

DATE: June 3, 2021**FILE:** 3100-01**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer**R. Dyson****RE: Comox Valley Food Hub Feasibility Assessment - Update****Purpose**

To provide an update and draft of 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 local 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 draft report, including preliminary conclusions and recommendations, has been prepared (Appendix A) and is being reviewed by the project steering committee.
- The final report is to be submitted to MoAFF by the end of the end of June and will consist of an expanded version of this draft study with a business strategy and implementation plan based on these recommendations and feedback received.
- Findings of the study were reviewed at the community forum held on June 2, 2021. The recording of that forum has been posted to the project page on the CVRD web site.

Prepared by:

J. MacLeanJodi MacLean, RPP, MCIP
Planner II

Concurrence:

A. MullalyAlana Mullaly, RPP, MCIP
General Manager of Planning and
Development Services**Government Partners and Stakeholder Distribution (Upon Agenda Publication)**

Steering Committee	✓
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Attachments: Appendix A – CVRD Food Hub Feasibility Study – Draft 1 – June 2021



Comox Valley Regional District

Food Hub Feasibility Study

Draft 1- June 2021

Submitted to:

Comox Valley Regional District



Submitted by:

Urban Food Strategies

Janine de la Salle, Principal, RPP | MCIP

604-345-4267 | janine@urbanfoodstrategies.com



In association with: Greenchain Consulting and Sustainability Ventures



Acknowledgements

The Comox Valley Regional District respectfully acknowledges the Unceded traditional territory of the K'òmoks First Nation.

The CVRD also acknowledges the many individuals, organizations, and businesses that have given their time to be part of this process. In particular, the CVRD wishes to thank the Food Hub Assessment Steering Committee.

Diane Jackson	Mid Island Farmers Institute
Angela Boss	Ministry of Agriculture
Niki Whittaker	Comox Valley Farmers Institute
Twila Skinner	Comox Valley Farmers' Market Association
Maurita Prato	LUSH Valley Food Action Society
Kimberley Toonders	Vancouver Island Health Authority (on hiatus)
James McKerriker	Comox Valley Food Policy Council
Jim Russel	BC Shellfish Growers Association
Gerry McClintock	McClintock's Farm

Funding for this study has been provided by the BC Ministry of Agriculture.

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1.0 Introduction

1.1 Background

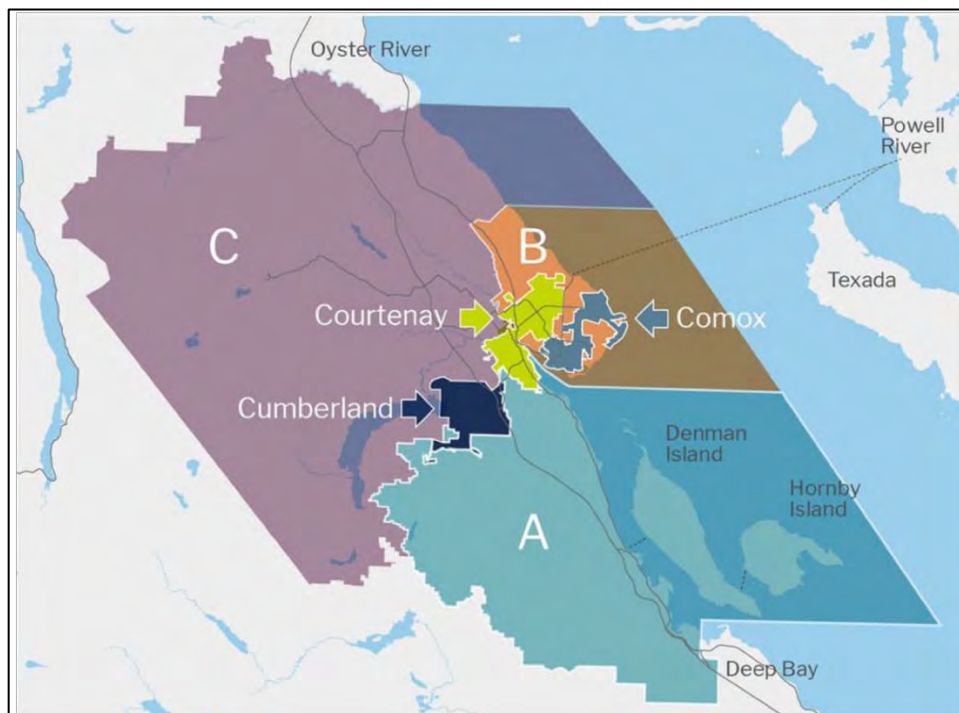
The Comox Valley Regional District (CVRD) has launched a project to assess the feasibility of establishing a food hub in the region.

This project has been funded by the Ministry of Agriculture. Urban Food Strategies in association with Greenchain Consulting and Sustainability Ventures have been contracted to conduct the work.

The project timeline runs from Feb 7-July 1, 2021. An ad hoc Food Hub Feasibility Assessment Steering Committee has been formed with representatives from the agri and aquaculture sectors including producers, processors, and distributors as well as industry associations and non-profit groups.

Study area

The CVRD consists of Electoral Areas A, B, and C, plus three towns, Comox, Courtenay and Cumberland. Electoral A includes Denman Island and Hornby Island. Just under 73,000 people live in the region.



1.2 Project Objectives

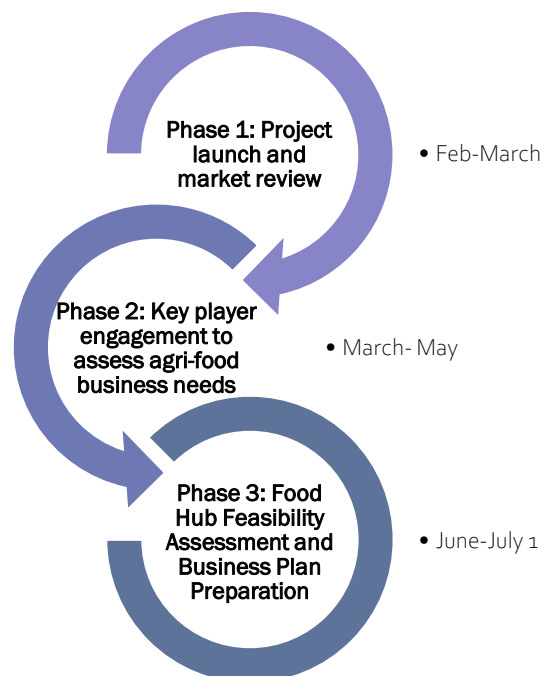
The primary goal of the food hub assessment is to promote collaboration among local food industry participants, explore opportunities to expand local food production, and prepare a business plan for a Comox Valley Food Hub.

The supporting objectives of this project are to:

- Engage key players in identifying existing regional food and agriculture assets, related initiatives, and potential gaps.
- Determine if there is sufficient potential market demand for a financially viable CVRD food food hub.
- Identify aquaculture and agriculture business needs and level of interest in participating in a food hub.
- Based on key player input as well as best practice research, build and test a food hub model that is revenue-positive within five years.
- Develop a business plan for the hub, including an operations plan, governance and management plan, marketing plan, financial plan and implementation plan.

1.3 Project process

The project will be completed in three phases.



The project team will use a variety of engagement techniques including:

- Working with the Food Hub Assessment Steering Committee.

- Holding one-on-one informal interviews with key regional stakeholders by phone or by videoconference.
- Holding small group meetings.
- Running an on-line survey.
- Providing presentations and participating in meetings
- Presenting a food hub model for feedback at a public forum.

2.0 Overview of Food Production in CVRD

2.1 Agriculture production

The total land area of the Comox Valley Regional District is about 170,000 hectares. Just under 14% of the land (23,500 ha) is within the Agricultural Land Reserve¹. Only 23% of the land within the Comox Valley ALR (5,230 ha) was actively farmed in 2013². An additional 300 hectares outside the ALR are actively farmed, bringing the total amount of land actively farmed in regional district to 5,537 hectares.

In Table 2.1, we provide information about the number and type of primary food producers in the region as well as some demographic/employment data. The highlights are as follows:

- In 2016 there were 416 farms in the region.
- The number of farmers in the region declined by 4% between 2011 and 2016 although the number of farms in Electoral Area A increased by 10%.
- About 57% of the farms are engaged in meat or hay production (59% for BC).
- While 1.4% of the British Columbians reside in the region, the region accounts for 2.4% of the farms in the province and 3.0% of the food workers.
- Electoral Area B has the highest density of farms per square kilometer and the highest density of residents per square kilometer.
- About 2,000 residents are employed in agriculture, forestry, fishing or hunting.
- Over 50% of food workers in the region live Comox Valley Area B, which includes Comox and Courtenay.
- Electoral Area C has the most food workers as a % of its population.

A 2006 report titled *B.C.'s Food Self-Reliance: Can B.C.'s Farmers Feed Our Growing Population?* highlighted that, given current production technology, just over half a hectare of farmland (0.524 ha) is needed to produce enough food for one person for one year, 10% of which would need to be irrigated³. By this calculation, the 5,400 hectares of actively farmed land in the region, could feed about 10,300 people. However, if all of the land in the Comox Valley ALR was actively farmed, it could feed almost 45,000 people. This is still not enough to feed the entire Comox Valley population of 66,000.

¹ https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/statistics/census/census-2016/aginbrief_2016_comox_valley.pdf

² https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/agricultural-land-and-environment/strengthening-farming/land-use-inventories/comoxvalley2013_aluirprt.pdf

On Denman Island, only 16% of the ALR land is actively farmed (360 hectares) while on Hornby Island only 13% is actively farmed (111 hectares).

Table 2.1: Breakdown of CVRD primary producers, including employment

Product categories	Comox Valley A+ Cumberland	CV B + Comox + Courtenay	Comox Valley C	Total for the Region	% of total BC	Total British Columbia	% of total
Beef cattle	7	13	22	42	10%	2,362	13%
Dairy cattle	0	4	6	10	2%	517	3%
Hogs	2	4	4	10	2%	101	1%
Poultry and egg	4	6	19	29	7%	1,220	7%
Sheep and goat	8	5	7	20	5%	553	3%
Horse	8	11	24	43	10%	1,955	11%
Multiple animal	9	13	13	35	8%	942	5%
Apiculture	1	8	5	14	3%	303	2%
Oilseed and grain	0	0	1	1	0%	304	2%
Fruit and veg	7	4	6	17	4%	4,607	26%
Greenhouse	12	19	17	48	12%	1,499	9%
Hay	5	22	20	47	11%	2,635	15%
Other	30	36	34	100	24%	530	3%
Total farms 2016	93	145	178	416	100%	17,528	100%
% of total farms	22%	35%	43%	100%			
Total farms 2011	113	69	250	432		19,759	
% change 2011 to 2016	-18%	110%	-29%	-4%		-11%	

Demographic/employment Data	CV A	CV B	CV C	Total	% of BC	Total BC
Population 2016	10,966	46,944	8,617	66,527	1%	4,648,055
Population 2011	10,133	45,052	8,353	63,538	1%	4,400,057
% change in population	8%	4%	3%	5%		6%
Farms/1000 population in 2016	8.5	3.1	20.7	6.3	166%	3.8
Farms/1000 pop excl. urban areas	12.9	20.4	20.7	18.1		
Land Area (sq. km)	521	104	1074	1,699	0.18%	922,503
Residents per square kilometre	21	453	8	39	777%	5.0
Farms per square kilometre	0.2	1.4	0.2	0.2	1289%	0.02
Agr, Forestry, Fishing & Hunting Workers	370	995	615	1,980	3%	65,205
Food workers as % of population	3%	2%	7%	3%	212%	1.4%
Food worker distribution with the region	19%	50%	31%	100%		

[Source for CVRD farms by farm type](#)

[Source for demographics/food workers](#)

Table 2.2 presents the total farm receipts and the number of farms engaged in direct to consumer sales activities within the region. The highlights of this table include the following:

- The 416 farms in the region generated \$33.6 million in revenues in 2016, an 8% increase from 2011 (even though the number of farms declined by 4%).
- The average revenues per farm is only 40% of the average farm revenues for BC.

- Comox Valley Area B has the highest revenues per farm at \$114,000 while Area A had very low revenues per farm of \$15,000 (a major drop from \$57,000 per farm in 2011).
- About 50% of the farms in the region sell direct to consumers (by comparison 32% of all farms in BC sell direct to consumers).
- Of the farms that do direct selling, 97% sell agricultural products while 21% sell value added products.
- The most popular type of direct sales channel is farmgate sales (89% of direct selling farms) followed by farmer's markets (29% of direct selling farms).

Table 2.2: Farm receipts and direct to consumer sales channels within the CVRD

Farm receipts	Comox Valley A	Comox Valley B	Comox Valley C	Total for the Region	% of total BC	Total British Columbia	% of total
Farm receipts 2016 (\$millions)	\$1.4	\$16.5	\$15.7	\$33.6	1%	3,729	
Farmer receipts 2011 (\$millions)	\$6.4	\$6.4	\$18.5	\$31.2	1%	2,936	
% change in farm receipts	-78%	158%	-15%	8%		27%	
Average receipts per farm	\$15,054	\$113,793	\$88,202	\$80,769	38%	\$212,768	

Direct to consumer sales channels	A	B	C	Total	% of farms	Total BC	
Farms selling direct to consumer	59	65	88	212	51%	5,667	32%
Farms selling agricultural products	57	65	83	205	49%	5,532	32%
Farms selling value added products	15	11	18	44	11%	592	3%
Farmer selling at farm gate	49	59	80	188	45%	5,047	29%
Farmers selling at farmer's markets	21	16	24	61	15%	1,244	7%
Farmers selling through CSAs	3	2	2	7	2%	249	1%
Farmers selling using other methods	2	0	2	4	1%	243	1%

Source for Farms classified by total gross farm receipts:

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210043601&pickMembers%5Bo%5D=1.2039&cubeTimeFrame.startYear=2011&cubeTimeFrame.endYear=2016&referencePeriods=20110101%2C20160101>

Source for Farms selling ag products direct to consumers:

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210044701&pickMembers%5Bo%5D=1.2039>

In Appendix A, we provide a list of about 70 producers that have a website or are included on regional lists of local producers. Of these 70 producers, their geographic distribution and primary products offer is summarized in Table 2.3

Table 2.3 Distribution of farms by location and primary product offering

CVRD Region	% of total	Primary Product offering	% of total
Courtenay area	46%	Mixed produce	34%
Black Creek area	22%	Mixed produce CSA	7%
Comox area	12%	Meat	24%
Merville area	11%	Plants and trees	14%
Union Bay	3%	Mixed (meat + produce)	8%
Denman and Hornby	2%	Honey	5%

Other locations	4%
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Other (wool, nuts, eggs	8%
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2.2 Aquaculture production

The Comox Valley produces more than 50% of British Columbia's shellfish and the most oysters in Canada. It also hosts the BC Seafood Festival, the largest of its kind on the west coast of Canada, since 2006. It is difficult to obtain statistics on the aquaculture sector specific to the Comox Valley, so in Table 2.4 we provide statistics on the size of the aquaculture industry for all of BC.

