

DATE: March 4, 2021

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TO: Chair and Directors
Electoral Areas Services Committee

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Comox Valley Food Hub Feasibility Assessment - Update

Purpose

To provide an update and timeline for the Comox Valley Food Hub Feasibility Assessment.

Recommendation from the Chief Administrative Officer:

This report is for information.

Executive Summary

- In January 2021, the Comox Valley Regional District (CVRD) and the Ministry of Agriculture, Food and Fisheries (MoAFF) entered into a shared cost agreement to assess the potential for establishing a financially self-supporting food hub that could be part of the emerging BC Food Hub Network.
- The feasibility assessment is underway and is being led by Janine de la Salle of Urban Food Strategies with the assistance of Darren Stott of Green Chain Consulting and David van Seters of Sustainability Ventures.
- The work plan, including a detailed timeline, is attached as Appendix A. The project involves significant rights holder and stakeholder consultation, including establishment of a working group to inform the assessment, as well as interviews and small group workshops with those with direct connection to food, agriculture or aquaculture production, processing or distribution. Additional input is being sought through a survey oriented to producers and consumers related to interest in market potential. This, along with the project plan and key success factors for a financially sustainable food hub, will be discussed in a presentation by the consultants to the Electoral Areas Services Committee on March 8, 2021.
- An interim report will be prepared by the end of March for MoAFF and the completed assessment will be delivered to the CVRD Board and MoAFF in June 2021.

Prepared by:

J. MacLean

Jodi MacLean, RPP, MCIP
Planner II

Concurrence:

A. Mullaly

Alana Mullaly, RPP, MCIP
General Manager of Planning and
Development Services

Government Partners and Stakeholder Distribution (Upon Agenda Publication)

K'ómoks First Nation	✓
Comox Valley Farmers' Institute	✓
Mid-Island Farmers' Institute	✓
Lush Valley	✓
Comox Valley Food Policy Council	✓
Comox Valley Farmers Market	✓
BC Shellfish Growers Association	✓
Agricultural Advisory Planning Commission	✓

Attachments: Appendix A – CVRD Food Hub Feasibility Assessment Project Plan - Winter 2021



Comox Valley Regional District
Food Hub Feasibility Assessment

Project Plan- Winter 2021

Submitted to:

Comox Valley Regional District

Submitted by:

Urban Food Strategies

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In association with: Greenchain Consulting and Sustainability Ventures



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PROPOSED PROJECT PLAN/

We propose a three phase project plan that details research, engagement, and synthesis worksteps that culminates in four main deliverables:

1. Project Plan
2. Interim Business Plan: Market review
3. Draft Business Plan: Engagement findings
4. Final Business Plan: Food hub feasibility assessment and business strategy

Phase 1: Project Launch and Market Review	
1.1 Project kick off meeting	<p>We will meet with you to review the project requirements, role of the working group, and overall objectives for the project.</p> <ul style="list-style-type: none"> - Have any sites been confirmed (e.g. Merville Hall?) - Given other related initiatives are underway (i.e. Lush Valley) how do you see this initiative being complimentary and part of a regional network? - Do you see this being one physical space or a network of food hub components linked together across the region? - Are there examples of food hubs you think could work in the region?
1.2 Design and review Project Plan	<p>We will design and present a process, deliverables, and timelines for achieving the objectives of this project. We will make any needed changes prior to Feb 25. We will meet with the Project Manager and other staff to discuss any final changes to the work plan, timeline, and deliverables as well as finalize any contract details.</p>
1.3 Develop a project flysheet	<p>We will provide a high-level summary of the project purpose and process to share with a broad target audience.</p>
1.4 Create stakeholder database	<p>At the outset of the project, we will draw on our networks as well as yours to develop a stakeholder database. This will also detail who we want to talk to, when and by which means. Key groups may include but are not limited to:</p> <ul style="list-style-type: none"> • Comox Valley Farmers Institute

