengthening connections between Ontario producers and processors to identify new opportunities. More Ontario farmers would produce world crops or ingredients for World Foods if there was more structure and support for innovation and identification of opportunities for import substitution.

*Action:* Facilitate networking events for producers and processors to identify new markets.

**Provide Opportunities for Information Exchange.** While OFA members value advice from agronomists, research institutions and agricultural organizations, many respondents to the survey indicated that other growers and inputs businesses provide important insights.

*Action:* Develop a portal for producers of new/specialty agricultural products to connect with other farmers and inputs suppliers to discuss opportunities, challenges, and lessons learned.

**Encourage On-Farm Value-Added Activities.** Ontario farmers are innovative, entrepreneurial, savvy business owners. Promoting farm business diversification through on-farm processing is another way to mitigate risk for farmers while enhancing economic development in rural areas.

*Action:* OMAFRA should promote policies that enhance opportunities for small-scale food processing, retail, and foodservice operations to thrive on farms and meet the urban demand for local food.

**5. For producers and processors, are there challenges to producing and then supplying locally-grown World Foods for the domestic market? If so, please provide details.**

There are countless challenges to producing new or specialty agricultural products, including: uncertain or small market size, new technology or equipment required, input costs are too high, increased financial risk, not enough agronomic information available, too labour intensive, availability of suitable varieties and profitable scalability.

**Mitigate Risk and Enhance Capacity.** Many producers are willing to grow and explore new opportunities but there is currently considerable financial risk in producing uncommon agricultural products. For example, current programming mitigates risk for traditional crops, making it challenging to weigh risks and rewards to diversifying and exploring new crops.

*Action:* Develop programming and financial supports that mitigate risk and enhance capacity for farmers taking on a new or specialty agricultural product.

**Support Rural Economic Development.** Two-way natural gas pipelines are necessary across rural Ontario to bring a cheaper, cleaner, reliable, and uninterrupted fuel choice to farm businesses, food processing facilities, and all other business enterprises across the agri-food value chain.

Hard infrastructure, such as roads and bridges need to be maintained to ensure farm products can be transported quickly and efficiently throughout the province and beyond. Soft infrastructure, such as schools, health care and child care are needed to ensure there is a rural community for farm businesses and the rural workforce to live and participate in the economy.

Today's modern agricultural businesses require broadband internet to run effectively. Adopting new technologies are essential for agri-food productivity and environmental improvements, including precision agriculture technologies, robotic milking facilities, etc.

*Action:* Invest in rural economic development through natural gas expansion, broadband internet expansion, and improvements to hard and soft infrastructure to improve agri-food sector competitiveness in the domestic and global marketplace.

**6. For retailers, distributors, and foodservice organizations, are there challenges in procuring and supplying locally-grown World Foods? If so, please provide details.**

**Facilitate Value Chain Connections.** The retailer, distributor and foodservice demand for new and specialty crops and other agricultural products needs to be better relayed to farmers. Farmers are willing to diversify if there is a market for these products; provided they will be appropriately compensated for their products to outweigh the associated risk.

*Action:* Coordinate a forum for farmers exploring new/specialty agricultural products to meet with other farmers, processors, retailers, distributors and foodservice organizations to promote networking and supply chain linkages.



Thank you for considering OFA's proposed Objectives and Actions. We look forward to continuing to work with OMAFRA to develop the *Bring Home the World* initiative that moves us toward an even stronger, more vibrant agri-food sector and supports the future of farming and agri-food production in Ontario.

Sincerely,

A handwritten signature in black ink, which appears to read "Keith Currie". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Keith Currie  
President

## Findings from OFA's Survey on Growing New and Specialty Crops in Ontario

### Survey Methodology

- Conducted in January 2017 via Survey Monkey in collaboration with AMI and Synthesis Agri-Food Network to assist in developing a business resource for farmers
- 402 responses received through Mail Chimp e-blast
- For the purposes of the survey, a "new crop opportunity" referred to the introduction of a non-traditional or specialty crop to an existing conventional crop operation. Examples of non-traditional crops can be found on OMAFRA's Specialty Croppportunities website: <http://www.omafra.gov.on.ca/CropOp/en>

### Introducing New and Specialty Crops

- 1 in 5 members surveyed had introduced a new/specialty crop in the last 5 years
- For those who introduced a new/specialty crop in the last 5 years, on a scale of 1 to 7,
  - On average, they rated their success 4.8
  - Only 7% rated 1 or 2
  - 31% rated 6 or 7
  - 27% had developed a written business plan for their new crop
- For those who had *not* introduced a new/specialty crop in the last 5 years,
  - 7% planned to introduce a new/specialty crop in the next 2 years, 49% did not, and 44% were undecided

*These results suggest that farmers are unsure/not confident about the outcomes of producing a new/specialty crop in the near future.*

### Q. What would be the main factor influencing your decision to take on a new crop opportunity?

- #1 Changing markets / consumer opportunities
- #2 Crop rotation and other benefits
- #3 Reducing financial risk through diversification
- #4 Succession planning or transitioning to a multi-generational farm