Table 2.4: Summary of aquaculture harvest and wholesale value in BC

Aquaculture British Columbia	2018 (tonnes)	% of total	2019 (tonnes)	% of total	% Change	2018 Revs ('000s)	% of total	2019 Revs ('000s)	% of total	% Change
Salmon	87,010	89%	88,874	89%	2%	\$772,046	95%	\$662,749	94%	-14%
Trout	1,190	1%	900	1%	-24%	\$10,240	1%	\$6,966	1%	-32%
Steelhead	65	0.1%	0	0.0%	-100%	\$542	0.1%	\$0	0.0%	-100%
Other finfish	569	1%	821	1%	44%	\$8,487	1%	\$11,946	2%	41%
Clams	1,159	1%	1,094	1%	-6%	\$6,711	1%	\$6,876	1%	2%
Oysters	7,178	7%	7,786	8%	8%	\$13,119	2%	\$15,253	2%	16%
Mussels	522	1%	727	1%	39%	\$2,651	0.3%	\$4,153	1%	57%
Scallops	89	0.1%	76	0.1%	-15%	\$445	0.1%	\$629	0.1%	41%
Other shellfish	1	0.0%	0	0%	-100%	\$40	0.0%	\$0	0.0%	-100%
Total Aquaculture	97,783	100%	100,278	100%	2.6%	814,281	100%	708,572	100%	-13.0%

Source: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210010701>

Farmed salmon dominates the aquaculture industry in BC accounting for over 50% of the wholesale revenues. Salmon farms are located across the coastline of BC and managed by those communities, with central management mostly located in Campbell River. Comox Valley, on the other hand, accounts for a large proportion of shellfish producers and is known as the "Oyster Capital of Canada". In 2019, shellfish generated \$27m of revenues in BC, a 17% increase from 2018. Oysters generated the largest share with \$15.2m (16% growth), which are mainly produced in the Comox Valley. Clams generated \$7m (2.5% growth), mussels \$4m, (57% growth) and scallops \$600,000 (41% growth, driven by a price increase of 66%). It is estimated that the aquaculture industry in the Comox Valley is between \$15m to \$20m per year.

According to the BC Shellfish Growers Association (BCSGA, headquartered in Comox Valley)⁴, shellfish farming has not nearly reached its potential as a key economic driver for coastal communities in BC. Other relevant statistics from BCSGA:

⁴ <https://bcsga.ca/resource-centre/food-for-the-future/>

- Aquaculture output could double over the next 25 years due to a shortfall of 50-80 million tonnes of food fish by 2030.
- More than 85% of Canadian aquaculture production is exported; the US is the largest export market for farmed shellfish.
- British Columbia farms 60% of the oysters produced in Canada.
- British Columbia is Canada's largest producer of farmed clams.

According to Fisheries and Oceans Canada in 2013, more than 20 oyster producers in the Comox Valley area exported more than \$12.6 million worth of oysters to 14 different countries. More than half of BC's shellfish production in the Comox Valley is grown in Baynes Sound. The industry employs over 100 people, contributing significantly to the local economy. Baynes Sound is also home to Fanny Bay Oysters, which processes 10 million oysters annually in its 20,000 square feet, state-of-the-art processing plant.

2.3 Food processing

Comox Valley has dozens of food processors, including larger businesses whose products are sold at major retailers, including Tree Island Gourmet Yogurt and Natural Pastures Cheese. In 2016, 44 farms in the CVRD reported selling value added products⁵. A list of CVRD food processors, including breweries, wineries and distilleries is presented in Appendix A.

Almost half of the processors listed in Table 2.5 are located in Courtenay, while the remainder are distributed throughout the populated areas of the region.

In addition to agriculture and aquaculture products, other types of processed food in the region include:

- | | |
|---------------------------|--------------------|
| • Baked foods | • Ethnic foods |
| • Sauces and condiments | • Herbs and spices |
| • Chocolate and ice cream | • Energy bars |
| • Cheese and yogurt | • Pasta |
| • Beer, wine and spirits | • Kombucha |

⁵ Ministry of Agriculture, Corporate Statistics and Research Unit. Summer 2017.

3.0 Overview of food consumption in CVRD

3.1 Food expenditures

No region-specific information exists on food expenditures within the region, so we extrapolated from household food expenditure data for the province as a whole. This is presented in Table 3.1.

Table 3.1 Annual household food expenditures by area with the CVRD

Food expenditures in the region	Comox Valley A	Comox Valley B	Comox Valley C	Total for the Region	Region as % of BC	Total British Columbia
Median household income \$2015	\$59,899	\$63,334	\$70,341	\$63,397	91%	\$69,995
Expenditures on goods and services	\$58,102	\$57,000	\$66,121	\$59,910		\$65,895
% of total expenditures spent on food	16.3%	16.2%	16.1%	16.2%		16.1%
Expenditures on food per household 2019	\$9,471	\$9,234	\$10,645	\$9,705	91%	\$10,639
Number of households	4,961	21,040	3,572	29,573		2,063,217
Total food expenditures (\$millions)	\$47	\$194	\$38	\$287	0%	\$21,951
Amount spent at grocery stores	\$33.4	\$137.9	\$27.0	\$203.8		\$15,585
Amount spent at restaurants	\$13.6	\$56.3	\$11.0	\$83.2		\$6,366
Amount spent at farmers markets/farmgate	\$0.5	\$1.9	\$0.4	\$2.9		\$220
Distribution of food expenditures in region	16%	68%	13%	100%		

[Source for food expenditures in BC](#)

[Sources for food expenditures relative to income](#)

[Grocery purchases vs restaurant purchases](#)

Table 3.1 shows that residents in the region spend about \$287 million on food every year, including both grocery and restaurant purchases. Grocery purchases account for about 68% of total food purchases across BC. Other highlights of Table 3.1 include the following:

- Households in the region spend about 9% less on food than the average household in BC, possibly because their average household incomes are lower.
- The Comox Valley Area B accounts for almost 79% of total food purchases in the region, because this area includes Courtenay and Comox.

3.2 Food retail

Table 3.2 Food retailers in the CVRD

Type of retailer	Name of Retailer	Location
Major Retailer	Real Canadian Food Store	Courtenay
Major Retailer	Thrifty Foods	Courtenay
Major Retailer	Thrifty Foods	Comox
Major Retailer	Quality Foods	Comox
Major Retailer	Extra Foods	Comox
Independent Retailer	Apple Tree Market	Courtenay
Independent Retailer	John's, Your Independent Grocer	Comox
Farm Market	Sieffert's Farm Market	Comox
Farm Market	DeeKayTee Farm Market	Courtenay
Meal Kit Company	Valley Home Meals	Comox
Natural Foods Market	Seeds Food Market	Cumberland
Natural Foods Market	Edible Island Whole Foods Market	Courtenay
Farmer's Market	Comox Valley Farmers Market	Courtenay
Farmer's Market	Cumberland Farmers Market	Cumberland
Butcher	Butcher's Block	Courtenay

3.3 Online stores, CSAs, and gate sales

Online stores that are available to Comox Valley residents and have a focus of local agri-food products include:

- **Order Retriever**⁶ sells gift boxes (set and customized boxes) containing Vancouver Island food products, including alcoholic beverages, health and beauty products, snacks, canned goods and coffee and tea. The initiative was launched by Island Good, a program of the Vancouver Island Economic Alliance.
- **Tastes Local**⁷ sells food products from Vancouver Island producers. Customers can choose which products they would like and have them delivered to their home or office by Canada Post. Items include alcoholic beverages, health and beauty products, snacks, canned goods and coffee and tea. The initiative was also launched by Island Good, a program of the Vancouver Island Economic Alliance.

⁶ <https://www.orderretriever.com/>

⁷ <https://tasteslocal.ca/>

- **Online websites** are websites established and run by individual producers. Examples include seafood producers (e.g. Fanny Bay Oysters, Salish Seafoods and Mac's oysters), distilleries (e.g. Wayward Distilleries).
- **Community Supported Agriculture (CSAs)** are boxes of locally produced and processed foods directly from local producers. Typically, customers pay upfront for weekly deliveries of food direct from the farm, during the growing season. Examples in the Comox Valley include Pendelton Farm, Kloverdalen Farm, Amara Farm, Whitaker Farm and Summer Soul Farm.
- **Gate sales** are offered by several farms in the region and are typically supported by a Facebook page or other online presence. Most farms and producers that sell at the farm gate are listed on the Taste Comox Valley App and include wineries, honey producers, produce farms, cheese makers and bakeries.

3.4 School meal programs

School District No. 71 (SD71) is one of 60 school districts in BC. It serves about 7,000 students from the communities of City of Courtenay, Town of Comox and Village of Cumberland, including Black Creek, Merville, Royston, Hornby Island and Denman Island. Different food programs at these schools serve different needs. The most common programs found in SD71 schools are salad bars and hot lunch programs. Four farms regularly supplied the schools with produce during the 2018-2019 school year.

4.0 CVRD Food Processing Services and Facilities

4.1 Abattoirs

Three abattoirs exist in the region, as shown in Table 4.1. Two of them slaughter just poultry while the third slaughters all other livestock.

Table 4.1 Abattoirs in the Region

Name of Abattoir	Location	Class and Animal Type
Gunter Bros Meat Company	Courtenay	Class A: Cattle, hogs, sheep, goat, bison, rabbit
Paradise Meadows Poultry	Black Creek	Class A: Poultry
Stonecroft Farm	Black Creek	Class A: Poultry

Source: https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/food-safety/meat-inspection/bc_meat_plants_public_list_by_region.pdf

4.2 Food processing facilities

Seafood: Salish Sea Foods (owned and operated by the K'òmoks First Nation) has a 7,000 sq. ft. CFIA approved plant with 20 staff that process finfish and shellfish and does value-added processing such as smoking and canning and specialized products like salmon pepperoni. Their harvesting arm is Pentlatch Seafoods. They distribute their products using ColdStar. They have a 500 sq. ft. retail store where they sell their full range of products plus some produced by other parties. They would consider custom processing for third parties and willing to participate in shared transport of frozen products and shared storage of packaging materials. They are in the process of developing their own e-commerce website.

Community kitchens: Several community kitchens exist at community centres, churches and other facilities however, they generally don't have the specialized equipment that food processors need nor are they generally available at times that are workable for the food processors.

Independent processors: One food producer, Innisfree Farm, and one food processor, the Mustard Lady, have commercial kitchens. There are likely others as well. Another producer rents their on-farm equipment. Hough Heritage Farm offers daily rentals of their Class D Licensed Poultry Processing Facility complete with a Featherman Pro XL plucker, which can handle 6-8 chickens or 3-4 turkeys at a time, a stainless steel scalding tank, food grade chill tank and stainless steel kill cones of all sizes. The facility also has hot water on demand, commercial stainless-steel sinks, tables, food grade containers and cutting boards.⁸

⁸ <https://www.facebook.com/pages/Hough%20Heritage%20Farm/1656042954695412/>

Public sector: The Comox Valley Economic Development Society, with support from the CVRD and 20 other partner organizations, submitted a proposal to the BC Ministry of Agriculture to establish a Comox Valley Food Innovation and Processing Hub. The CVEDS is waiting to hear from the Ministry of Agriculture whether their proposal was approved.⁹

4.4 Other food production related facilities

In October, 2018, a community food testing laboratory called Food Metrics was established in Courtenay in a partnership between a California-based biotechnology firm, BioMedix, and a Nanaimo-based food safety training firm, Intrisk Training Solutions. The laboratory can be used to perform a variety of screening tests for common foodborne pathogens.¹⁰

4.5 Food storage

The following cold storage locations exist in the CVRD:

- Coldstar Solutions, Comox (small cross-dock facility)
- Coastal Transportation and Storage, Comox (3,000 sf refrigerated/frozen)

4.6 Regional services for food producers

The following groups help promote and provide services for Comox Valley producers and processors:

Taste Comox Valley App¹¹ helps users explore the Comox Valley's extensive & diverse farms, markets & stands, wineries and other producers. The app currently has 20 participating food businesses and growing.

Comox Valley Growers Guide¹² is a joint venture between the Comox Valley Farmers' Market, Comox Valley Farmers' Institute, Mid Island Farmers Institute and the Comox Valley Exhibition, with support provided by Comox Valley Economic Development, Ministry of Agriculture, and the Comox Valley Record. The guide is a magazine type guide listing 42 food producers from the region.

Comox Valley Economic Development (CVEDS)¹³ partners with many small business service providers and industry organizations to provide educational workshops, seminars, and networking events to help grow their business. Current courses include; mental health and farm management, early-stage financing.

⁹ <https://discovercomoxvalley.com/invest/key-sectors/agrifood/community/>

¹⁰ <https://bcorganicgrower.ca/2019/09/a-community-food-lab-comes-to-bc/>

¹¹ <https://discovercomoxvalley.com/invest/key-sectors/agrifood/taste-comox-valley/>

¹² <https://view.publitas.com/discover-comox-valley/2020-cv-growers-guide/page/1>

¹³ <https://discovercomoxvalley.com/invest/>

Denman Island Growers and Producers Alliance¹⁴ purpose is to advocate for all Denman agricultural sectors and their offshoots, and to provide a forum for cooperation, communication and support among island growers and producers. Current projects and services include seed exchange, farmers' market and equipment rental co-ordination.

The Comox Valley Farmers Institute¹⁵ is a non-profit organization committed to agriculture and farmers in the Comox Valley. Current projects and services include workshops on theory and practice of agriculture, provide mentorship opportunities, rent select farm implements and co-ordinate bulk purchases of products.

Mid Island Farmers Institute¹⁶ is a non-profit organization that supports farmers in the Comox Valley. They currently provide agriculture workshops and presentations and arrange the purchase, distribution and sale of their member products.

The British Columbia Shellfish Growers' Association (BCSGA)¹⁷ is a non-profit organization that represents approximately 70% of shellfish farmers in British Columbia as well as processors, industry suppliers and service providers related to the industry. Current programs and services they provide to members include business & technical training, Vancouver Aquarium's Ocean Wise certification program and information about new technical advances in the industry, new legislation and marketing opportunities.

Island Good¹⁸ is a marketing program run by the Vancouver Island Economic Alliance¹⁹, a non-government, non-profit, regional economic development organization serving all of Vancouver Island and the Gulf Islands with a single mandate to help ensure a vital and sustainable Island economy. Vancouver Island businesses can license with island Good which allows them to use Island Good materials (e.g. shelf markers, posters and digital logos) to promote their product as being from Vancouver Island. Comox Valley businesses²⁰ that subscribe to the program include Tree Island Yogurt, Victorian Acres farms and Wayward Distillery.

