From:	Street, James AGRI:EX
To:	"Don Ference"
Cc:	Bouris, Kristina AGRI:EX
Subject:	FW: letter and definition
Date:	Thursday, February 7, 2019 9:37:21 AM
Attachments:	Signed stakeholder letter.pdf

See attachment

James

From: Street, James AGRI:EX
Sent: Thursday, February 7, 2019 9:36 AM
To: 'Don Ference'
Cc: Bouris, Kristina AGRI:EX
Subject: letter and definition

Good Morning Don,

Please find attached a copy of the signed stakeholder letter. Please distribute with your emails to stakeholders when requesting input.

In addition the definition discussion yesterday around BC products has been decided.

For the scope of this project, we will define a BC product *as having been produced or processed in BC*.
When reporting out on opportunities and or current procurement, please indicate where possible if a product is either produced, processed or both (grown in BC and value added in BC)

Regards,

James Street

Manager,
Food and Beverage Processing,
Industry Development Unit | Sector Development Branch
BC Ministry of Agriculture
c: 778.678.0267|p: 250.356.6373
1-888-221-7141 | AgriServiceBC@gov.bc.ca

BRITISH
COLUMBIA
www.gov.bc.ca

From: s.22
To: Bouris, Kristina AGRI:EX
Cc: s.22 Laframboise, Natalie HLTH:EX; XT:HLTH McBride, Michele
Subject: FW: RESPONSE PLEASE FW: Ground beef stats?
Date: Tuesday, March 5, 2019 1:46:17 PM

Hi Kristina. Michele looked into this and I ran it by Amanda.

The stat you are looking for would be - over 45,000 lb of ground beef are used by IH in a year.

But we are a bit uncomfortable sharing the vendor as it may raise some flags. See Amanda's comments below.

Cheers, Lisa

From: Smith, Amanda (NOK/Shuswap) <AmandaSLH.Smith@interiorhealth.ca>
Sent: March 5, 2019 1:23 PM
To: s.22
Cc: 'XT:HLTH McBride, Michele' <Michele@McBrideInc.ca>
Subject: RE: RESPONSE PLEASE FW: Ground beef stats?

Hi Lisa,
I agree that speaking to the product vendor of the beef may raise some flags to the definition…. if your suggesting simply saying that ground beef is now purchased as a local product? (and not giving the vendor) with the added volume used – I'm ok with that, Not sure though, if you are wanting to highlight the local vendor or not?

Amanda Smith, Regional Manager of Support Services
NOK/Shuswap & Regional Production
☎ *(250) 517 0379*

Interior Health

From: s.22
Sent: Tuesday, March 05, 2019 1:12 PM
To: Smith, Amanda (NOK/Shuswap)
Cc: 'XT:HLTH McBride, Michele'; s.22
Subject: RESPONSE PLEASE FW: Ground beef stats?

CAUTION: This email originated from outside of Interior Health. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Amanda – could you please look at what Michele came up with. I agree with Michele that it isn't the best example as the ground beef is a BC food by virtue of processing in BC. But are you ok with saying? Thanks, Lisa

PS Liquid and hard cooked eggs will be next.

From: Michele McBride <michele@mcbrideinc.ca>
Sent: March 5, 2019 10:39 AM
To: s.22
Subject: FW: Ground beef stats?

The ground beef that is being processed in Vancouver now is the 4x10LB units that Vernon uses. It doesn't account for all of the fresh ground beef that they purchase but just a quick look suggests about 90% of it.

s.17;s.21

s.17;s.21 (just the processing occurs in Vanc, as I understand it). I'm not sure this is a great example as it raises the issue of the definition of local.

From: Bouris, Kristina AGRI:EX <Kristina.Bouris@gov.bc.ca>
Sent: March 5, 2019 9:48 AM
To: s.22
Cc: Michele McBride <michele@mcbrideinc.ca>; Laframboise, Natalie HLTH:EX <Natalie.Laframboise@gov.bc.ca>
Subject: Ground beef stats?

Hi,
The Minister's Office would also like to have similar stats for ground beef. Is this possible, too?
Thanks,
Kristina

Kristina Bouris, MSc RPP MCIP
Senior Policy Analyst

Corporate Governance, Policy and Legislation Branch
Ministry of Agriculture
PO Box 9120 Stn Prov Gov, Victoria, BC V8W 9B4
(778) 974-3488
Kristina.bouris@gov.bc.ca

From: Laframboise, Natalie HLTH:EX
To: Bouris, Kristina AGRI:EX
Subject: FW: RESPONSE PLEASE FW: Ground beef stats?
Date: Tuesday, March 5, 2019 4:02:22 PM

s.13

Food for thought…

Natalie Laframboise, MScFN, RD
Manager, Office of the Provincial Dietitian

From: s.22
Sent: Tuesday, March 5, 2019 1:46 PM
To: Bouris, Kristina AGRI:EX
Cc: s.22 Laframboise, Natalie HLTH:EX; XT:HLTH McBride, Michele
Subject: FW: RESPONSE PLEASE FW: Ground beef stats?