Phase 1: Project Launch and Market Review	
	<ul style="list-style-type: none"> • Mid-Island Farmers' Institute • LUSH Valley Food Action Society • Vancouver Island Farm Products • Comox Valley Farmers' Market • Comox Valley Food Policy Council • Island Health, First Nation Health Authority • First Nation businesses, organizations and Community Development organizations • Community Futures • Relevant food and agriculture businesses and organizations e.g.: farmers and ranchers, foragers, abattoirs, bakeries, grocery stores, caterers, chefs and restaurateurs, distributors and food wholesalers, farmers' markets, business associations, food distributors, food processors, pubs, and cafes (chain and independent), specialty food and beverage shops, and storage providers. • Representatives from schools and hospitals who may purchase food (with acknowledgement of other current related initiatives). • Representatives from the Municipal, Regional, and Provincial levels of government.
1.5 Review relevant documentation	We will review all relevant documentation provided by the CVRD in addition to our own research, including comparable models from other jurisdictions, what is already happening in the region, and what the characteristics of the CVRD food and agriculture culture and economy are.
1.6 Conduct 6-8 interviews with key players	We will work with you to identify 6-8 key interviewees to orient the assessment to what is already going on, what is needed, and any lessons learned on what has been tried before. We recommend including agriculture, aquaculture, and non-timber forest product sector representatives and businesses.
1.7 Identify market trends and key characteristics of the regional food economy	<p>Based on BC Assessment and Statistics Canada data, as well as other available information, we will identify the key characteristics of the current regional food economy, including economic, cultural, and environmental components. Characteristics can include attributes and activities from the regional food system such as primary harvesting and production, processing and value adding, distribution, sales, and waste recovery.</p> <p>We will conduct on-line research into market trends in new crops/processed foods and beverages as well as in traditional agriculture areas suitable for the CVRD.</p>

Phase 1: Project Launch and Market Review	
1.8 Inventory and categorize CVRD food assets	Based on the Agriculture census and the CVRD Agriculture Plan we will inventory types and volumes of products being grown/raised/made in the CVRD. We will also compare them to the average regional demand for food based on estimated annual household expenditures on food. Building on existing compiled information, we will create a detailed inventory of existing regional food sales, processing, and distribution assets, including on-farm and in indigenous communities where possible/appropriate.
1.9 Document Phase 1 Findings (Interim Report)	We will summarize research and engagement findings from Phase 1 into an interim report that includes findings to date on a review of the market for regional products, industry needs and gaps, aligned services and programs, models for governance and operations, information on approvals, permits, and licenses, and potential locations.
1.10 Project working group meeting #1	We will create an agenda for and facilitate a 60-90 minute teleconference call to convene the working group, review terms of reference, establish meeting schedule, review project process and communications and engagement strategy.

Phase 2: Key Player Engagement in Asset and Need Assessment	
2.1 Survey producers and food businesses	We will develop, build and launch a producer and consumer survey to determine level of interest in paying for shared facilities and services, market potential, food assets around processing and value added assets.
2.2 Conduct 10- 15 one-on-ones informal interviews to assess assets and needs	We will develop an interview guide, to dive-deeper into supply and demand side perspectives and potentials behind food sales, processing, and distribution and projected demand for local products. Interviews will be conducted over the phone. We will explore multiple models (e.g. including centralized shared facilities and decentralized processing networks) and take initial temperature on what services producers and processors/makers/ artisans think would add value to their businesses/what would be a good investment for businesses.
2.3 Design and facilitate small group workshops	Using outputs from Phase 1 and early research in Phase 2, we will design and deliver two key player workshops to identify the gaps and opportunities in the local food and agriculture economy as well as explore models, locations, and potential services offered by a regional food hub(s). We will manage these workshops to also help bring food producers in the area closer together..
2.4 Provide project update to working group meeting #2	We will provide a project update to the working group during a 60 minute meeting.

Phase 2: Key Player Engagement in Asset and Need Assessment	
2.5 Assess food and agriculture system infrastructure gaps and opportunities	Working from Phase 1 and Phase 2 outcomes, we will assess what is working well, what is not working well, areas where there are new opportunities to link to, and areas where challenges could be addressed. We will consider the existing network of food and agriculture infrastructure assets in identifying gaps and opportunities for a food hub facility in the CVRD.
2.6 Assess governance, ownership and staffing structure options	We will outline several governance options, outlining pros and cons of each. We will provide a possible staffing structure from an operations stand point.
2.7 Assess location options and key food hub components	As part of this step we will: <ul style="list-style-type: none"> • Outline details of the facilities and equipment required • Inventory potential site options • Describe the expected geographic reach based on the proposed location(s) Models may include services and/or delivery techniques which are clustered together to maximize efficiency and effectiveness.
2.8 Document Phase 2 findings	We will compile research and engagement findings from Phases 1 and 2 into an Interim Report that will include sections such as: <ul style="list-style-type: none"> • Overview of the CVRD food and agriculture system including food and agriculture assets from primary production and aggregation to value added processing, distribution, and marketing. • Market trends relevant to the region's food and agriculture sector. • Related programs, initiatives, and services in the region. Assess current levels of alignment. • Food hub governance model options and potential entities involved in ownership and operations. • Assessment of opportunities and gaps in CVRD food system infrastructure. • Summary of key player input and key directions for the CVRD food hub. • High-level concept and business model for a CVRD food hub. • Assessment potential of food hub location(s). • High-level assessment of approvals, permits, licenses and standards, that could be required, determined by the food hub concept.
2.9 Hold project working group meeting #3 and	We will create an agenda for and facilitate a 60-90 minute teleconference call to convene the working group to present, discuss, the interim report. Based on feedback from the working group we will make final edits to the interim business plan.