Vancouver Island Farm Products provides marketing and distribution for 14 significant farms. They are currently working on a "perfectly edible produce" program for produce that is high quality but just the wrong shape. They are also working on expanding their home delivery program.

Food Metrix Laboratories in Courtenay has developed a streamlined process for local producers to complete HACCP (Hazard Analysis Critical Control Points), which is required by many retail and institutional buyers. They are prepared to sell a master license to a local food

¹⁴ <https://www.denmangpa.ca/projects-1>

¹⁵ <https://cvfarmersinstitute.com/>

¹⁶ <https://tinyurl.com/4grckbdf>

¹⁷ <https://bcsga.ca/about/>

¹⁸ <https://islandgood.ca/>

¹⁹ <https://viea.ca/>

²⁰ <https://islandgood.ca/current-licensees/>

hub for a flat rate, which can then allow the hub to have an unlimited number of food hub producers go through the HACCP certification process and have all the certification information digitally stored and available to all buyers that want it.

4.7 Potential collaborators

In Table 4.3, we present a list of organizations around Comox Valley that could potentially collaborate with the proposed food hub.

Table 4.3 Organizations that could potentially collaborate with the proposed hub

First Nations K'òmoks First Nation Wachiay Friendship Centre	Government Agencies Ministry of Agriculture (regional agrologists) Ministry of Forest, Lands and Natural Resources Island Health Min. of Ec. Dev, Job Creation and Trade BC Centre for Aquatic Health Sciences Innovation, Science & Economic Dev. Canada FoodTech Canada
Educational Institutions North Island College Vancouver Island University VIU – Deep Bay Marine Stations UBC Faculty of Land & Food Sys.	Industry Associations/Groups BC Agriculture Council Comox Valley Growers and Seed Savers Comox Valley Farmer's Institute Mid Island Farmers Institute BC Goat Association BC Food Processors Association BC Small Scale Food Processors Association BC Seafood Alliance BC Salmon Farmers Association BC Shellfish Growers Association Denman Island Growers & Producers Alliance North Vancouver Island Chefs Association Young Agrarians Hornby Island Farmland Trust Society
Local/Regional Government City of Courtenay Town of Comox Town of Cumberland Comox Valley Reg. Dist.	
Funders BC Rural Dividend Fund Canada-BC Agri-Innovation Fund Farm Adaptation Innovator Program. Hornby Island Comm. Econ. Enhancement Corp.	
Economic Development Agencies Chambers of Commerce Economic Development Comox Valley Econ. Dev Society Western Economic Diversification Community Futures	Community Associations/Food groups Pier Street Farmers Market Mount Waddington Community Food Initiative Lush Valley Food Action Society (Comox Valley) Comox Valley Farmers Market North Island Farmers Market Association Vancouver Island Farm Products Comox Valley Social Planning Society
Employment Centres	

Immigrant Welcome Centre	Greenways Land Trust
North Island Employment	Merville Community Association
Foundation Society	Farris Community Farm (Hornby Island)

5.0 Overview of Related Initiatives

5.1 Previous Comox Valley food hub discussions and feedback

Several studies, workshops and discussions have been conducted in the past between food producers and other agri-food stakeholders for a food hub or a component of a food hub in the Comox Valley.

CVRD Survey

The CVRD received over 90 responses through a local survey and engagement efforts, identifying a very high need for Commercial Kitchen access, specific food processing equipment such as ovens, blenders, mixers & chopping, vacuum packaging, cold and freezer storage space, as well as food safety testing. Demand from Comox Valley producers for training and education related to compliance with food safety regulations scored very high while demand for business services such as a kitchen classroom and training space was also a key requirement.

5.2 Local food initiatives

Feed Comox Valley

Food Environment and Economic Development (FEED) Comox Valley is an initiative to increase the supply of local food in public institutions. Crops are grown for specific institutions and sold directly to them. In 2015 pilot, North Island College was selected to increase the supply of local food into the college and as well as institutions.

Local Food for Comox Valley K-12 Schools *Lush Valley Food Action Society*

In 2019, Lush Valley Food Action Society completed a feasibility study for an aggregation hub that primarily provided regional agriculture products into school salad bar and meal programs. The vision for the initiative is the establishment of a facility for aggregation, light processing and distribution with a focus on serving the vulnerable sector with Comox Valley local food. The aggregation hub is envisioned to be run as a non-profit and serve schools as well as other food security partners. Many non-monetary benefits associated with healthy food were also identified. In 2020, Lush Valley moved more than \$150,000 worth of local food to the vulnerable sector. Capacity is growing with additional staff and equipment.

Closing the Loop on Food Security Report

The Closing the Loop of Food Security report (2019)²¹, also completed by Lush Valley, provides a needs assessment social, supportive and transitional housing and their food needs, as well as discussion with farmers, people with lived experience of food and housing insecurity. A key recommendation is to establish aggregation and distribution infrastructure to serve the vulnerable sectors.

Upgrades to Merville Hall

CVRD applied for funding to the Community Economic Recovery Infrastructure Program (CERIP) grant to address commercial kitchen upgrades and food processing facilities at the Merville Hall. Community feedback was received at a 2015 Community Visioning session. The funding was not approved.

Vancouver Island University Deep Bay Research Station, Bowser is a research and education facility that primarily serves the shellfish aquaculture industry. In March 2021, they were awarded a \$750,000 grant by the Ministry of Agriculture to establish themselves as a food hub and be part of the BC Food Hub Network. The goal of the innovation centre is to address several challenges facing the industry, including improving processing capabilities through new technologies and food sciences support, innovative packaging that increases shelf life, reduces costs or is biodegradable, and fish product development that would use all of the seafood product, eliminating waste.²² The food hub hopes to be operational in 2021. Initially the food hub will rent out space in their culinary kitchen, classroom space and events centre. The 2,200 sq. ft. kitchen is available to any type of food processor, but priority will be given to seafood processors. It is certified but is not large enough to be a commercial kitchen. It has countertops, 6 burners, 5 sinks, a walk-in freezer and reach in coolers. Renters can bring their own equipment, provided there is enough power in the facility. The centre is open to working with processors on developing the facility (e.g. walk in cooler and/or equipment) or even expanding it.

Hornby Island Farmland Trust Society applied for funding to build a 3,000 sq. ft. processing facility on 12 acres of land for which they hold a 99-year occupancy lease next to Donny Farris Community Farm and Garden. The society also drew up architectural and schematic drawings of the facility. The vision was for food enterprises to be able to store, process and distribute from the facility. The goals of the facility were to strengthen food security on the island and create jobs to help retain a younger population. The application, unfortunately, was not successful and supporters of the project decided not to fund the facility themselves.

The Dock+²³, is Port Alberni's food processing and innovation food hub, which is also part of the BC Food Hub Network. It opened in late 2020 and is owned and operated by the Port Alberni Port Authority (PAPA) at Fisherman's Harbour. The Dock+ is a shared 17,000 sq ft. space, primarily to serve seafood processors, as well as other seafood, such as seaweed, clams,

²¹ <https://lushvalley.org/resources/lush-resources/>

²² <https://news.viu.ca/deep-bay-marine-field-station-identified-potential-regional-food-hub>

²³ <https://thedockplus.ca/>

and oyster processors. The hub will also process fruits and vegetables, poultry and other meats. The hub allows clients to rent space in their 1,254 sq. ft. commercial kitchen, ice plant and cold storage space. They also have five anchor tenants, including Canadian Seafood Processing (Effingham Oysters), Cascadia Seaweed, Flurer Smokery, Forest for Dinner and Nova Harvest Ltd who all have their own dedicated space.

Tofino/Ucluelet Culinary Guild

The Tofino Ucluelet Culinary Guild (TUGG) is a non-profit organization that connects Vancouver Island farmers, fishermen, foragers and food producers to families, restaurants, groceries and businesses on the west coast. TUGG strives to make local food more accessible and affordable while providing a reliable market for small and passionate farms.²⁴

Island Pasture Beef

Island Pasture Beef²⁵ is a co-op of 12 Vancouver Island beef producers, producing over 1,850 finished head of beef per year, to facilitate the sales of Island produced beef to major grocery stores. The co-op includes produces from the Comox Valley region. Producers take their cattle to Gunter Brothers abattoir in Courtenay for processing. One of their major clients is Country Grocer. Country Grocer picks up the beef from the abattoir and distributes it to their stores, which all have butchers on site to cut and wrap the beef for retail sale. There is demand for more product from Island Pasture Beef, but it is not being met due to the limited processing capacity. Producers only pay a \$50 annual stipend to pay for the administration and co-ordination of the service. Otherwise, the producer pays directly for their own costs (e.g. shipping product to the abattoir).

COW-Op

COW-OP is a non-profit farmer and food processor co-operative with an online marketplace of locally grown and harvested food, featuring a variety of produce, meats, eggs, fruit, baking and more all grown or produced throughout the Cowichan Region.²⁶ It generate \$600,000 in revenues in 2020.

South Island FarmHub

As a project of Victoria Community Food Hub Society, the South Island FarmHub²⁷ is a farmer driven produce distribution centre. The current 22,000-square-foot centre is in Esquimalt and was acquired in June, 2019 by The Mustard Seed Street Church and Food Bank.²⁸ In 2020 the

²⁴ <https://www.tucg.ca/>

²⁵ <https://www.facebook.com/Islandpasturesbeef>

²⁶ <https://cow-op.ca/about/>

²⁷ <https://www.sifarmhub.ca/>

²⁸ <https://www.vicnews.com/news/50000-feasibility-study-coming-for-crd-food-processing-hub/>

group launched an on-line sales platform, and in July 2021 hope to launch a home delivery service.

6.0 Feedback from Key Players

The consulting team engaged a broad range of key players in the region's agri-food sector to further understand the challenges and opportunities of food producers and processors and the needs of a food hub. Please see Appendix B for further information on who was involved. One-on-one interviews, small group discussions and an on-line producer survey provided valuable information for building a food hub model. Below is a summary of these discussions. It should be noted that this is a summary of what we heard, in that these perspectives are those of key players and may or may not reflect our recommendations or the position of the CVRD.

6.1 Feedback on the region's agri-food sector

Online stores have had mixed results for different food producers in the region

All vendors at the Comox Valley Farmers' markets have access to the Local Line market platform. However, while some vendors have generated moderate sales others either have not or have just not used it.

Generally, institutional food buyers are not aligned with small to medium food producers

To effectively sell to institutions, producers need to operate at a larger scale and be HACCP and GAP certified. One respondent noted that because food hubs generally serve small to medium scale enterprises, institutional and other main-stream markets are not a key market for food hub products. Independent businesses like restaurants, hotels, cafes, caterers, pubs, bistros, and others are more likely to be the key market for food hub products.

However, another respondent noted that some public institutions like schools and hospitals are beginning to invest in on-site kitchens and using fresh product in meal preparation. In this way, low-risk products (like whole potatoes, apples, carrots, apples) could be an opportunity for a food hub. Lush Valley has had success providing local food to schools and other service providers.

Another observation was that long-term care homes could be an opportunity for local organizations like Lush Valley and other producers to serve.

Non-profit and for-profit entities both have roles in the local food sector

Respondents indicated that many CVRD businesses, organizations, and industry associations are considering how they can work together. Considering how non-profit organizations could become part of an overall revenue neutral or positive entity was suggested as a next step in the analysis.

Food production on Denman and Hornby Island is growing

Both islands have a long history of agriculture and are seeing a resurgence of food production and processing. Both islands also have active producer associations, farmers' markets and developed local food sales through CSAs and farm gate sales.

6.2 Feedback on a vision for the food hub

Small groups of producers and other key players were asked what should be the vision for the food hub. Although there is some divergence around the vision, there is significant common ground. Most participants considered all the following elements to be interrelated and important for the vision of the food hub.

- Increased sales of local foods.
- New sales channels for local food enterprises.
- Training/education for farmers/local food entrepreneurs.
- Better access to shared processing facilities/equipment.
- Enhanced food security and food access.
- Increased efficiencies that reduce carbon emissions.

6.3 Feedback on the needs of food producers and processors

A need exists for shared aggregation, distribution, and marketing

Many producers wish to sell product into a central facility to reduce costs and marketing time. Many producers would prefer to do this through a broker as opposed to marketing their product directly to customers. Small group participants identified the opportunity of developing a shared brand to market Comox Valley food products.

Food processing facilities are strongly needed in the region

For years food producers, their associations and local government have been looking to invest in food processing facilities in the region due to strong demand. Farmers' market food processor vendors have limited certified shared kitchen space for their production and meat producers must book months in advance for meat processing. A strong need exists to access VIHA certified commercial kitchen space.

The following food processing opportunities were identified:

- Shelling, cleaning and hulling hazelnuts and further processing them into hazelnut butter (e.g. like Nutella) and/or hazelnut milk.
- Processing apples into apple juice, applesauce, and/or apple ciders.
- Processing kale into kale chips.
- Processing kelp into a variety of kelp products (nori, chips).
- Value-added meat and seafood processing.
- Making large batches of tomato paste, hot sauce, etc.
- Pickling carrots, cucumbers, onions, and other vegetables.

On Denman Island producers would like flash freezers and dehydrators to extend their production seasons. On Hornby Island they unsuccessfully applied for funding for a commercial

kitchen a few years ago. Hornby Island producers would also like access to an apple press to increase apple production and potentially catalyze new apple-based businesses. Currently, apple growers either ship product to Denman Island, Vancouver Island or use the Pressing Matters mobile facility when it visits the island. In all cases this is costly and not reliable. Producers also identified the need for larger farm equipment rentals but cautioned this could be challenging because equipment is needed at the same time and there is disagreement about who should pay for damages and equipment maintenance.

Demand for shared storage is high

Small group participants and other key players expressed a need for all forms of storage (frozen, cold, and ambient storage). Some felt that frozen storage is the priority. Storage space for agricultural equipment was also discussed (e.g. harvesting and processing equipment for grain).

Producers on Hornby Island and Denman Island expressed an interest in food storage to help extend their season. Root crop storage was one idea mentioned.

Interest in shared distribution is strong on Denman and Hornby

Several producers expressed interest in being part of a shared distribution program for refrigerated and frozen products. This is especially true on Hornby Island and Denman Island, which have unique distribution challenges. While both islands have strong on-island sales any further growth off island is challenging due to a lack of distribution options. Producers generally manage their own off-island distribution or simply do not bother due to challenges with the ferries. One producer even invested in a boat to take food off the island. Others have moved their entire production off island. Ideally producers need a shared refrigerated distribution option where the producers drop off at a central location on each island and the distributor picks it up. Some distributors coming to the islands could potentially play this role (e.g. the CTS truck that delivers to the Hornby island co-op and returns empty).

Food and Agriculture non-profit organizations need permanent homes

Comox Valley Farmers' Market operates at four different locations throughout the year and in some cases must switch locations temporarily for a market day or two due to other events being held at their scheduled location. Their main location, Exhibition Grounds, does not have an indoor location for their winter market. A central main location with an indoor or covered

area with good public transport and parking would significantly boost vendor sales. A new location could also provide storage and meeting rooms for workshops.