Hi Kristina. Michele looked into this and I ran it by Amanda.

The stat you are looking for would be - over 45,000 lb of ground beef are used by IH in a year.

s.13

Cheers, Lisa

From: Smith, Amanda (NOK/Shuswap) <AmandaSLH.Smith@interiorhealth.ca>
Sent: March 5, 2019 1:23 PM
To: s.22
Cc: 'XT:HLTH McBride, Michele' <Michele@McBrideInc.ca>
Subject: RE: RESPONSE PLEASE FW: Ground beef stats?

Hi Lisa,
s.13

Amanda Smith, Regional Manager of Support Services
NOK/Shuswap & Regional Production
☎ *(250) 517 0379*

Interior Health

From: s.22
Sent: Tuesday, March 05, 2019 1:12 PM
To: Smith, Amanda (NOK/Shuswap)
Cc: 'XT:HLTH McBride, Michele'; 'Lisa Forster-Coull'
Subject: RESPONSE PLEASE FW: Ground beef stats?

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Hi Amanda – could you please look at what Michele came up with. s.13
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PS Liquid and hard cooked eggs will be next.

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s.17;s.21

s.13; s.17; s.21

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Cc: Michele McBride <michele@mcbrideinc.ca>; Laframboise, Natalie HLTH:EX <Natalie.Laframboise@gov.bc.ca>
Subject: Ground beef stats?

Hi,
s.13
Thanks,
Kristina

Kristina Bouris, MSc RPP MCIP
Senior Policy Analyst

Corporate Governance, Policy and Legislation Branch
Ministry of Agriculture
PO Box 9120 Stn Prov Gov, Victoria, BC V8W 9B4
(778) 974-3488
Kristina.bouris@gov.bc.ca

From: Jess, Dennis AGRI:EX
To: Bouris, Kristina AGRI:EX
Subject: implementation strategy layout
Date: Monday, March 4, 2019 9:14:49 AM
Attachments: TableofContents.docx

Hi Kristina,

We just received the draft implementation plan and I remembered you were interested in the structure. Attached is the TOC that shows the outline/structure of the implementation plan under development for food hubs. As this is still draft please don't share yet.

Dennis

From: Street, James AGRI:EX
To: "Don Ference"
Cc: Bouris, Kristina AGRI:EX
Subject: letter and definition
Date: Thursday, February 7, 2019 9:36:10 AM

Good Morning Don,

Please find attached a copy of the signed stakeholder letter. Please distribute with your emails to stakeholders when requesting input.

In addition the definition discussion yesterday around BC products has been decided.

For the scope of this project, we will define a BC product *as having been produced or processed in BC*.
When reporting out on opportunities and or current procurement, please indicate where possible if a product is either produced, processed or both (grown in BC and value added in BC)

Regards,

James Street

Manager,
Food and Beverage Processing,
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c: 778.678.0267 | p: 250.356.6373
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BRITISH COLUMBIA
www.gov.bc.ca

From: Anslow, Martha AGRI:EX
To: Bouris, Kristina AGRI:EX
Subject: Project to confirm definition of BC Food for tracking/measurement
Date: Tuesday, March 5, 2019 6:53:03 PM
Attachments: 1 - DECISION NOTE template.docx

Hi there, here is my email request to Gray based on our discussion. Thought it would help to frame it within the decision note context to support learning and structure. Let me know if it should go to Gray and Katie with cc: to Carmen, or just Gray, and **please add/delete anything you need.**

Hi Gray,

This email lays out the Feed BC project I'd like you to lead with support from Stats to confirm the definition of BC food moving forward. This project is critical to support our work in appropriately tracking and measuring the use of BC food within the various facility types that will become part of the Feed BC initiative. I'd like you to approach the project as a policy problem to be solved, including review, analysis and options for consideration. It's a great opportunity to get you familiar with the Decision Briefing Note approach/template (attached), which is the common way to present, in a condensed way, issues for Exec/ Minister decision.