Phase 2: Key Player Engagement in Asset and Need Assessment	
make final changes to the interim report.	
Phase 3: Food Hub Feasibility Assessment and Business Model	
3.1 Finalize and describe food hub concept and business model	<p>Based on findings from Phase 2 and analysis of the data, we will describe food hub concept options that links local producers, processors/ makers/artisans to existing and future market demand within the region and beyond. After considering the food and agriculture spaces with the most potential for the food hub as well as what is already in place and the experience our team has in studying other jurisdictions. We will recommend a food hub concept that includes:</p> <ul style="list-style-type: none"> • Description of goals, objectives and services. • Consideration of innovative rural regional approaches, such as distribution corridors, or on-farm processing network with strong shared marketing. • Consideration of a food hub network that links the food hub or food hubs with other local food enterprises in the region such as local food distributors, CSAs, farmers' markets and farm gate sales. • Description of the expected users (e.g., start-ups, existing SMEs, a particular subsector of the agriculture or processing industry, etc.) • Key success factors. • Marketing requirements.
3.2 Outline governance, ownership and staffing strategy	Narrowing in on the most feasible governance, ownership and staffing structure for any potential food hub, we will outline how this could work and what would be required for it to work on the ground.
3.3 Outline facilities, equipment and services strategy	Based on sites that have already been identified as well as any other that emerge through the research and engagement, we will provide a scoring of site options using criteria such as, proximity to primary production areas, degree of improvements that would be needed, and circulation and access, among others. We will also describe the facilities, equipment, and services that are most likely to succeed.
3.4 Outline marketing and communications strategy	We will provide a high-level marketing and communication strategy that could be used to maintain any momentum as well as help to establish and promote any new food hub that could be established as a result of this process.
3.5 Prepare a 3-year financial plan to	After obtaining your approval for the business model for the food hub, and using a set of assumptions, we will prepare a set of 3-year financial projections that show how the food hub can become fully financially self-sufficient. The projections will also include an estimate of pre-launch start-

Phase 3: Food Hub Feasibility Assessment and Business Model	
break-even plus funding sources	up costs and preliminary costs (capital/operational), as well as potential funding sources to cover start-up costs and losses before the hub can reach a financial breakeven.
3.6 Provide project update to working group meeting #4	We will create an agenda for and facilitate a 60-90 minute teleconference call to convene the working group to present, discuss, and review the proposed <i>CVRD Food Hub Business Model</i> .
3.7 Prepare CVRD Draft Food Hub Feasibility Assessment and Business Model (Draft 1)	<p>We will bring all findings together and present a report that:</p> <ol style="list-style-type: none"> 1. Introduces the project background, objectives, and process 2. Describes the planning context and conditions for a CVRD rural food hub 3. Summarizes the main opportunities in the region related to small to medium scale food and agriculture enterprise and food hubs in the CVRD 4. Provides a summary of key player engagement 5. Presents a detailed food hub concept 6. Presents a business model including <ol style="list-style-type: none"> a. Three-year budget to break even b. Capital and operating expenses and revenues c. Potential funding sources 7. Assesses feasibility of a food hub considering multiple aspects including: <ol style="list-style-type: none"> a. Buy-in from stakeholders & industry leadership (e.g., clearly identified needs, functions, and supports, willingness to pay for services) b. Level of alignment between products produced and created in the CVRD with regional and beyond markets c. Level of ability to provide a central management function (id. key players/agencies/association to run the food hub) d. Possibility and suitability of location(s) and land (e.g. proximity to primary production, compatible adjacencies) e. Degree of existing alignment with policies, regulations, certifications f. Financial sustainability (possible revenues vs estimated operating and capital costs, opportunity/will/viable options for investment) 8. Provides a phased implementation plan 9. Summarizes risks and mitigation strategies 10. Presents key success factors and thresholds
3.8 Conduct working group meeting #5 to present draft	We will create an agenda for and facilitate a 60-90 minute teleconference call to convene the working group to present, discuss, and review the draft <i>CVRD Food Hub Feasibility Study and Business Model</i> .

Phase 3: Food Hub Feasibility Assessment and Business Model	
3.9 Finalize CVRD Draft Food Hub Feasibility Assessment+ Business Strategy	Based on CVRD and working group feedback, we will prepare a second draft.