Lush Valley is currently looking for a permanent home after moving operations several times as well as increasing their operations year over year. At the time of this writing Lush Valley is in conversation with the Island Corridor Foundation about the use of the old railway station in Courtenay.

Some participants were keen to see a public market

Some respondents indicated a desire to make the food hub into a major public market that creates year-round interest and opportunities for locals and visitors. The breweries, wineries, and distilleries were particularly interested in this concept if it allowed them to do tastings. Granville Island and St. Lawrence market in Toronto were cited as examples of food markets with a lot of character, functionality, and connection between food makers and eaters. Participants felt that whatever scale of food hub moves forward, it should work in a complementary way to farmers' markets as to ensure the vitality of all.

Respondents like the idea of creating a permanent farmers' market venue

A number of people indicated that it would be great if the food hub could create the facilities to support a year round home for the Comox Valley farmer's market.

" We are farmers not salespeople. We love and are good at growing food. We do not love or have time for, and are not skilled at, marketing and selling food. Our dream scenario would be to have a wholesaler who would purchase our food products for commercial resale elsewhere so we could focus our time and energy on growing rather than worrying about selling."

- Survey respondent

A need exists for abattoirs and meat processing capacity

Many farms produce beef, pork, and poultry but the lack of regional meat processing infrastructure is a significant barrier. Producers expressed frustration at having to book months in advance for abattoir services. They also worry that current abattoir staff are overworked, creating a survival risk for those abattoirs. Producers report that their meat production growth is constrained by the lack of abattoir capacity and is preventing new farmers from producing local meat.

6.4 Feedback on the needs of breweries, wineries and distilleries

The Comox alcohol and spirits industry are keen to participate in a food hub

All the breweries, wineries and distilleries we spoke with were very interested in being part of the food hub. Areas that they were keen to explore included:

- Direct to consumer-sales of alcohol through an online website and home delivery service or courier companies.
- Shared distribution of alcohol to wholesale markets in other parts of BC.
- Access to temporary cool and cold storage.
- Being part of a local public market that allowed tasting rooms.
- The opportunity to buy local food for their restaurants, including elderflower, sumac, and raspberries.

Breweries are interested in a malting facility and yeast propagation facility

Five breweries operate in the region and brewery representatives felt that a malting facility to serve all of Vancouver Island may be financially viable. One brewery indicated that Comox Valley breweries buy their yeast and felt that a shared yeast propagation facility would allow them to make their own unique yeasts and at a significant cost savings. A 5 pound container of yeast can cost \$600.

Wineries expressed interest in testing services

The Comox Valley wineries we spoke with indicated that they would like to have access to lab testing for soil and grape tissue samples. One winery sends their soil samples to Vancouver and their tissue samples to Ontario. Wineries are also interested in wine analysis services (SO₂, yeast, available nitrogen sampling). Most wine testing is done in Penticton. Vancouver Island has 35 wineries, which could use these services.

Distilleries want testing, storage, access to equipment and a tasting room

Distilleries would be interested in being able to do testing for their spirit recipes, being able to store glass jars and finished products, the ability to access a homogenizer (\$40,000 piece of equipment), and access to a tasting room where people could sample local spirits.

6.5 Feedback from Denman Island and Hornby Island

Producers on Denman and Hornby Islands have a clear vision for a certified commercial kitchen for food producers to be able to produce products on a larger scale that allows them to sell to bigger market channels such as independent retailers. Producers currently must process at home or build their own facility. Because the market is limited on both islands building a facility just for one producer is going to be economically challenging. Those producers that build their own facility, to produce larger volumes, tend to do so off island. A shared processing facility will also improve food security on the islands.

Other services attached to a food hub that producers identified include the co-ordination of off island distribution, equipment sharing, field crop and water testing. Some producers also identified the need for a small scale abattoir like that of Saturna Island. A food hub could also be a central retail spot aggregating product from local producers who normally sell from their farm stand.

Producers have different ideas as to how large the facility should be, but Hornby Island producers had already identified a facility will need to be around 3,000 sq. ft., which they have developed a business plan for. Hornby producers identified Farris Farm as the best location and Denman producers identified land near the community hall. Most liked the idea of a farmer led co-op as running a food hub that was professional and could still access grants. However, producers said that previous collaborations or attempts at collaboration have been challenging and not successful. However, there are some successful ones such as the shared apple press on Denman Island.

Producers identified a food hub on either island would find it challenging to be financially self-sustaining. Producers on the islands have small profits and would struggle to give up even 20% to pay for any additional services, especially with limited sales capacity on the islands. If a food hub could find a way to reduce the costs of capital expenses, land, building costs and/or rent then potentially it could be viable. It was identified that the islands have plenty of people looking for part time jobs due to the seasonal nature of the islands.

6.6 Feedback on food hub governance

Views on the best governance structure for a food hub are mixed

Several interview and small group respondents indicated that the best governance structure for a food hub would be a producer-owned cooperative because this would allow producers to control the enterprise and potentially receive dividends if it is successful. A co-op can also do fundraising and no one party would control it. Another said that if producers had a stake in it, then they would look after it better.

Some respondents felt that it should be run as a not-for-profit organization as a non-profit could represent a broader range of interests and would be able to more easily secure grant funding. However, it was also mentioned that a not-for-profit model would make it challenging to secure producer buy-in.

A shellfish producer felt that a shellfish processing facility should be owned by the regional district. Several respondents felt that it should be run by a business.

One group felt that it was important that whichever governance model is selected that it be a new group, possibly comprised of multiple regional groups, in order to overcome historic divides within the producer community.

Collaborative initiatives are important for Hornby and Denman producers

Market demand is limited on both islands. Therefore, any large investments can be risky. Sharing the risk, for example investing in a shared bakery, would reduce the risk and allow small producers to increase their production. Similarly, shared off-island food distribution would reduce costs. There have been attempts to get funding for shared facilities, but have not been successful to date. Facilities and services to benefit island producers will need to be on the islands. An opportunity may exist for both islands to collaborate on a shared distribution service.

Some parties have expressed interest in potentially operating the Food Hub

The following parties have expressed interest in potentially operating the Food Hub

- **Vancouver Island Farm Products** – They feel they are already operating a food hub to some extent and would be interested to know what it might entail.
- **Lush Valley Food Action Society** - They have developed a food aggregation and distribution service to serve vulnerable populations and would be interested in expanding their scope of services.

6.7 Feedback on food hub facilities and services

Respondents identified various services and functions for the food hub

- Business incubator functions (like Leduc Processing Centre, Leduc AB)
- Equipment rentals
- Food brokerage, marketing and online sales
- Food aggregation and distribution
- Produce processing
- Apple press (especially for Hornby Island).
- Grain cleaning and storage to increase production of oats and other grains.
- Root crop storage, especially for Hornby and Denman Island growers.
- Cooler and freezer storage as well as blast freezer (deep freeze) storage.

Based on the survey responses, the top rating for food hub services and facilities was for food and crop testing with 60% of responses indicating they would be interested in using it. Many of the categories were closely split between very interested and possibly or not interested. This may suggest a division around product types i.e. different food and agriculture sectors have different interests. Table 7.1 below provides a summary of responses with the purple highlight showing the top rating and the grey showing close seconds per question.

Table 6.1 Rating of Food Hub Services and Facilities

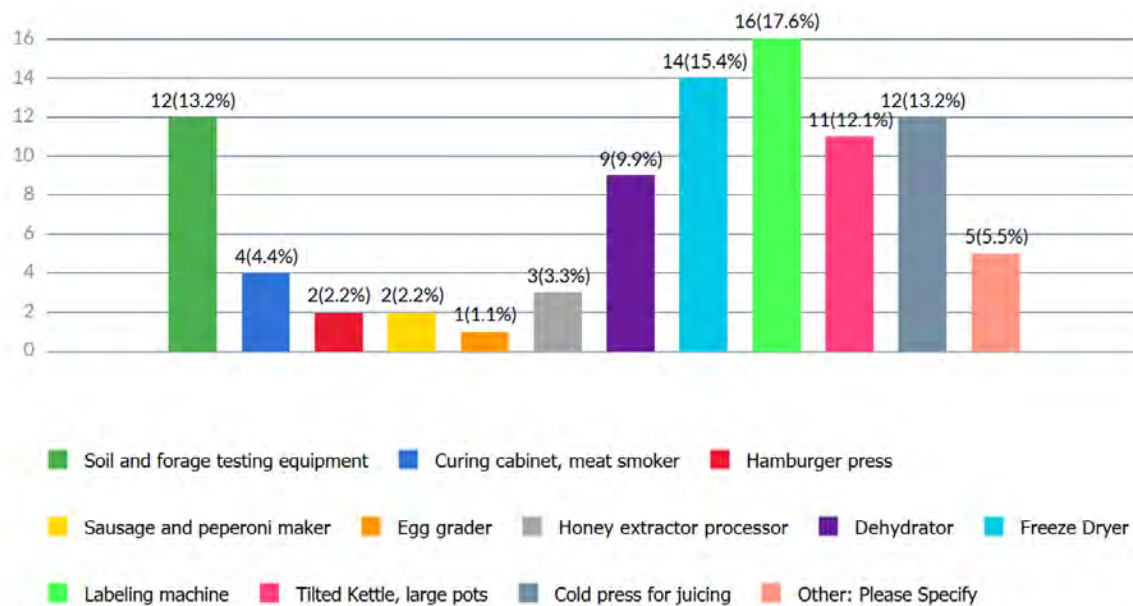
Description of potential food hub service	Not at all interested	Possibly interested	Somewhat interested	Very interested	Not applicable
1. A commercial kitchen that can be rented hourly, daily, weekly or monthly	23%	13%	15%	43%	3%
2. Access to an abattoir within the region for animals that you raise	23%	5%	8%	38%	28%

3. Food storage space rentals (including room temperature , refrigerated and frozen food storage).	15%	20%	15%	35%	15%
4. Small retail area to sell local products (e.g. 500 – 1,000 square feet)	10%	33%	15%	35%	8%
5. Delivery service to deliver products in the CVRD and beyond.	13%	25%	20%	35%	8%
6. Training/education workshops (e.g. on food production techniques, business management, GAP, HACCP certification).	10%	23%	18%	45%	5%
7. Testing services including food testing (e.g. for presence of pathogens), forage testing (e.g. for nutrient content, presence of pathogens), and/or soil testing (e.g. soil quality, presence of pathogens).	10%	10%	15%	60%	5%
8. Rental of food processing equipment.	13%	28%	15%	33%	10%
9. Access to an ecommerce site to sell products to buyers in the region and/or broker to market/sell your product.	13%	23%	5%	53%	8%

The survey provided a rating of how likely respondents are to rent different types of equipment (see Figure 7.1). The most popular responses were for a label-making machine, freeze dryer, soil and forage testing equipment, and cold press for juicing.

Figure 6.1 Types of equipment businesses are likely to rent

If you selected rental of food processing equipment, please specify which equipment you would be most likely to rent:



Respondents identified various potential funding sources for the food hub

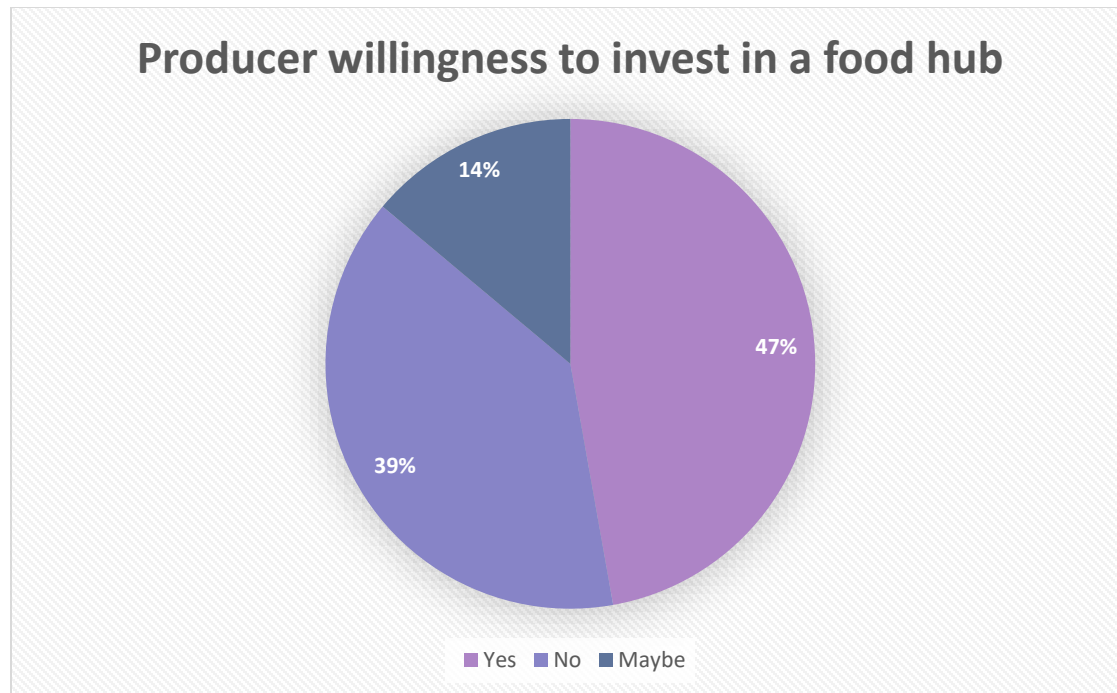
Respondents identified the following funding sources for a food hub:

- BC Government
- Island Coastal Economic Trust (ICET)
- Western Economic Diversification
- Community Futures
- Comox Valley Foundation – funding tied to food security
- Coast Community Credit Union
- Union Bay Credit Union
- BC Coop Association (if it was a Co-op)
- Community crowdfunding (to fund local food initiatives or buy community owned assets)
- Producers themselves

Some producers are willing to invest money in a food hub

Survey responses indicate some willingness to invest money in a food hub if it could help to increase revenues and either be repaid over time or generate some investment dividends. Figure 7.2 below summarizes producer willingness to invest.

Figure 6.2 Producer willingness to invest in a food hub



6.8 Feedback on food hub location and scale

A number of food hub locations were suggested

- One participant indicated that the best location would be somewhere in or near Courtenay.
- Specific location suggestions included:
 - One of the barns on the exhibition grounds.
 - One of the surplus buildings owned by the school district (e.g. the Comox elementary school has been vacant for 20 years).
 - The vacant old train station, a beautiful heritage building that has some significant restoration challenges.
 - The old Saputo dairy processing plant.
 - The United Church on Denman Island, especially to house equipment for rent and cold storage.
 - Farris Farm, Hornby Island.

Views on a centralized versus decentralized hub

Respondents generally favour a centralized hub with food hubs for Denman and Hornby Island and possibly in one other location.

One person indicated a concern about higher overhead costs for a centralized facility.