For this project it would (basically) include the following:

Title: Defining 'BC food' for the purposes of the Ministry's Feed BC initiative (increasing the use of BC food in BC government facilities)

Issue: There is a need to confirm a definition and methodology for 'BC food' to support successful measurement and tracking for the Feed BC initiative

Background:
Anything we can write/say publicly about the issue including:

- Common definitions from AGRI, Ministry of Health/Health Authorities, BC Agriculture Council, Buy BC, Canadian Food Inspection Agency, etc. and methodologies used

Discussion:
Anything that is conjecture or recommended and hasn't been publicly stated or released including:

- Who's currently measuring what and why with respect to BC food (tracking, measurement)
- Issues across stakeholders with the various definitions and methodologies and the need to confirm a definition for tracking and measuring success moving forward
- Value Chain Advisory Group feedback (review minutes and previous consultant reports to summarize the Advisory Group's perspectives)
- Advice and recommendations from Feed BC work underway

Options:
Usually pick three options with one being Status Quo. Identify the implications (pros and cons) under each option, to support Exec/Minister selecting an Option

Recommended Option:
Note the recommended option and reiterate the option

*The template identifies what kind of information to put in each section, but please don't worry too much about it. To start, the goal is to get the information down in the best way – from an organization/problem solving perspective – and then to modify within the confines of the BN template…). It would be good to note, under First Nations considerations, that Feed BC will be expanded in future years to include consideration of how traditional foods fit, based on the results of research to begin in year 2.

Thanks for leading this, and let me know if you have any questions at all.
Martha

From: Street, James AGRI:EX
To: Bouris, Kristina AGRI:EX
Subject: RE: Agri/Ference Weekly check-in
Date: Tuesday, February 5, 2019 1:17:58 PM

The local food working definition is widely used by industry as well. Produced or having 51% or more of the cost of processing occurring in BC.

Yes – go ahead and introduce Don/Robin with Ryan. Thanks

As a follow up to the call. Don/Robin are asking for a call with Natalie to discuss the few questions/details they need to possibly chat with HA's about. We had a lengthy chat about looking at foodservice distributor and provider data to identify products/market intel and that it may still be required to cross check and glean specific details to provide an accurate assessment.
We can chat tomorrow about it

James

From: Bouris, Kristina AGRI:EX
Sent: Tuesday, February 5, 2019 9:32 AM
To: Street, James AGRI:EX
Subject: Re: Agri/Ference Weekly check-in

James,
s.13; s.17; s.21

Thanks,
Kristina

From: Street, James AGRI:EX
Sent: February-05-19 10:00 AM
To: Bouris, Kristina AGRI:EX
Subject: RE: Agri/Ference Weekly check-in

Thanks Kristina,

I will inform Ference about the definition discussion.

s.13; s.17; s.21

An e-intro would be great.
Thanks, have fun in Kelowna – stay warm.

James

-----Original Appointment-----
From: Bouris, Kristina AGRI:EX
Sent: Monday, February 4, 2019 9:17 PM
To: Street, James AGRI:EX
Subject: Declined: Agri/Ference Weekly check-in
When: Tuesday, February 5, 2019 11:00 AM-11:30 AM (UTC-08:00) Pacific Time (US & Canada).
Where: Online Meeting

Hi James,
I'll be flying from Kelowna tomorrow morning so won't be able to attend. A few items to share:
1. We still need to confirm the definition of BC food to use (HLTH: produced OR processed in BC; AGRI: produced AND processed in BC). Can you make sure Ference knows this is under discussion.
2. We had a tour with Sysco Kelowna today, who had excellent information and understanding of their healthcare clients. Ryan Thiessen , Account Executive Healthcare, Sysco Kelowna, would be worth connecting with. I can make an e-introduction if Ference would like.
Thanks,
Kristina

From: Hrycuik, Lorie AGRI:EX
To: Bouris, Kristina AGRI:EX
Cc: Anslow, Martha AGRI:EX
Subject: Re: Eggs and beef stats
Date: Tuesday, March 5, 2019 6:52:21 PM

Thanks Kristina for the info. Agree with the recommendation.

Sent from my iPhone

On Mar 5, 2019, at 4:25 PM, Bouris, Kristina AGRI:EX <Kristina.Bouris@gov.bc.ca> wrote:

> Lorie,
>
> 600,000 shell eggs are purchased by Interior Health per year. These now come from a BC supplier. Liquid eggs and peeled eggs already came from a BC supplier (no numbers available).
>
> Interior Health uses over 45,000 lb of ground beef per year. About 90% of it now comes from a BC processor. However, the beef is from Alberta – it is just processed in BC. I'd be reluctant to share this as a public example. This highlights the on-going issue with the definition of BC food, and may be best to avoid publicly until we have it sorted ourselves.
>
> Thanks,
> Kristina
>
> ---
>
> **From:** s.22
> **Sent:** Tuesday, March 5, 2019 1:46 PM
> **To:** Bouris, Kristina AGRI:EX
> **Cc:** s.22 Laframboise, Natalie HLTH:EX; XT:HLTH McBride, Michele
> **Subject:** FW: RESPONSE PLEASE FW: Ground beef stats?
>
> Hi Kristina. Michele looked into this and I ran it by Amanda.
>
> The stat you are looking for would be - over 45,000 lb of ground beef are used by IH in a year.
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> But we are a bit uncomfortable sharing the vendor as it may raise some flags. See Amanda's comments below.
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> Cheers, Lisa
>
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From: Smith, Amanda (NOK/Shuswap) <AmandaSLH.Smith@interiorhealth.ca>
Sent: March 5, 2019 1:23 PM
To: s.22
Cc: 'XT:HLTH McBride, Michele' <Michele@McBrideInc.ca>
Subject: RE: RESPONSE PLEASE FW: Ground beef stats?

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Amanda Smith, Regional Manager of Support Services
NOK/Shuswap & Regional Production
☎ *(250) 517 0379*
<image002.jpg>

From: s.22
Sent: Tuesday, March 05, 2019 1:12 PM
To: Smith, Amanda (NOK/Shuswap)
Cc: 'XT:HLTH McBride, Michele'; s.22 '
Subject: RESPONSE PLEASE FW: Ground beef stats?

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Hi Amanda – could you please look at what Michele came up with. I agree with Michele that it isn't the best example as the ground beef is a BC food by virtue of processing in BC. But are you ok with saying? Thanks, Lisa

PS Liquid and hard cooked eggs will be next.

From: Michele McBride <michele@mcbrideinc.ca>
Sent: March 5, 2019 10:39 AM
To: lforstercoull@telus.net
Subject: FW: Ground beef stats?

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hat

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From: Bouris, Kristina AGRI:EX <Kristina.Bouris@gov.bc.ca>
Sent: March 5, 2019 9:48 AM
To: s.22
Cc: Michele McBride <michele@mcbrideinc.ca>; Laframboise, Natalie HLTH:EX <Natalie.Laframboise@gov.bc.ca>
Subject: Ground beef stats?

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Thanks,
Kristina

Kristina Bouris, MSc RPP MCIP
Senior Policy Analyst

Corporate Governance, Policy and Legislation Branch
Ministry of Agriculture
PO Box 9120 Stn Prov Gov, Victoria, BC V8W 9B4
(778) 974-3488
Kristina.bouris@gov.bc.ca

From: Laframboise, Natalie HLTH:EX
To: Bouris, Kristina AGRI:EX; Anslow, Martha AGRI:EX; Street, James AGRI:EX
Subject: RE: Input, please: Definition of BC food for Healthcare Market Development Strategy
Date: Wednesday, February 6, 2019 10:57:35 AM

Further to our highway chat (and because I'm visual), could Ferrence create the list and identify whether the products can be produced and/or processed in BC with considerations. I think we all agree that products that are both produced and processed in BC are the ideal but we also know there are some significant barriers. Applesauce being the top of the list since, to our knowledge, there are no plants processing fruit in the entire Province. So we may have the product but we don't have the processing and vice versa.

From my perspective, it would be really helpful to know this information for the top 10-20 products. It's almost the same as Lisa and Michele's original work "what are the facilitators and barriers to local food procurement" but instead it's "what are the facilitators and barriers to producing and/or processing BC foods for government institutions?"

This is purely for demonstration purposes

Product	Can it be produced in BC?	Can it be processed in BC?	Considerations
1. Applesauce	Yes	Potentially	• Apple crops plentiful • Infrastructure for processing facility required – achievable in 3-5 years
2. Shredded Cheese	No	Yes	• Expansion of existing cheese making facilities significant barrier • Processing exists but needs to be expanded.

Natalie Laframboise, MScFN, RD
Manager, Office of the Provincial Dietitian

From: Bouris, Kristina AGRI:EX
Sent: Friday, February 1, 2019 4:16 PM
To: Anslow, Martha AGRI:EX; Street, James AGRI:EX

Cc: Laframboise, Natalie HLTH:EX
Subject: Input, please: Definition of BC food for Healthcare Market Development Strategy

I had hoped to convene a call on this today but have run out of time and will be on the road Monday/Tuesday. Ference and Company had asked which BC foods definition to use for their market development strategy, the Healthcare one or the Feed BC one. At first, I thought it should be the healthcare one (they were happy as it is much less restrictive in terms of products and would be far easier), but I am having second thoughts since this market development strategy is future oriented.

The definition of BC foods will be important here as their study is focused on the analysis of the top 10-20 healthcare food products that are not currently from BC but that could be. Definitions are below.