*The order remained the same, regardless of whether they had introduced a new/specialty crop in the last 5 years or not.*

Other answers were:

<b><i>For those who had introduced a new crop...</i></b>	<b><i>For those who hadn't...</i></b>
<ul style="list-style-type: none"> <li>• Use crops for own operation (4)</li> <li>• Profit (2)</li> <li>• Higher value-added opportunities - but more risk</li> <li>• Growing a crop that is presently imported</li> <li>• Try something different</li> <li>• Conventional crops have no margin left, no profit</li> <li>• Heinz closure and Jema Foods bankruptcy</li> <li>• Increase profitability on small acreage</li> <li>• Personal interest/Try new things</li> <li>• Nectar production for pollinators</li> </ul>	<ul style="list-style-type: none"> <li>• Profit (10)</li> <li>• Finding a buyer (3)</li> <li>• Locating a processor (2)</li> <li>• Scalability</li> <li>• Age of farm operator</li> <li>• Availability of tile drained land</li> </ul>

Q. Please rate how useful each tool/resource would be when deciding whether to take on a new crop opportunity (1 = not useful at all; 7 = extremely useful)

Ranking (average score)

- #1 Agronomists (5.1)
- #2 Research or Academic Institutions (4.9)
- #3 Commodity Groups or Ag Organizations (4.7)
- #4 Farm Business Advisor (4.2)
- #5 Government Websites (3.9)

*Those who had introduced a new crop in the last 5 years valued all of these resources lower overall.*

Other answers were:

<b><i>For those who had introduced a new crop...</i></b>	<b><i>For those who hadn't...</i></b>
<ul style="list-style-type: none"> <li>• Other Growers (8)</li> <li>• Seed Supplier/Nursery (4)</li> <li>• Own Research/Other Websites (4)</li> <li>• Buyers</li> <li>• Farm Magazines</li> <li>• End User</li> <li>• REAP Canada</li> </ul>	<ul style="list-style-type: none"> <li>• Own market research</li> <li>• Buyers</li> <li>• Other farmers</li> <li>• Government websites tend to be overly complicated</li> </ul>

*It is clear that farmers who had introduced new crops in the last 5 years valued the advice of other growers and input businesses.*

Q. Please rate how useful each type of information would be if you were considering a new crop (1 = not useful at all; 7 = extremely useful)

Ranking (Average score)

- #1 Marketing your crop (6.1)
- #2 Market knowledge (5.7)
- #3 Agronomic information (5.6)
- #4 Networking with the supply chain (5.4)
- #5 Business planning (4.9)
- #6 How to access capital (4.4)

*For those who had introduced new crops in the last 5 years, they rated Marketing Your Crop as less Important, and Agronomic Information/Market Knowledge were #1*

Q. Please rate how useful each method of delivery is for your business planning process (1=not useful at all; 7 = extremely useful)

Ranking (Average score)

- #1 In-person workshops (5.1)
- #2 Fact sheets (4.9)
- #3 Videos (4.8)
- #4 Online calculators (4.3)
- #5 Webinars (3.9)
- #6 Excel templates (3.5)
- #7 Audio Podcasts (2.9)

Other answers were:

- Poor quality rural internet makes viewing videos difficult
- Farm tours and networking meetings
- Media communications (trade publications)

Q. If you have ever considered growing a new/specialty crop, what were the main factors in your decision NOT to grow the new crop? (Check all that apply).

- #1 market size small or uncertain; no contracts available (50%)
- #2 New technology or equipment required (40%)
- #3 Input costs too high (35%)
- #4 Increased financial risk (35%)
- #5 Not enough agronomic information available (30%)
- #6 Too labour intensive (30%)
- #7 Lack of networking opportunities with supply chain (24%)

Q. Please rate how challenging each barrier has been when introducing your new crop (1 = not challenging; 7 = extremely challenging)

- Suitable varieties not available (3.5)
- Cannot achieve profitable scale (3.4)
- Small or uncertain market; no contracts available (3.4)
- Lack of pest control options (3.3)
- High input costs; new technology or equipment required (3.1)
- Difficult to connect with the supply chain (3.0)
- New crops are too labour intensive (2.9)
- Cannot access capital to get started (2.8)

*The challenges we provided were generally not very challenging for growers; however, they identified many other barriers, including:*

- Lack of experience & knowing what to expect
- Own use reduced most challenges
- Management of crop in our rotation
- There is very little help or support. Government agencies are geared for conventional crops. Some kind of crop protection is needed. To be profitable you use a tremendous amount of capital.
- Growing Forward looks like it is geared to established businesses. Help for equipment for a startup is non-existent.
- Lack of crop insurance is a problem
- Importation of plant material was/is a problem

### Key Findings

- Farmers are interested in growing new crops, but they are uncertain about market conditions and opportunities
- While agronomic information is useful, farmers need more support in risk mitigation
- Farmers would like more information on how to find a buyer and locate a processor
- Farmers prefer to talk to other farmers and agricultural experts, thus, provide more forums and opportunities to network



- Farmers need information on marketing a crop, and current and future market conditions
- lack of rural internet continues to be an issue for accessing new and emerging markets