Views on the most appropriate size and scale for a food hub

We asked respondents to indicate which of the following food hub scales would be most appropriate for a food hub.

One interview respondent indicated that the best size would be a medium facility because she reviewed that the region was already operating at almost a 3,000 square foot equivalent space and that there would be demand for a larger facility.

Survey respondents were asked if their business will need additional space within the next two years. Thirty percent (n=12) indicated that yes, they will need more space within two years, whereas 69% (n=27) indicated they would not. Survey respondents also indicated there are about eight businesses/ non-profits who would rent space from the food hub. The total amount of space indicated was 16,000 sq feet although almost a third of that is from a non-profit entity who is already pursuing a location.

Based on the survey results, it was clear that there was interest in a facility that was at least 5,000 square feet. As a result, when we held the small group sessions, we defined a small to medium facility as being one that was 5,000 to 12,000 square feet while a large facility was defined as being 12,000 to 20,000 sq. ft.

Most small group participants agreed that a medium scale hub is the most appropriate scale for the food hub. Some small group participants felt a medium to large scale food hub is more appropriate to be able to achieve the revenues needed for the hub to be financially viable. The ability and flexibility to scale and grow within the facility was noted a key consideration.

6.9 Feedback on potential food hub users and buyers

Small groups discussed users and buyers for the food hub. Generally, groups agreed that agriculture producers, farmers market vendors, and small scale food processors would be the main users of the food hub. Consolidated feedback from all groups is provided below.

User group	Food hub user priority rating
Fruit, vegetable, nut, and grain growers	High
Farmers' market vendors	High
Small scale food processors	High
Livestock producers	Moderate
Seafood producers	Moderate
Food Start-ups	Moderate
Food non-profits	Low

Small groups also discussed food buyers for the food hub. Generally groups agreed with the following priority ratings for target food buyers.

Food buyer group	Food hub buyer priority rating
Independent retailers	Very high
Households (direct to consumer)*	Very high

Local restaurants	Very high
Comox valley area customers	Very high
Rest of island customers	High
Food processors	Moderate
Institutions (hosp., schools, long term care)	Moderate
Major retailers	Low

* Concern was expressed for introducing direct competition with farmers markets.

Survey respondents corroborated small group discussion findings on food hub buyers. Survey respondents indicated a range of potential food hub buyers (e.g. businesses or business types that producers would be interested in selling to). These include:

- Farmer's market and direct to consumer
- Comox Valley businesses (e.g. Guerilla Pizza, Dubois food, Honey Grove Bakery Locals Atlas ...)
- Restaurants in Victoria
- Gunter's Butcher Block
- Any business licensed to sell drinks as well as private liquor stores
- Tofino Culinary Chef's Guild
- Grocery stores:
 - Small corner stores, grocery stores and gift stores (e.g. Island Giftware)
 - Edible Island, Thrifty Foods, Quality Food
 - SuperStore, Walmart, Cisco
- Institutions:
 - North Island College
 - Courtenay Hospital
 - Retirement homes
 - Long term care facilities and all schools in SD 71
 - School Hot Lunch and Salad Bar Program
- All food and beverage operations
- Non-profits
 - Lush Valley and other non-profits requiring food.
 - Community organizations and social housing sites as well as individuals.

Feedback on additional ways a food hub could help regional enterprises

Survey respondents were asked, *"In addition to improving local food facilities and expanding product line, what other ways could a food hub help local food enterprises, like yours, grow their business?"*. Below is a summary of verbatim responses:

- We need help with abattoir access, high quality butchering and accessing markets.
- Sourcing growers, suppliers of apples, grapes and other fruit to make brandy.

- Business support on:
 - Navigating the food inspection process, agencies etc.
 - Wrap around services for food entrepreneurs with recipes but lack of knowledge on scaling up food processing (e.g. what labour-saving equipment to use, packaging, branding).
 - How to become a VIHA certified facility to get more catering business.
- Marketing
 - Collective marketing. Access to different local markets.
 - Building community awareness.
 - Promotions/advertising outlets.
 - Networking, collaboration with other producers and processors.
- Equipment
 - Having a reliable kitchen space with consistent scheduling would add stability to my limited production needs.
 - Packaging/bottling equipment.
 - Purchase of equipment for all types of food storage- cold, freezer and dry storage. Light processing equipment Collaboration with other producers to sell joint products.
- Aggregation and distribution
 - Aggregation and distribution of fruit and vegetables. If multiple farmers could grow and then bring say the carrots to be washed and packaged for distribution.
 - Space to scale up our non-profit aggregation and distribution efforts.
- Supporting community initiatives
 - Distributing excess food to shelters, hiring help.
 - Space where the community can connect and celebrate local food (e.g. pick up location for meals and Good Food Boxes).
 - Assistance in getting urban agriculture and small artisan food processing part of home occupation definitions in Town of Comox bylaws.

6.10 Feedback from the shellfish industry

Shellfish producers need ongoing workshop and training programs

Shellfish production is a challenging business, so producers and their staff need workshops and training to maintain the viability of their business, reduce the impact on the sensitive environment they operate in, and maintain the integrity of their product and the industry. Recent workshops have addressed reducing farm debris into the environment and climate adaptation.

Smaller shellfish producers would benefit from a shared processing facility

Shellfish processing facilities can be costly and must be federally inspected. This has resulted in mainly larger producers having their own processing facility and smaller ones either using larger producer processing facilities or selling their product to them. Having a shared processing facility with other smaller shellfish producers could give them more control over their business and potentially serve the local market more through direct sales (e.g. farmers' markets, home delivery and gate sales) as well as underserved markets such as developing value added products (e.g. frozen chowder). Any facility that is processing raw shellfish would need to be separated from other food. One grower estimated the facility would need to be 500 sq. ft., access to ample water supply, access to quality control testing, and be able to record data. This facility could not share the same space with other food processors due to cross contamination issues.

Some growers identified that building and running a shared processing plant would be very costly with various challenges. A solution was to work with a current local processor and contract them to custom process. One processor, Salish Sea Foods in Comox, was identified as a strong potential processing partner. Producers stated a food hub could also help the industry with sourcing and training a work force, promoting BC shellfish (e.g. developing recipes, attending trade shows) and providing storage and distribution solutions.

Opportunities exist for value-add shellfish products

Most shellfish produced in the region is sold raw to far away markets. If producers could add value to their shellfish such as smoking or including it in recipes, this would provide additional and more consistent revenue and potentially higher profits.

Smaller shellfish producers collaborate together

Smaller shellfish producers collaborate together to gain access to the market. A lot of shellfish is processed and distributed to major markets from Vancouver, so smaller producers collaborate on distribution to Vancouver using 3rd party distributors.

6.11 Feedback on key success factors

Small groups were asked about what they thought the key success factors for the food hub are. Below is a summary of the perspectives shared during this discussion.

- Leadership that is respected and trusted by a wide range of producers.
- Working together and coming together to form a unified voice.

- Increased community food security and self-sufficiency.
- Producers are strongly supported.
- More regional food is being produced and consumed.
- Greater accessibility of local food for all including vulnerable populations.
- Strong commitments from all key players involved, including producer buy-in.
- Sustaining multiple revenue streams.
- Overcome skepticism on organic farming.

7.0 Gap and Opportunity Assessment

These gaps and opportunities are largely based on interviews, small group meetings, the producer survey findings, our previous research, our review of census information, as well as our inventory of regional food assets.

7.1 Gaps in the regional food and agriculture system

CVRD Food and agriculture producers and businesses face many common challenges. Some of these challenges are systemic and require legislative policy changes. Others can be significantly influenced by regional efforts. Gaps for businesses and organizations in the local food space include but are not limited to:

- Like many regions, small to medium scale food producers and processors in the CVRD struggle to do value-added processing as the investment required to purchase equipment and become health and safety certified is out of reach for many.
- Lack of availability of affordable livestock feed.
- Lack of processing equipment (low to high-tech).
- Lack of coordination of existing assets.
- Lack of meat slaughter and processing capacity.
- Lack of commercial kitchen space and cold storage.
- Lack of distribution networks within and beyond the region.
- Lack of market research on CVRD products.
- Lack of shellfish processing infrastructure for small and medium sized growers.
- Lack of off island distribution options for Hornby Island and Denman Island producers.
- Lack of collaboration between producers.
- No Comox Valley branding, supported by marketing to key buyers like retailers.
- Permanent locations for non-profit organizations like the Farmers Markets and Lush Food Action Society.

7.2 Opportunities for the regional food and agriculture system

The CVRD is one of the most diverse and active food and farm economies in BC. With a favourable climate and biophysical conditions for land and sea-based food production, the regional food economy in the Comox Valley is both sophisticated and firmly rooted in the region's history. Opportunities for businesses and organizations in the local food space include but are not limited to:

- Potential economic development collaboration between the K'òmoks First Nation and the CVRD.
- Value added food processing in aquaculture and agriculture sectors.
- Regional branding of CVRD products.
- Improved distribution systems and cold chain.
- Product development and innovation.

- Packaging and labelling.
- Cold, frozen and ambient storage.
- Better coordination of multiple food hub initiatives to identify collaboration opportunities and mutual benefits.
- Explore mixed use facility models that could potentially combine produce and protein processing and value adding.
- Explore a range of governance options including for-profit and not-for-profit models as well as explore potential constellation of implementation partners and funders.
- Education, training and business development courses for entrepreneurs and enterprises such as:
 - Business planning and marketing for small business
 - How to do soil/nutrient testing/create proper food packaging labels
 - Webinars with guest speakers on local food topics
 - How to grow particular crops/do value added processing
 - Take food certification courses (Food Safe 1 and 2, Market Safe)
 - How to operate/manage a local food business
 - How to develop and market products
 - Learn about specialize equipment to grow/raise/process certain products
 - How to start and operate an agricultural cooperative
 - How to become GAP or HCCAP certified to sell to retailers/institutions
 - An incubator program for food entrepreneurs

8.0 Potential Food Hub Site Analysis

Given that a larger proportion of participants from the Vancouver Island agricultural sector generally agreed that a centralized food hub facility would be desirable, one of our key tasks was to identify a specific location and a specific facility that could house the proposed functions of the hub.

Note that we have assumed that securing an appropriate existing facility will cost less than securing land and constructing a purpose-built facility. Although, leasehold improvements of existing buildings can be significant, the cost of new construction is at an all-time high and is unlikely to be a feasible option for the food hub unless significant capital financing is secured or unless a developer is willing to build a food hub facility in exchange for a long term (e.g. 10 year lease).

8.1 Preliminary site evaluation criteria

We identified several preliminary site-evaluation criteria based on best practices and assigned a relative importance weighting to each. The criteria and the importance weights are as follows:

Evaluation Criteria	Importance Weighting
Low capital cost/renovation cost	20%
Good facility indoor size (sf)	12%
Good facility outdoor area (sf)	8%
Favourable zoning (commercial, retail)	5%
Proximity to Courtenay	6%
Merits of location (e.g. near highways, compatible surrounding uses)	6%
Attractiveness of food hub building for retail sales component	3%
Attractiveness of area around the facility	4%
Availability of water supply	3%
Availability of parking	6%
Availability of power	5%
Availability of kitchen +on-site storage	5%
Good access for loading/unloading	5%
Good number of loading bays (dock level preferred)	5%
Accessibility/visibility/parking/washrooms for retail customers	4%
Supportive owner	3%
Total (must add to 100%)	100%

8.2 Preliminary potential food hub sites

Key players and participants proposed a wide range of initial locations for a food hub. This initial list is presented in Table 8.1.

Table 8.1: Preliminary potential food hub sites

Potential Location	Address	Notes
Merville Community Association Hall	1245 Fenwick Rd, Merville	Owned by Merville Community Association
A barn on the Courtenay Exhibition grounds	839 Headquarters Rd, Courtenay	Owned by the CVRD, in the ALR
Old Thrifty Foods	660 England Road, Courtenay	Downtown Courtenay,
Old Canadian Tire	278 Island Hwy, N, Courtenay	Downtown Courtenay, currently listed for lease
Union Bay Hall	5401 South Island Hwy, Union Bay	Owned by Union Bay Community Club
Fanny Bay Hall	7793 Island Hwy S, Fanny Bay,	Owned by Fanny Bay Community Association
BC Assessment building	2488 Idiens Way, Courtenay	Government owned, under-utilized
The old Saputo dairy processing factory	743 28 th Street, Courtenay	It closed March 31 st , 2019. It is a very large facility and available for lease.
The old Railway Station in downtown Courtenay	899 Cumberland Road, Courtenay	It is a heritage building that stopped being used as a railway station in 2011
The Comox Elementary school	Courtenay,	It is a school that is not currently in use
Union Street Grill	477 5 ST Courtenay,	On main street of downtown Courtenay and has a commercial kitchen. Available to purchase.

Through the course of the study, most of these facilities were eliminated for the following reasons:

- Another tenant purchased or rented them (the Old Thrifty Foods building).

- The owner wanted to use them for another purpose (The Comox Elementary School Building is needed for furniture storage).
- They were deemed too small or lacked proper loading bay facilities (Merville Hall, Fanny Bay Hall, Union Bay Hall, Union Street Grill and the old Railway Station).
- They did not have suitable buildings (The exhibition grounds have available space but no available buildings).

It is also relevant to note that the old railway station is already being pursued by Lush Valley Food Action Society in association with the Island Corridor Foundation.

Based on this, our shortlist of potential facilities are as follows:

- The old Saputo dairy processing plant
- The BC Assessment building
- The old Canadian Tire building

8.3 Site evaluation and recommendation

We conducted a detailed evaluation of all three shortlisted facilities, the results of which are presented in Table 8.1.

Table 8.1 Evaluation of shortlisted food hub location options

Evaluation Criteria	Importance Weighting	Old Canadian Tire		BC Assessment Bldg		Old Saputo Plant	
		278 Island Hwy, Crt		2488 Idiens Way, Crt		743 28th St, Crt	
		Values	Score	Values	Score	Values	Score
Low capital cost/renovation cost	20%		4	office now	6	more info	8
Good facility indoor size (sf)	12%	50,000	4	8,000	7	21,100	10
Good facility outdoor area (sf)	8%	4.1 ac	10	1.2 ac	9	3.1 ac	10
Favourable zoning (commercial, retail)	5%	C2-Comm.	10		10	C2-Comm.	10
Proximity to Courtenay	6%	1.8 km away	10	5.5 km away	8	2.0 km away	10
Merits of location (e.g. near highways)	6%		10		10		10
Attractiveness of food hub building for retail sales	3%		10		8		6
Attractiveness of area around the facility	4%		8		8		7
Availability of water supply	3%		10		10		10
Availability of parking	6%		10		10		10
Availability of power	5%		10		8		10
Availability of kitchen +on-site storage	5%		5		4		10
Good access for loading/unloading	5%		10		8		10
Good number of loading bays (dock level preferred)	5%	2 bays	8	ground level	7	5 bays	10
Accessibility/visibility/parking/washrooms for retail	4%		10		6		8
Supportive owner	3%		10		10		10
Total (must add to 100%)	100%		7.1		7.2		8.8

As can be seen from the analysis, the old Saputo dairy processing plant generated the highest score. Some of the key reasons for this high score include the following:

- It is in Courtenay where most food producers/processors are located.
- It was used as a food facility and already has a 12,000 square foot cooler.
- The current rent is a reasonable \$12/sq. ft. per year.
- It has amply power supply and water supply.