A few options:

1. Use the Buy BC definition (meets AGRI's interests for sector development, more value from consultant since they have to uncover those products that are both produced and processed here)
2. Use the Health definition (reflects current direction on definition, much easier work for the consultant since definition is more inclusive)
3. Use the Health definition, but indicate which products would not meet the Buy BC definition (may not result in many products that fit Buy BC definition, though)

I'm leaning to #1. Thoughts?

James, I indicated to Don that I would look into this, and might need you to follow up in my absence once we have a decision.

I'll monitor my email on Monday/Tuesday (will be with Natalie).

Thanks,
Kristina

The Health Authorities have developed a definition of BC foods, which is the one currently being used for Feed BC in the health sector: *a final product produced and/or processed within the borders of British Columbia*.

The Ministry of Agriculture's definition is:

BC Grown: Food, fish, beverages or agricultural products that were 100% grown, caught, or raised in BC (For example, Fraser Valley shell eggs or Okanagan apples)

BC Product: Processed food, fish, beverages or agricultural products which were made with a majority of raw materials (by composition); which were grown, caught or raised in B.C.; and were processed and packaged in the province with 51% or more of the direct cost of producing the product in its final form (direct labour, raw materials, processing and packaging) originating in B.C. (For example, tomatoes and peppers grown in Delta greenhouses and processed into a salsa by a Vancouver processor)

BC Made: Processed food, fish, beverages or agricultural products that are made with a majority of raw materials (by composition) which were not grown, caught or raised in B.C.; and were processed and packaged in the province with 51% or more of the direct cost of producing the product in its final form (direct labour, raw materials, processing and packaging) originating in B.C. (e.g., lettuce grown in California but washed, chopped and bagged by a Vancouver processor)

Kristina Bouris, MSc RPP MCIP
Senior Policy Analyst

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Ministry of Agriculture
PO Box 9120 Stn Prov Gov, Victoria, BC V8W 9B4
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Common Definitions of BC Food

Ministry of Health's Definition: a final product produced and/or processed within the borders of British Columbia.

Buy BC's Definition: Processed food, fish, beverages or agricultural products which were made with a majority of raw materials (by composition); which were grown, caught or raised in B.C.; and were processed and packaged in the province with 51% or more of the direct cost of producing the product in its final form (direct labour, raw materials, processing and packaging) originating in B.C.

Buy BC's definition of Made in BC: *BC Made:* Processed food, fish, beverages or agricultural products that are made with a majority of raw materials (by composition) which were not grown, caught or raised in B.C.; and were processed and packaged in the province with 51% or more of the direct cost of producing the product in its final form (direct labour, raw materials, processing and packaging) originating in B.C. (e.g., lettuce grown in California but washed, chopped and bagged by a Vancouver processor)

Current Tracking Practices

Meal Exchanges' Good Food Calculator

Meal exchange has identified 6 pillars for assessing "good" food one of which is community-based which they define as "foods that can be traced to nearby land, farms, ranches, boats and businesses that are locally owned and operated." Summer students are hired and are tasked with identifying the source of each product purchased by their PSI through online research of the processor/company and interactions with food producers, manufacturers, distributors and vendors.

s.17;s.21

s.17;s.21

Ontario

Local Food Act 2013

“local food” means,

(a) Food produced or harvested in Ontario, including forest or freshwater food, and

(b) Subject to any limitations in the regulations, food and beverages made in Ontario if they include ingredients produced or harvested in Ontario; (“aliments locaux”)

Consumer and industry approved definitions of Ontario food products

Ontario beef

Ontario beef will be born, raised, slaughtered and further processed in an approved facility in Ontario. When there are not enough calves born in Ontario to meet the demand for beef, calves may be sourced from within Canada. This beef will be raised, slaughtered and further processed in Ontario. This would return more than 80 per cent of the direct costs of production to Ontario’s farmers and economy.

Ontario cheese

More than 90% of the milk in Ontario cheese is produced on Ontario dairy farms. Up to 10% of the milk used for processing in Ontario can be sourced from within Canada. The curds and whey must be produced in Ontario from Ontario dairy inputs. Any identified secondary ingredients need to be grown and produced in Ontario (e.g. strawberry cream cheese).

Ontario chicken

Ontario chicken will be hatched from eggs laid in Ontario or from newly hatched chicks which may be sourced from within Canada or the United States. These chickens will then be raised, slaughtered and processed in Ontario.

Ontario dairy products (yogurt, sour cream etc. – excludes milk and cheese)

More than 90% of the milk in Ontario dairy products must be produced on Ontario dairy farms. Up to 10% of the milk used for processing in Ontario can be sourced from within Canada. Any identified secondary ingredients need to be grown and produced in Ontario (e.g. peach yogurt).

Ontario eggs

Ontario eggs must be laid on egg farms in Ontario.