PROPOSED TIMELINE

	February				March				April				May				June				July			
Comox Valley Regional District Food Hub Feasibility Assessment																								
Phase 1: Project Launch and Market Review																								
1.1 Project kick off meeting	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1.2 Design and review Project Plan																								
1.3 Develop a project flysheet																								
1.4 Create key player database																								
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1.8 Inventory and categorize CVRD food assets																								
1.9 Document Phase 1 findings (Interim Report)																								
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Phase 2: Key Player Engagement in Asset and Needs Assessment																								
2.1 Survey producers and food businesses																								
2.2 Conduct 10- 15 one-on-ones informal interviews to assess assets and needs																								
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2.8 Document Phase 2 findings																								
2.9 Conduct project working group meeting #3																								
Phase 3: Food Hub Feasibility Assessment and Business Strategy																								
3.1 Finalize and describe viable food hub model																								
3.2 Outline governance, ownership and staffing strategy																								
3.3 Outline facilities, equipment and services strategy																								
3.4 Outline marketing and communications strategy																								
3.5 Prepare a 3-year financial plan to break-even plus funding sources																								
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3.9 Finalize CVRD Draft Food Hub Feasibility Assessment+ Business Strategy																								

BUDGET

Comox Valley Regional District Food Hub Feasibility Assessment		FEES	EXPENSES	Total
Phase 1: Project Launch and Market Review				
1.1 Project kick off meeting		\$ 465	\$ -	\$ 465
1.2 Design and review Project Plan		\$ 765	\$ -	\$ 765
1.3 Develop a project flysheet		\$ 458	\$ -	\$ 458
1.4 Create key player database		\$ 773	\$ -	\$ 773
1.5 Review relevant documentation		\$ 1,860	\$ -	\$ 1,860
1.6 Conduct 6-8 one on one interviews with key players		\$ 1,395	\$ -	\$ 1,395
1.7 Identify market trends and key characteristics of the regional food economy		\$ 2,150	\$ -	\$ 2,150
1.8 Inventory and categorize CVRD food assets		\$ 1,380	\$ -	\$ 1,380
1.9 Document Phase 1 findings (Interim Report)		\$ 1,545	\$ -	\$ 1,545
1.10 Conduct project working group meeting #1		\$ 773	\$ -	\$ 773
		\$ 11,563	\$ -	\$ 11,563
Phase 2: Key Player Engagement in Asset and Needs Assessment				
2.1 Survey producers and food businesses		\$ 2,125	\$ 200	\$ 2,325
2.2 Conduct 10- 15 one-on-ones informal interviews to assess assets and needs		\$ 1,860	\$ -	\$ 1,860
2.3 Design and facilitate 2 small group workshops		\$ 2,160	\$ -	\$ 2,160
2.4 Provide project update to working group meeting #2		\$ 465	\$ -	\$ 465
2.5 Assess food and agriculture system infrastructure gaps and opportunities		\$ 1,520	\$ -	\$ 1,520
2.6 Assess governance, ownership and staffing structure options		\$ 1,080	\$ -	\$ 1,080
2.7 Assess location options and key food hub components		\$ 1,080	\$ -	\$ 1,080
2.8 Document Phase 2 findings		\$ 2,010	\$ -	\$ 2,010
2.9 Conduct project working group meeting #3		\$ 1,005	\$ -	\$ 1,005
		\$ 13,305	\$ 200	\$ 13,505
Phase 3: Food Hub Feasibility Assessment and Business Strategy				
3.1 Finalize and describe viable food hub model		\$ 2,010	\$ -	\$ 2,010
3.2 Outline governance, ownership and staffing strategy		\$ 1,080	\$ -	\$ 1,080
3.3 Outline facilities, equipment and services strategy		\$ 1,670	\$ -	\$ 1,670
3.4 Outline marketing and communications strategy		\$ 1,075	\$ -	\$ 1,075
3.5 Prepare a 3-year financial plan to break-even plus funding sources		\$ 2,265	\$ -	\$ 2,265
3.6 Provide project update to working group meeting #4		\$ 465	\$ -	\$ 465
3.7 Prepare CVRD Draft Food Hub Feasibility Assessment + Business Strategy		\$ 4,335	\$ -	\$ 4,335
3.8 Conduct working group meeting #5 to present draft		\$ 773	\$ -	\$ 773
3.9 Finalize CVRD Draft Food Hub Feasibility Assessment+ Business Strategy		\$ 1,230	\$ -	\$ 1,230
		\$ 14,903	\$ -	\$ 14,903
Total Fees and Expenses (excluding applicable taxes)		\$ 39,770	\$ 200	\$ 39,970

ROLES AND RESPONSIBILITIES

CVRD

- Provide any relevant information/documentation to the consulting team
- Provide a spreadsheet with key stakeholder information and any key documents
- Provide timely review of project deliverables
- Host meetings, and send invites,
- Be the point of contact for the project
- Update website to include key project information
- Manage administration of the steering committee and help to consolidate feedback

Consulting Team

- Lead the timely execution of the above workplan and deliverables
- Develop email and project communication content where needed
- Facilitate steering committee meetings, interviews, and small group meetings
- Provide project updates when needed

Working Group

- Provide input into the project
- Help to promote project activities