- It has at least 5 dock level loading bays for aggregation and distribution.
- While it is a 21,000 sq. ft. facility, it can be rented in components of 3,000 sq. ft.
- It is in a good location from a public transit standpoint.
- It is in an excellent location from a trucking/distribution perspective.
- It has a good amount of office space that could be used for classrooms, a co-working space for food entrepreneurs, or offices for food non-profits.

The other two sites also had some deficiencies. The old Canadian Tire site is too large at 50,000 square feet and it is unclear if the owner would be willing to rent only half the space. The BC Assessment building could work, although it is a bit small and does not have dock level loading or any of the plumbing infrastructure that the food hub facility would need.

We also briefly considered a new industrial area in Cumberland where Tree Island Yogurt is building a 28,000 square foot facility. While it would be nice to be located next to one of the largest food processors in the region that has its own distribution fleet, the hub would still have to build a new facility and the road connections to the main transportation corridors are not as good as for the Saputo building.

We therefore recommend that the old Saputo building be formally explored as a potential food hub location. We also recommend that other potential locations/facilities be established to serve the following outlying areas and sectors and run independently from a food hub at the old Saputo building:

- United Church, Denman Island.
- Farris Farm, Hornby Island.
- Black Creek (to service northern Comox producers).
- Vancouver Island University Deep Bay Marine Field Station, Bowser, for seafood producers and other food producers to develop recipes in their kitchen. While this location is outside Comox Valley, it is only 14 km from Fanny Bay and especially accessible for Comox Valley shellfish producers. The station is also already part of the BC Food Hub Network and has a specific goal to support shellfish producers.
- Salish Sea Foods, Comox for smaller local seafood producers to custom process their product.
- An increase in abattoir capacity throughout the region.
- Former Canadian Pacific Railway Station (VIA Rail), Courtenay for Lush Valley food programs.
- Permanent location for Comox Valley Farmers' Market.

Some of these initiatives are explored further in section 9.10.

9.0 Potential Food Hub Model

9.1 Potential Business Model for the Comox Valley Food Hub

Based on the vision of the project and the feedback and research presented in the previous chapters, the main food hub business model proposed below will primarily serve agricultural food producers and processors located on Vancouver Island.

The most ideal business model for the food hub is to be the master tenant of the food hub facility and to provide a range of services to food hub members on a fee-for service basis. As a master tenant, it would coordinate and rent space in kitchen facilities, storage areas, and possibly a retail area. As a service provider it would coordinate services such as retail sales, brokerage services, training services, testing services, and so on. In many cases these services would be provided by other parties or individuals with the required skills and knowledge. It would charge a markup on both space rentals and services provided to cover its operating costs.

The goal would be to expand the hub in phases, securing member commitments of customer commitments for each phases so that the risks to the food hub are low. For example, it would not offer an online sales platform unless it could secure at least 25 producers to list their products on the site and agree to pay a commission to the hub for this service. Similarly, it would not establish a commercial kitchen unless it first obtained commitments from enough producers to cover at least half of the monthly operating costs of the kitchen.

The food hub business model will not include a significant retail function but if there is interest from producers and sufficient space, the business model could be expanded to include a formal public market component with permanent producer stalls, a restaurant, wine/beer/spirits tasting, and even local artisan crafts.

Strategically targeting a food hub for Comox Valley Agriculture Producers

We recognize that this food hub model as presented below will not be able to serve all food producers and organizations in the region and that there are other food assets needed in the region. For example, producers on Denman Island and Hornby Island have challenges getting products off and on the islands and therefore will have more restricted connections with a food hub on Vancouver Island. Nonetheless, to the extent that it makes economic sense, efforts can be made to have products from Denman and Hornby transported to the food hub for aggregation and distribution to retail and wholesale customers. Similarly, Denman and Hornby customers could order products from the food hub and have them delivered on a one day per week schedule.

Seafood producers, especially shellfish producers, as well as abattoirs, also have specific needs that cannot be easily integrated with other food producers.

Additionally, the not for profit, Lush Valley, needs a facility that can provide community services beyond food storage and distribution, that will have some limitations if run from the

old Saputo building. We therefore recommend that these producers and organizations continue to pursue their own initiatives for food assets independently from a proposed food hub. However, connecting and collaborating as the many processes unfold is critical to ensure that undesired duplication is avoided and that assets are leveraged to increase synergies.

9.2 Vision for a Comox Valley Food Hub

The primary vision for the Comox Valley Food Hub is to increase sales of Comox Valley foods and products using local ingredients. The vision for the CVFH is also to:

- Be financially viable from earned revenues after the initial start-up period.
- Create new sales channels for local food enterprises.
- Provide good access to equipment and services.
- Enhance food security and food access.
- Provide training and education for farmers/local food entrepreneurs.
- Improve producer operational efficiencies while reducing carbon emissions.
- Collaborate with others in the local food space, including non-profits.

9.2 Potential food hub elements

We recommend the following elements for the food hub:

- **A commercial kitchen or processing facility** – This kitchen would have specialized equipment that would allow food entrepreneurs to process a variety of foods in an economical way because the equipment will be shared and the entrepreneurs will only be charged for the equipment they use and the time they spend in the kitchen.
- **An online ordering platform** – The online platform would allow all Comox Valley producers and processors (including seafood producers and processors) to list their products on the website and for both wholesale and retail customers to buy them.
- **An aggregation and distribution service**- For orders placed on the online platform (or separately), producers would bring their products to the food hub, where they would be aggregated and re-packed into customer orders and then delivered to those customers.
- **A marketing and brokerage service** – the food hub would actively market all producers and work to secure sales contracts, particularly with retail and institutional buyers.
- **Food testing services** – the food hub would offer a variety of food testing services to reduce or eliminate the need for producers to access testing services outside the region.
- **Equipment rentals**- the hub will rent specialized expensive equipment to producers so that they do not have to pay the full cost of this equipment when they only use it on a

periodic basis. This equipment could include food testing equipment, soil testing equipment, agricultural equipment and kitchen equipment.

- **Food storage** – The food hub would rent out ambient, refrigerated, and frozen storage space on a daily, weekly, or monthly basis.
- **Education and training services** - The food hub will coordinate the provision of a range of business advice (e.g. financial accounting), technical training (how to grow certain crops or process certain foods) and certification services (e.g. HACCP, Food Safe)
- **Shared office and co-working space** – The hub would provide office space and meeting rooms for producers and other food-related organizations, including co-working space for micro food-entrepreneurs who just need desk space.
- **A small retail presence** – At a minimum, the food hub could have a Saturday market to sell producer products that are available for sale at the end of each week. If this is popular, it could be expanded into a multi-day market and possibly a formal retail store.

9.3 Potential users and buyers

We expect that most food hub users will be based in the CVRD. The highest concentration of agricultural producers are located within a 30 minute drive from Courtenay. It is possible that some producers further up-island could also benefit from food hub services in the CVRD and would make a longer drive. However, there is likely not a significant user reach beyond the Comox Valley.

Potential key users of the food hub include

- **Small and medium sized farms in the Comox Valley.** This would be mainly made up of members from the Mid Island Farmers' Institute and Comox Valley Farmers' Institute, as well as vendors at the Comox Valley Farmers' Markets. Farmers not members of these organizations or are outside of the region would still be welcome to use the services of the food hub.
- **Small and medium sized food processors as well as breweries, wineries, and distilleries in the Comox Valley.** This would be mainly made up of members from Small Scale Food Processors Association and vendors of the Comox Valley Farmers' Market. Food and beverage businesses not members of these organizations or are outside of the region would still be welcome to use the services of the food hub.
- **Food business start-ups** located in the Comox Valley and potentially the surrounding region.
- **First Nation communities (e.g. K'òmoks and Wachiay), social enterprises and not for profits** servicing communities of Comox Valley.

A list of some of these businesses and organizations can be found in Appendix A.

Geographic reach of the food hub

For food hub buyers, the geographic reach is expected to be largely within the region as well as to the rest of Vancouver Island. It is possible that off-Vancouver Island food buyers could also buy from the CV Food Hub.

Potential key organizations buying food from the food hub and its users

- **Independent grocery stores** (e.g. Thrifites, Quality Foods, Country Grocer, Edible Island Whole Foods Market, Portside Produce Farm Market, Fairway Market, Goats on the Roof, The Root Cellar, SPUD and Red Barn).
- **Comox Valley households** buying direct from the food hub.
- **Farm stands, breweries, wineries and distilleries** (e.g. 40 Knots Winery, Lentelus Farm, Wayward Distillery and Land and Sea Brewing).
- **Independent restaurants** (e.g. Black Fin Pub and Avenue Bistro).
- **Public institutions** (e.g. North Island College, schools and hospitals).
- **Private health care** (e.g. long-term care facilities).
- **Food manufacturers** (e.g. Tree Island Yogurt and Hornby Island Foods).
- **Food distributors** (e.g. Tofino Culinary Chefs' Guild and Vancouver Island Produce).
- **Third party online stores** (e.g. Order Retriever and Tastes Local).

Key buyers will tend to be in and around the Comox Valley, but will also include buyers across the rest of Vancouver Island and potentially in the Lower Mainland.

9.4 Potential ownership and governance structure

Different governance models are explored and compared in Appendix C. Whichever governance structure is ultimately chosen, key players were clear that it needs to be a new entity, likely comprised of representatives from existing producer organizations.

The Comox Valley Food Hub Coop

The most supported legal entity type is a producer-owned-for-profit cooperative. Membership shares and dividends could be part of this model should the food hub generate a profit beyond what is needed to maintain an adequate level of cash flow. The co-op could be run like an incorporated business as members purchase shares and elect a board of directors and officers.

The Comox Valley Food Hub Coop (CVFHC) would be different from a corporation in that each member gets one equal vote on key decisions.

Members of the co-op would only include food producers and processors based in the Comox Valley. Other parties such as food producers outside of the region, food distributors, food buyers, non-profits, households, health authorities and government agencies would not be members of the co-op. However, if the co-op issued investment shares, these other parties could purchase investment shares to support the co-op and participate in any dividends. In addition, non-members (producers and non-producers) could still employ the services of the food hub. However, they would not have a say in the running of the food hub and unless they purchased investment shares, would not benefit from any dividends. The co-op may also provide extra benefits to its members such as reduced fees and priority to fulfill new customer demand.

We recommend that a co-op membership fee be set at a membership share value of at least \$1,000 to help raise capital and attract producers with a good level of commitment. Lower fees reduce the barrier to becoming a member but may result in attracting members with a lower commitment. In line with the BC Co-operative Association Act, each Co-op member would only be entitled to one vote, regardless of the number of shares they own.

We also recommend the Co-op set a maximum number of investment shares, to reduce its financial risk. For example, if one member owns a significant proportion of shares and passes away, then the Co-op is at risk from needing to pay out a large proportion of money. This could be accomplished by saying that no single member can hold more than 10% of the total outstanding investment shares. Alternatively, the Co-op could stipulate that it will not pay out any Co-op member if by doing so it would put the Co-op in financial difficulty.

Given that the food hub likely needs to raise significant capital to refurbish the old Saputo building and purchase equipment and wants to encourage greater community involvement, we recommend that it allow both members and non-members to purchase investment shares. This would be another way for the Co-op to raise funds. If the Co-op does this it needs to include in its bylaws the value of an investment share, the number to be issued, the designation of each class of investment share and the special rights and restrictions attached to each class, and whether they can be purchased by non-members.

Given that the Co-op is planning to lease a large facility that will be essential to many food producers in the Comox Valley, it is important to launch with a board that has the breadth of skills to manage all aspects of this enterprise. These skills and knowledge should include the following:

- Food crop production methods
- Food distribution and retailing
- Financial management and accounting
- Legal and regulatory affairs
- Strategic planning and good meeting practices
- Human resource management and leadership

- Co-operative principles and governance

We recommended that the Co-op launch with 7 to 9 board members (it is always beneficial to have an odd number of board members to reduce the chance of a tie vote). It should not actively recruit more members until a detailed business plan is completed (related to the old Saputo building) and legal papers have been drafted and the co-op incorporated. This is because having a business plan is essential for new members to understand how the Co-op will benefit them and their investment, what their role is and how the Co-op will operate.

Critical entities for moving forward

Prior to completing the business plan and incorporating the co-op, a steering committee will need to move the project forward. Steering Committee members should include at least some of the following individuals who have participated as this project's Steering Committee:

Diane Jackson	Mid Island Farmers Institute
Angela Boss	Ministry of Agriculture
Niki Whittaker	Comox Valley Farmers Institute
Twila Skinner	Comox Valley Farmers' Market Association
Maurita Prato	LUSH Valley Food Action Society
Kimberley Toonders	Vancouver Island Health Authority (on hiatus)
James McKerriker	Comox Valley Food Policy Council
Jim Russel	BC Shellfish Growers Association
Gerry McClintock	McClintock's Farm
	CVRD Staff (Planning, Economic Development)

Although the Terms of Reference for the Food Hub Assessment Steering Committee expire on July 1st, these terms could be renewed to include additional members as well as roles and responsibilities. Additional entities that could play a role in the governance of the food hub and could include:

- **Local/Regional Government agencies** (e.g. City of Courtenay, Town of Comox, Town of Cumberland and Comox Valley Regional District)
- **Industry associations/groups** (e.g. Comox Valley Growers and Seed Savers, Pier Street Farmers Market, North Island Farmers Market Association and BC Small Scale Food Processors Association, Community Futures).
- **K'òmoks First Nation entities** (e.g. businesses and community organizations).

9.5 Potential scale and size

Based on our engagement findings, key players think that the most appropriate starting scale for the food hub should be medium scale with room to grow. This translates to about 12,000 sq ft with opportunity to expand in the future.

One possible breakdown of the space by component is as follows:

Food distribution/order packing area	1,500 square feet
Ambient food and supplies storage	1,000
Refrigerated storage	2,000
Frozen storage space	1,000
Commercial kitchen/processing facility-	2,000
Food testing lab	500
Equipment storage/rental	1,000
Shared office space, meeting space	1,500
Training room(s)	1,250
Small retail market area	250
Total space	12,000 square feet

A number of specialized uses could further increase the space requirements:

- A yeast propagation room for the brewery industry (150 sq.ft.)
- A hazel nut shelling, de-hulling, cleaning and packing line (1,000 sq. ft.)
- A 5-7 day per week, year-round farmers' store (1,000 sq. ft.)
- A permanent home for the farmers' market (200 sq.ft indoors, 5,000 outdoors)
- A winery, brewery, distillery tasting room (1,500 sq. ft.)