Ontario farmed seafood

Ontario farmed seafood (rainbow trout, shrimp, tilapia and other finfish) must be hatched, raised and processed in Ontario. When there are not enough eggs or juveniles in Ontario to meet demand, then growers may source eggs, larvae, fry or fingerlings from outside Ontario.

Ontario fruit

Ontario fruit must be grown in Ontario.

Ontario hard wheat flour

A majority (over 80%) of the final volume of the product must be grown in Ontario and 100% of the wheat must be milled in Ontario.

Ontario honey

100% of the product must be produced, extracted and packaged in Ontario.

Ontario lamb

Must be born, raised, slaughtered and processed in Ontario.

Ontario maple syrup

100% of the product must be collected, processed and packaged in Ontario.

Ontario milk

More than 90% of the milk processed in Ontario is sourced from Ontario dairy farms. Up to 10% of the milk used for processing in Ontario can be sourced from within Canada. Any identified secondary ingredients need to be grown and produced in Ontario.

Ontario pork

Must be born, raised, slaughtered and processed in Ontario.

Ontario processed food products

Ontario processed food products must be made in Ontario from a majority of Ontario ingredients. More than 80% of the total direct costs of production must return to Ontario. Primary agricultural ingredients will meet the individual Ontario foods definition.
Example: “Ontario beef and vegetable soup" – the primary ingredients (in this case beef and vegetables), would need to meet the individual Ontario food definitions.

Ontario soft wheat flour (cake and pastry flour)

Due to extensive production of soft wheat in the province, 100% of the Ontario soft wheat needs to be grown and milled in Ontario

Ontario turkey

Ontario turkey will be hatched from eggs laid in Ontario or from newly hatched poults which may be sourced from within Canada or the United States. These poults will then be raised, slaughtered and processed in Ontario.

Ontario vegetables

Ontario vegetables must be grown in Ontario.

Quebec

Food from Quebec

According to the Conseil de promotion de l'agroalimentaire québécois, an "Aliment du Québec" is any product that is entirely Québec-based or any product composed of a minimum of 85% Québec-based ingredients, with the condition that all main ingredients originated in Québec. Furthermore, all processing and packaging activities must have been carried out in Québec.

Food Prepared in Quebec

An "Aliment préparé au Québec", according to the Conseil de promotion de l'agroalimentaire québécois, is any product that was entirely processed and packaged in Québec. Furthermore, when the main ingredients are available in sufficient quantities in Québec, they must be used.

Canada

According to the CFIA, these activities are considered common examples that fall under "manufacture", "process", "treat", "preserve".

- basting
- blanching
- blending
- boiling
- canning
- cleaning
- coating
- combining
- concentrating
- cooking (including pre-cooking)
- crushing
- culling
- curing
- cutting
- deboning
- de-hulling
- distilling
- drying
- extraction
- fermenting
- filleting
- filtering
- freezing
- grinding
- irradiating
- marinating
- mechanically separating
- milling
- mincing
- mixing
- pasteurizing
- pickling
- polishing (using a processing aid)
- pressing
- reconditioning
- reconstituting
- rendering
- rinsing
- seasoning
- shucking
- slicing
- smoking
- splitting
- stuffing
- sweetening
- trimming
- washing
- waxing
- whipping

Product of Canada

Under the guidelines when the label claim "Product of Canada" is applied, all or virtually all of the significant ingredients, components, processing and labour used in the food product must be Canadian. Food products claiming "Product of Canada" must contain very little or no foreign content, with the exception of minor food additives, spices, vitamins, minerals and flavouring preparations.

Made in Canada

The "Made in Canada" claim may be used when the food product is manufactured or processed in Canada regardless of whether the ingredients are imported or domestic or a mix of both. However, this claim must always be qualified with either "Made in Canada from domestic and imported ingredients" or "Made in Canada" from imported ingredients. To use these qualified claims, the last substantial transformation of the product must have occurred in Canada. This recognizes the importance of value added by Canadian ingredients and processing.

Other qualified claims

Qualified claims for other food products that do not meet the "Product of Canada" and "Made in Canada" guidelines may continue to be used. In particular, "Roasted in Canada", "Packaged in Canada", "Distilled in Canada", "Processed in Canada", etc. could be used provided that they are not false or misleading. However, use of "Product of Canada" and the qualified "Made in Canada" claim is encouraged for those products that meet the guidelines in order to provide consistency and clarity for the consumer

Alberta

Bill 7 Supporting Alberta's Local Food Sector Act

"local food" means

(i) agricultural products produced (rear, grow, or harvest) in Alberta, including forest or freshwater food, and

(ii) subject to any limitations in the regulations, agricultural products processed in Alberta;

USDA

According to the United States Department of Agriculture (USDA), processed food is defined as any raw agricultural commodity that has been subject to washing, cleaning, milling, cutting, chopping, heating, pasteurizing, blanching, cooking, canning, freezing, drying, dehydrating, mixing, packaging or other procedures that alter the food from its natural state. This may include the addition of other ingredients to the food, such as preservatives, flavors, nutrients and other food additives or substances approved for use in food products, such as salt, sugars and fats. So, by definition, most times we engage in food preparation and cook, we are in fact processing foods.