We estimated that 30-50 small to medium scale producers/processors would need to participate in the food hub for it to be viable.

9.6 Preliminary site selection and layout

As summarized in Chapter 8, the old Saputo dairy processing plant generated the highest score in our site evaluation and is our recommendation site for the food hub.

As this facility was operating as a dairy processing plant, it very likely meets, or can meet, health and safety standards.

The cost of facility upgrades will depend on the final components and the degree to which the building owner will be willing to pay for those upgrades (in exchange for a higher rent). A detailed building inspection would be required to provide detailed costing for leasehold improvements. However, they will likely cost about \$1 million.

Figure 9.1 Building location at 743 28th St. Courtenay, BC

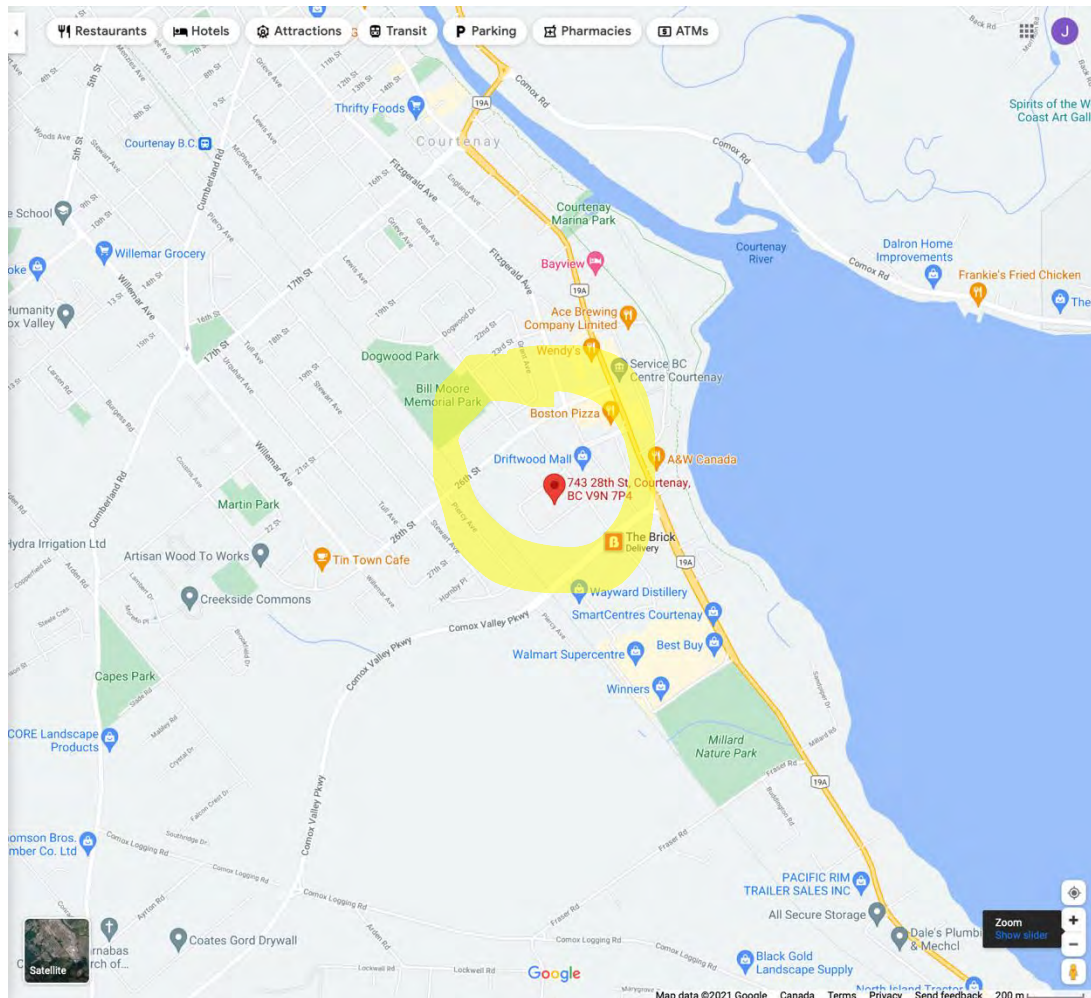


Figure 9.2 Aerial and street view of the building



9.7 Other potential entities involved in the food hub

Additional to the users and buyers of the food hub, as well as organizations involved in the governance of the food hub, there will be other entities that will also partner with the food hub. These will primarily be involved in providing educational programming, training, and workshops. These include:

- **Educational Institutions** (e.g. North Island College, Vancouver Island University, VIU – Deep Bay Marine Stations and UBC Faculty of Land & Food Systems).
- **Economic Development Agencies** (e.g. Chambers of Commerce, Economic Development offices, Comox Valley Economic Development Society and Community Futures)
- **Employment Centres** (e.g. Immigrant Welcome Centre, North Island Employment Foundation Society).
- **Government agencies** (e.g. Ministry of Agriculture and Ministry of Forest, Lands and Natural Resources and Ministry of Economic Development, Job Creation and Trade and Innovation, Science & Economic Development Canada).
- **Industry Associations/Groups** (e.g. BC Agriculture Council, Comox Valley Growers and Seed Savers, Comox Valley Farmer’s Institute, Mid Island Farmers Institute, BC Goat Association, BC Food Processors Association, BC Small Scale Food Processors Association, North Vancouver Island Chefs Association and Young Agrarians).
- **Community Associations/Food groups** (e.g. Lush Valley Food Action Society and Greenways Land Trust).

9.8 Additional required food assets in the region

Through the research and engagement for this project, we identified additional food and agriculture assets beyond a central food hub. Although these assets are not directly included in the food hub model presented above, they are important assets that require further consideration and could ultimately work in concert with a food hub.

Commercial kitchen/processing facility for Hornby and Denman Islands

Based on the above feedback and the previous work done by Hornby Island Farmland Trust Society, food processing facilities have been identified as a major need on Hornby and Denman.

Hornby Island identified for a facility to be located at Farris Community Farm owned by the Hornby Island Farmland Trust on a not-for-profit basis and managed by an experienced paid general manager. The facility would have the following components:

- Outdoor food washing area.
- Large indoor food processing area with worktables, ovens, sinks, dishwasher, and other food processing equipment.
- Walk in freezers and coolers.
- Loading dock large enough to handle pallets.
- Small retail counter.
- Composting facility.
- An office.

The facility will provide the following services:

Description of Services	Estimated annual revenues
Training and workshops (e.g. food safety and agriculture programs for youth)	\$0
Prep station rentals	\$21,375
Fully equipped workstations	\$85,500
Storage space rentals	\$5,000
Retailing of local products	\$15,000 (25% of retail sales of \$60,000)
Logistical support to help food businesses transport their goods off island	\$0

The facility is expected to cost \$626,750 and generate \$126,875 revenues in the first year, with annual operating costs of \$114,200, which will be kept low by relying on some volunteer labour and purchasing used equipment. Funds for the facility will likely come from grants, in kind donations, private citizen donations and local community fundraising. To increase revenues, the facility could look at charging a commission for workshops (e.g. \$5/attendee on top of the fees for the facility), as well as a commission for co-ordinating off island transportation (e.g. \$1-2/case).

Other services identified by producers include:

- Apple press
- Root crop storage
- Field crop and water testing
- Small scale (or mobile) abattoir

Denman Island producers identified similar needs with an additional need to sharing farming equipment and to have it stored at United Church. Previous attempts to share equipment and collaborate between the two islands have not been successful. This could be addressed by a more formal governance structure (e.g. producer co-op) with a shared board, or the two islands could pursue their own food and agriculture assets. If they pursued a co-op model, this could help raise additional funds from the producers via membership and investment shares.

Primary and value add processing for shellfish and seafood

Seafood operations, especially small and medium sized shellfish growers, have expressed a need for primary and value add processing to allow them to sell more of their product to the local market and new market channels. Due to the costs and complexities of a shared processing facility, the ideal solution is to contract a local processor to do custom processing. Salish Sea Foods, in Comox, was one business that was identified to provide this service. Salish Sea Foods, owned by K'òmoks First Nation Economic Development, has a modern 7,000 sq. ft. HACCP compliant plant staffed by over 20 professionals. This includes a PCP, QMP, HACCP manager who takes care of all shellfish regulations with CFIA and keeps the plant in good standings.

The facility is registered with CFIA and licensed as a shellfish processor, salmon processor, smoked fish, and a RTE room for value added products. The facility has new equipment including:

- North Star 5 mt ice machine
- Pin bone machine
- Trio skinning machine
- Smoke house
- Forklift

They are now modernizing the facility further to include a canning line for tuna, salmon and oysters. There will also be a new sausage machine, and new chop grinder for making salmon sausage and salmon pepperoni, and for making smoked salmon pecan rolls. They have freezer capacity for freezing salmon fillets and able to Vac pack all types of seafood. They are also planning to install additional holding freezers with a blast freezer constructed on their back lot to be able to hold more products. They also offer distribution services including their own 5-ton delivery truck which is temperature controlled for picking up shellfish and other seafood products. They also intend to purchase a freezer truck for local distribution.

Salish has expressed an interest to be a food hub to increase product output. They are interested in custom processing as an avenue to help offset the costs of operations and to help keep their plant working at full capacity and keep trained personnel employed at their facility.

In addition to the processing services of Salish Sea Foods, Vancouver Island University Deep Bay Station has a commissary kitchen that food businesses can use to create and test various recipes using shellfish. To help promote BC shellfish and BC shellfish products, the BC Shellfish Growers Association, as well as Salish Sea Foods and VIU Deep Bay Station could play a role in

doing this. VIU Deep Bay Station also has meeting rooms to host industry workshops and training.

Increased meat slaughter capacity

Abattoir capacity is a challenge throughout the whole of the province, especially for small and medium sized producers. Recent changes to the regulations and classification of abattoirs will help address some of this, but with only 3 abattoirs in the region and only one of them processing other meats besides poultry and no abattoir on Hornby or Denman Island, the region clearly needs extra abattoir capacity. This could be addressed in several ways:

- Expansion of current abattoirs, especially expanding the poultry abattoirs to be able to process other meats.
- A mobile abattoir that can move around the region, especially to Hornby and Denman Islands.
- Re-opening one or more of several recently closed abattoirs.
- Building a new abattoir in the region that is potentially owned by a group of producers like the partnership between Windermere District Farmers' Institute and Columbia Valley Meat and Sausage Company.
- Farmer owned abattoirs to take on more custom processing like that of Campbell Farm on Saturna Island.

Food aggregation and education space for LUSH Valley Food Action Society

Lush Valley has several food programs that serve school children and the vulnerable sector. They have plans to expand these programs and to source as much food as they can from local producers. They currently buy ~\$150,000 of local food per year and want to grow this to \$380,000 per year. They plan to do this by reaching out to secondary schools and health care institutions. This will not only increase sales of local food and provide more local food to school children and the vulnerable sector but will also make their programs more financially resilient. Lush Valley also have a vision to provide community services e.g. food courses. To manage this extra capacity and expanded services they are looking to secure the former Canadian Pacific Railway Station in Courtenay. This will allow them to expand their storage capacity as well as have teaching kitchen and meeting room space.

New home for the farmers' market

The Exhibition Grounds have been the main location for the farmer's market for several years, which provides several key benefits. However, it comes with challenges such as accessibility and not being a permanent location. The farmers' market would therefore like a new location that is:

- A year-round permanent location where they never have to move from, even temporarily.
- More accessible, especially for people using public transport.

- Has a permanent structure that provides shelter for a significant number of vendors, especially during the Fall and Winter.
- Ideally has secure storage facilities for equipment and agri-food products (frozen and chilled).
- Is ideally located near (or possibly at) the new food hub.

Appendices

Appendix A: Farms and Food Processers in the CVRD

Farms in the CVRD

Name of farm	Location	Primary products
Coastal Black	Black Creek	Berries, honey
Bee Happy Farm	Black Creek	Honey
Big D's Bees	Black Creek	Honey, berries
Lost Savanna Farm (CSA)	Black Creek	Meat
Snap Dragon Acres	Black Creek	Meat - poultry
Sunshine Acres	Black Creek	Meat - poultry
Seaview Game Farm	Black Creek	Meat - venison
Stonecroft Farm	Black Creek	Meat- game birds
Island Bison	Black Creek	Meat-bison
Cedar Meadow Ranch	Black Creek	Meat-lamb
Daldas Farms - Doberstain and Sons	Black Creek	Milk products
Warwick Dahlias	Black Creek	Plants-flowers
Good Earth Farms	Black Creek	Produce
The Tasty Tattie Farm	Black Creek	Produce
Pattison Farms	Black Creek	Prd
Wellspring Farm	Black Creek	Produce, berry wine
Anderton Nursery	Comox	Bedding plants
Christine's Cluckery	Comox	Meat - ducks
Plant Collector Nursery and Garden	Comox	Plants - trees
Guthrie Road Gardens	Comox	Plants-flowers
Island Dahlias	Comox	Plants-flowers
Comox Valley Production	Comox	Produce
Sieffert Farm Market	Comox	Produce
Waveland Berry Farm	Comox	Produce- berries
Watrin Orchard/Farm Market	Comox	Produce, products
Bees and Bloems Nursery	Courtenay	Honey
Seal Bay Farm	Courtenay	Me Meat, mixed crops
Glen Alwin Farm	Courtenay	Meat- beef
McClintock's Farm	Courtenay	Meat- beef, dairy
Tannadice Farms	Courtenay	Meat- mixed
Victorian Acres Farm	Courtenay	Meat-mixed
DeeKayTee Ranch and Farm Market	Courtenay	Meat, mixed crops
Celium Acres	Courtenay	Mixed
Grassi Point Farm Market	Courtenay	Mixed
Happy Creek Farm	Courtenay	Nuts
Name of Farm	Location	Primary products
River Meadow Farm	Courtenay	Plants
Kate's Flowers	Courtenay	Plants-flowers

Outback Nursery	Courtenay	Plants, berries
Bare Paw Farm	Courtenay	Produce
Black Rooster Farm	Courtenay	Produce
Comox Valley Hothouse	Courtenay	Produce
Devonshire Farm	Courtenay	Produce
Finlay Creek Farm	Courtenay	Produce
Fir Ridge Farm	Courtenay	Produce
Freedom Farm	Courtenay	Produce
Hazelmere Farms	Courtenay	Produce
Kloverden Farm (CSA)	Courtenay	Produce
Rock Bottom Farm	Courtenay	Produce
Whitaker Farm (CSA)	Courtenay	Produce
Huband Cherry Farm	Courtenay	Produce -Fruit
Berry Best Farm	Courtenay	Produce- berries
Evansdale Farm	Courtenay	Produce- berries
Island Sweetness Farm	Courtenay	Produce- berries
McGinnis Berry Crops	Courtenay	Produce- berries
Eat More Sprouts (Board of SSFPA)	Courtenay	Produce- sprouts
Innisfree Farm (Kitchen Rental)	Courtenay	Produce-herbs
Nature's Way Farm	Courtenay	Produce, berry wine
Ashprington Farm	Courtenay	Raspberries, pumpkins
Ironwood Farm	Fanny Bay	Produce
Sweet Spread Farm (CSA)	Grantham	Produce
Old Rose Nursery	Hornby Island	Plants-flowers
Smith Lake Farm	Merville	Eggs
Rankeillour Farm	Merville	Meat - poultry
Island Pastures Beef Producers	Merville	Meat- beef
Karason Farms	Merville	Meat-chicken
Halstead Farm	Merville	Mixed
Stoney Bog Farm	Merville	Mixed + wool
Pendleton Farm (CSA)	Merville	Produce
Tender Greens Farm (CSA)	Merville	Produce
ASH Berry Farm	Royston	Berries, cucumbers
Bayhill Farm and Nursery	Union Bay	Herbs
Greenhaven Gardens	Union Bay	Plants

Food and Beverage Processors in the CVRD

Name of processor	Location	Primary products
Alderlane Farmhouse Bakery	Black Creek	Baked goods
Heavenly Goodies Bakery	Courtenay	Baked goods
Zen Moment Kombucha	Courtenay	Beverage
Estevan Tuna Co.	Courtenay	Canned fish
Natural Pastures Cheese	Courtenay	Cheese

Dark Side Chocolates	Cumberland	Chocolate
Denman Island Chocolate	Denman Island	Chocolate
Cumberland Hemp Co.	Cumberland	Clothing
Ammo Box Hot Sauce	Comox	Condiments - salsas
As You Like It Product	Union Bay	Condiments - salsas
Bates Beach Farm	Courtenay	Condiments - salsas
Comox Valley Canning Co	Courtenay	Condiments - salsas
Mustard Lady	Courtenay	Condiments - salsas
Thai Sauce Company	Courtenay	Condiments - salsas
Land and Sea Brewing	Courtenay	Craft Beer
Ace Brewing	Courtenay	Craft Beer
New Tradition Brewing	Comox	Craft Beer
Gladstone Brewing	Courtenay	Craft Beer
Cumberland Brewing	Cumberland	Craft Beer
Blue Spruce Ice Cream	Courtenay	Dairy-yogurt
Tree Island Yogurt	Courtenay	Dairy-yogurt
Hornby Organic (energy bars)	Comox	Energy Bars
Legato Gelato (goat milk gelato)	Fanny Bay	Goat milk gelato
By the sea apothecary (herbalist)	Black Creek	Herbs and Spices
Clever Crow Herbs and Spices	Black Creek	Herbs and Spices
Middle Mountain Mead	Hornby Island	Mead
Prontissima Pasta	Courtenay	Pasta
Botanical Soap Shop	Comox	Soap
Heavenly Libations	Courtenay	Sodas & syrups
Island Spirits Distillery	Hornby Island	Spirits
Abuelo's Corn Tortillas	Courtenay	Tortillas
Natural Glacier Waters	Fanny Bay	Water
Beaufort Vineyard & Estate Winery	Courtenay	Wine
Coastal Black Estate Winery	Black Creek	Wine
40 knots Winery	Comox	Wine
Corlan Vineyard and Farm	Denman Island	Wine
Blue Moon Estate Winery	Courtenay	Wine

Seafood Processors in the CVRD

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Name of processor	Location	Type
Aquatec Seafoods	Comox	Fish, crab, seafoods
Baynes Sound Oyster Co	Union Bay	Oysters
Captain's Seafood	Courtenay	Fish smoking and curing
Fanny Bay Oysters	Fanny Bay	Oysters
Mac's Oysters	Fanny Bay	Oysters
Manatee Holdings	Courtenay	Geoducks
Odyssey Shellfish	Bowser	Oysters
Pentlatch Seafoods (harvester)	Courtenay	Abalone, Scallops, Mussels
Perfect Oysters	Courtenay	Oysters
Stellar Bay Shellfish	Bowser	Oysters
Salish Sea Foods (processor)	Comox	Oysters, clams, salmon, crab

Appendix B: Who Was Involved

One-on-one interviews

Sector	First	Last	Position	Organization
Architect	Martin	Haggarty	Architect	Working for Island Corridor Foundation
Distributor	Jaymie	Collins	GM	Vancouver Island Farm Products
Food hub	Debra	Hellbach	ED	VIU Seafood Innovation Centre in Deep Bay
Food industry association	Jim	Russel	ED	BC Shellfish Growers Association
Food industry association	Brad	Hornick	ED	Denman Island Growers & Producers Alliance
Food industry association	Candice	Appleby	ED	Small Scale Food Processors Association
Food industry association	Katherine	Ronan	Founder	Hornby Island Farmland Trust Society (HIFTS)
Food industry association	Peter	Wardle	ED	Hornby Island Farmland Trust Society
Government - BC	Kimberley	Toonders	Public Health Dietician	Vanc. Island Health Authority, (CVFPC)
Government - BC	Kimberley	Toonders	Public Health Dietician	Vanc. Island Health Authority, (CVFPC)
Government - CVRD	Arzeena	Hamir	CVRD Director, Organic Farmer	CVRD Director- Area B, (CVFPC)
Government - CVRD				Electoral Area Services Committee
Non-profit - Ec Dev	Karen	Ross	ED	Hornby Island Comm Econ Enhancement Corp
Non-profit- Food	Maurita	Prato	Coordinator	Lush Valley (CVFPC)
Non-profit- Food	James	McKerricher	Hub co-ordinator	Lush Valley (CVFPC)
Non-profit- Food	Ben	Vanderhorst	President	Comox Valley Farmers Institute
Non-profit- Food	Twila	Skinner	GM	Comox Valley Farmers Market
Non-profit- food	Niki	Whittaker	ED	Comox Valley Farmers Institute
Non-profit- Food	Diane	Jackson		Mid Island Farmers Institute (CVFPC)
Non-profit- Food	Maurita	Prato	Coordinator	Lush Valley (CVFPC)
Non-profit- Food	James	McKerricher	Hub co-ordinator	Lush Valley (CVFPC)
Processor - distillery	Dave	Brimacombe	CEO	Wayward Distillery
Processor - winery	Mark	Timmermans	Vintner	Beaufort Vineyard & Estate Winery
Producer - Ag	Karen	Young	Owner	Outer Island Farm
Producer - Ag	Aileen	Fearman	Owner	Fossil Beach Farm,
Producer - Ag	Gerry	McClintock	Owner	McClintock's Farm

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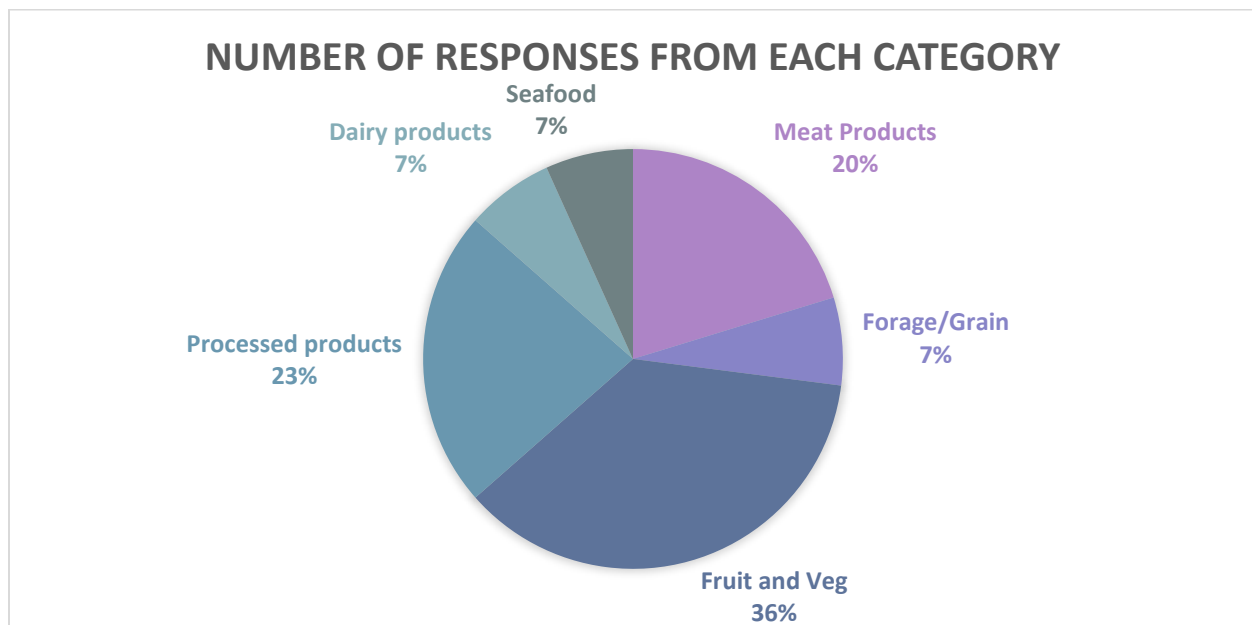
Producer - Ag	Sam and Emily	Anderson	Farmer	Two Roads Farm
Producer - Ag	Doug	Wright	Farmer	Upland Farm
Producer – Aq	Albert	Blackford	Manager	Salish Sea Foods
Producer - Aq	Adam	Choi	owner	small shellfish farm
Service Provider	Spencer	Serin	Lab Services Manager	Food Metrics Laboratories (CVFPC)

On-line survey

The on-line survey was completed by 35 respondents with another 57 providing incomplete responses for a total of 92 people who responded to the survey.

The majority of responses came from producers and processors in the Courtenay/ Comox area (55.7%) although responses also came from the Black Creek and Merville area (25.7%), the Royston/ Cumberland area (14.3%) and the Deep Bay/ Fanny Bay area.

Fruit and vegetable producers made up the majority of responses with 36% of all responses followed by processed products (23%) and meat products (20%).



Small group meetings

The project team held small group meeting with:

1. Comox Valley Food Policy Council
2. Mid Island Farmers Institute
3. Comox Valley Farmers Institute
4. Denman and Hornby producers
5. Shellfish producers

Regional processors were also invited to a small group session but no response was received.

Appendix C: Governance Models and Food Hub Types

Assuming that a food hub is deemed feasible through remaining research and engagement, this section explores potential governance options for owning and operating a shared food hub facility. We anticipate adding to and eliminating from this information based on research and engagement outcomes.

There are many ways to establish ownership and operational structures for effective food hub governance. The models described below show the range that is possible. The determination of a governance model should be driven by those who will be involved.

Cooperative Model

A co-op can be single member type co-op or a multi-stakeholder co-op. It can have one or more of the following types of members:

- Producer/processor
- Worker
- Consumer
- Community member/supporter

Below are pros and cons of a single stakeholder producer co-op or a multi-stakeholder co-op approach.

Description of Benefit	Single Stakeholder Coop	Multi-Stakeholder Coop
Governance simplicity and member management	Less complicated structure and is easier to govern	More complicated structured and potentially more difficult to govern if multiple classes are actually offered (this form of co-op would have multiple classes but may not necessarily use them)
Financial benefits	As there is only one class of member, there is only one stakeholder group purchasing co-op memberships	With more classes of members, there are more parties paying for memberships. However, there are also increased costs to administer the extra members, particularly consumer memberships, which can be numerous.
Board control	With one class of members, there is no issue with loss of board control	With multiple membership classes, it is possible that the core membership group (e.g. producers) may end up losing control of board or AGM decisions. This can be overcome by

		creating non-voting membership classes and by mandating that the core class of membership must hold most board seats.
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Producer cooperatives models are more common with food hubs and are owned by people who produce similar types of goods or services. The cooperative structure allows for producers to work together to cooperatively negotiate prices and access larger customers. The cooperative is governed by a Board of Directors and can include membership fees. In some cases, producers will set aside a percentage of their profits (Between 20% and 40%) to pay for the operational functions of the cooperative (e.g. aggregation, distribution and marketing).

Cooperatives can face challenges. For example, if one member grows at a different rate than others, it can create an imbalance that needs to be addressed. Another challenge can be the work needed to establish a coop (e.g. setting up a bank account, becoming registered).

The benefit of producer coops is that producers are always in control of how their products are handled and marketed. This also helps to maintain a direct line between the customer and the producer.

Cooperatives must be in compliance with the Cooperative Association Act of BC.²⁹

Examples include: Merville Organics, Saanich Organics, Skipper Otto

Private Enterprise Model

A private enterprise model is a business that is owned and operated by individual(s) or stockholders.

Examples include: Commissary Connect

Charitable Model

"A registered charity refers to a charitable organization, public foundation, or private foundation registered with the Canada Revenue Agency. A registered charity is issued a Registration Number once approved. It is exempt from paying income tax, and can issue tax receipts for donations it receives. It must be established and resident in Canada, operate for charitable purposes, and devote its resources to charitable activities".³⁰

In a food hub governance context, a charitable model may look like a food bank investing in new facilities and working with other agency partners to establish shared assets for warehousing, cold storing, and processing.

Examples include: The Stop in Toronto

²⁹ ²⁹ [Cooperative Association Act of BC](#)

³⁰ <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/charities-giving-glossary.html>

Non-Profit Model

An NPO, as described by Revenue Canada as a club, society, or association that is not a charity and that is organized and operated solely for:

- Social welfare
- Civic improvement
- Pleasure or recreation
- Any other purpose except profit

To be considered an NPO, no part of the income of such an organization can be payable to or available for the personal benefit of any proprietor, member, or shareholder. An NPO is exempt from tax under Part I of the Act on all or part of its taxable income for a fiscal period if it meets all of the above requirements for that period.³¹

Examples include: South Island Farm Hub

University/Government-Led Model

University and government led food hubs are another way to own and operate a food hub. These initiatives usually are not revenue positive, with funding coming from long-term sources from the university and/or government. These hubs tend to have more of a focus on innovation and development. Ultimately, the governance model is similar to a non-profit.

Examples include: LeDuc Food Processing Centre, UBC Food and Beverage Innovation Centre

Social Enterprise Model

Social enterprise (SE) can be for or not for profit. SE is not yet defined by CRA. the Centre for Social Enterprise defines social enterprise as, "revenue-generating businesses with a twist. Whether operated by a non-profit organization or by a for-profit company, a social enterprise has two goals: to achieve social, cultural, community economic and/or environmental outcomes; and, to earn revenue."³²

"A social enterprise is an innovative business model, whether not-for-profit or for-profit, that pursues a social, cultural or environmental mission through the sale of goods and services, with the majority of net profits directed back to its mission."³³

³¹ https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4117/income-tax-guide-non-profit-organization-information-return.html#C1_NPO

³² <https://www.centreforsocialenterprise.com/what-is-social-enterprise/>

³³ <https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/consultation-investment-readiness-stream/discussion-guide.html>