James Street

Food Preparation: refers to preparing food for immediate or in-house consumption. Prepara tion of food is for foodservice, catering and some retail/deli operations. An example would be chopping and cleaning romaine lettuce for the Caesar Salads on the menu. The grey area here is public cafeterias in Institutions.

Primary Processing – makes food edible

- blanching
- blending
- cleaning
- combining
- crushing
- cutting
- de-hulling
- filtering
- freezing
- irradiating
- mixing
- polishing (using a processing aid)
- pressing
- reconditioning
- reconstituting
- rinsing
- shucking
- splitting
- trimming
- washing
- waxing

Value Added or secondary food processing – turns the food inputs into ready to eat food products or ingredients

- canning
- coating
- concentrating
- cooking (including pre-cooking)
- curing
- deboning
- distilling
- drying
- extraction
- fermenting
- formulating
- filleting
- grinding
- marinating
- mechanically separating
- milling
- mincing
- pasteurizing
- pickling
- rendering
- seasoning
- slicing
- smoking
- stuffing
- whipping

METHODOLOGY FOR DETERMINING BC FOOD SPENDS

Appendix B

General Parameters:

- Facilities to include: Health authority owned and/or operated facilities[1].
- Total and BC Food spends will be calculated for the fiscal year.
- Annual reporting is due to the Ministry of Health six months after the fiscal year end (i.e., September 30).
- Food spends will be stated as the dollar value of food purchased.
- **Definition of BC food**: a **final** product produced and/or processed within the borders of BC.
- Food categories will be as follows:
  - Baked Goods (e.g., bread, muffins, baked goods).
  - Beverages (e.g., juice, pop, coffee, tea, thickened fluids, water).
  - Dairy (e.g., fluid and cultured, yogurt, ice cream).
  - Produce (e.g., fruit and vegetables (fresh and frozen)).
  - Grocery (e.g., canned, puddings, Jell-O, jams, sauces, condiments, soup, dry goods, misc. items).
  - Protein (e.g., meat, chicken, fish, seafood, eggs, cheese, textures, entrees).

Determining the total food spend:

- Each health authority will work with its Group Purchasing Organization (GPO), suppliers, distributors, and finance department to collect the information required to report on BC Food procurement.
- Each health authority will work with its GPO, suppliers, distributors, and contracted food service providers to determine procedures for obtaining an accurate statement of food spends by category and by total food spends.
- Cafeterias managed by the health authority are included in the total food spend when it is not possible to separate food purchases for cafeterias from food purchases for patient services.
- Cafeterias operated by contracted food service operators, such as Sodexo or Compass, and contracted independent/brand name food retailers are not included in the total food spend because they manage their own food purchasing.
- The total food spend will be based on the value of all food items purchased in the fiscal year, excluding:
  - chemicals
  - pharmaceuticals (enteral feedings/ baby formulas /tube feeds)
  - paper, plastic, packaging, food containers, small ware

[1] Health authorities will provide a list of included facilities in their annual report.

Determining the total BC food spend:

- Each health authority will determine its own procedures for obtaining an accurate statement of BC food spends (definition of BC food is noted above).
- Each health authority will make its best efforts to identify the BC food products procured for its facilities by working with its suppliers to identify local sourcing of products. Examples include:
  - Using velocity reports from suppliers and distributors, determine what food items are considered BC food under the definition,
  - BC grown or processed food may be flagged in the ordering system.

Calculating and reporting BC and total food spends:

- For each category noted above, each health authority will calculate both the percentage of BC food spends for that category, and the percentage of BC food to the total food spend.
- A percentage of all BC food spends to all food spends will also be calculated.
- Percentages will be calculated to two decimal points.
- Contracted food service(s)[2] may be reported separately from in-house operations.

Calculations:

1) Category BC Food Spends ÷ Category Total Food Spends × 100 = % BC Food of Category.
2) Category BC Food Spends ÷ Total Food Spends × 100 = % BC Food Category of Total Spend.
3) Total BC Food Spends ÷ Total Food Spends × 100 = % BC of Total Spend.

Categories:

Category	Examples
Bread	bread, muffins, baked goods
Beverages	juice, pop, coffee, tea, thickened fluids, water
Dairy Fluids	fluid and cultured, yogurt, ice cream
Produce	fruit and vegetables (fresh and frozen))
Grocery	canned, puddings, Jell-O, jams, sauces, condiments, soup, dry goods, misc. items
Protein	meat, chicken, fish, seafood, eggs, cheese, textures, entrees

[2] There may be more than one contracted foodservice operating in a health authority.

Health Authority: 41T **Fiscal Year:** **41T**

Number of Sites: 41T
Please attach a list of sites to this report

Section 1: BC and Total Food Spends

A. Total Food Spend (dollar value): 41T
B. Total BC Food Spend (dollar value): 41T
C. % BC Food Spend (B÷ Cx100): 41T

Sub Category Breakdowns

Category	**% BC of Category**	**% BC of Total Spend**
Bread		
Beverages		
Dairy Fluids		
Produce		
Grocery		
Protein		

Does section 1 represent all sites?
If you answered no, please fill in section 2.

Section 2: Contracted Food Services (Optional)
Use this section if you wish to report contracted food services separately.

Company Name: 41T Number of Sites: 41T

A. Total Food Spend (dollar value): 41T
B. Total BC Food Spend (dollar value): 41T
C. % BC Food Spend (B÷ Cx100): 41T

Sub Category Breakdowns

Category	**% BC of Category**	**% BC of Total Spend**
Bread		
Beverages		
Dairy Fluids		
Produce		
Grocery		
Protein		

Section 3: Contracted Food Services (Optional)
Use this section if you have more than one contracted food service company

Company Name: 41T Number of Sites: 41T

A. Total Food Spend (dollar value): 41T
B. Total BC Food Spend (dollar value): 41T
C. % BC Food Spend (B ÷ Cx100): 41T

Sub Category Breakdowns

Category	% BC of Category	% BC of Total Spend
Bread		
Beverages		
Dairy Fluids		
Produce		
Grocery		
Protein		

Reports are submitted annually on or before September 30, to Meghan Day, Provincial Dietitian/ Director Nutrition and Physical Activity, Ministry of Health Meghan.Day@gov.bc.ca

BRITISH COLUMBIA

Ministry of Agriculture

BC Ministry of Agriculture

Lean for food and beverage processors

April 24, 2019

Overview

- Approximately 2,800 food and beverage processing companies in BC
- BC's food and beverage processors produced $9.8 billion in sales in 2017, representing 69% of total agrifood and seafood revenues.
- Over half (57%) of BC's food processing firms are run by owner/operators and have no employees and 50% of these firms earn less than $30,000 a year in revenue.
- The B.C. Lean for Food Processors Program supports specialized business skill development to enable processors to make more informed decisions, optimize operating procedures, improve production capacity, labour productivity and strengthen their business. Lean is aimed at enhancing the competitiveness of local food and beverage processing firms in the sector.

Eligible Activities

- Research and Development
- Inventory Management
- Quality Assurance Procedure
- Analysis of Production Process
- Marketing Activities
- Staff Training
- Food Safety Protocols
- Re-tooling Procedures

Application intake is now closed. Next intake is expected in June 2019.

Eligible Applicants:

- Food processor processing food, beverage or agricultural products which are processed and packaged in B.C.
- 51% or more of the direct cost of producing the product in its final form (i.e. the sum of raw materials, direct labour, variable processing, and packaging) originating in B.C.
- Processors must have reported total annual gross revenues greater than $30,000/year in the previous year to Canada Revenue Agency. Applicants must also have a head office or be registered to do business in B.C.

Application Steps:

Step 1: Complete application form, and review and approve project proposal created with Qualified Business Consultant, which is to be submitted to Agribusiness@gov.bc.ca.

Step 2: B.C. Ministry of Agriculture Staff evaluate application and the Project Proposal.

Step 3: After receiving email confirmation the Project Proposal is approved, the applicant pays the Qualified Business Consultant upfront.

Step 4: The Project is completed as outlined in the Project Proposal (90 days). Ministry staff reserve the right to conduct mid project review and feedback from applicant(s).

Application Steps:

Step 5: Qualified Business Consultant submits final draft report to Applicant.
Step 6: Applicant reviewed and approves draft report and signs claim form.
Step 7: After performing the training, Qualified Business Consultant submits the approved claim form (DOCX) and final report by email.
Step 8: B.C. Ministry of Agriculture pays Qualified Business Consultant directly.
Step 9: Program Staff contact applicant for feedback.

Funding Model:

- 2 Intakes – June and September
  - Changing to $7000 from the Ministry and $1500 fee from the company
  - Extends the reach of the Lean program

Companies Accessing Lean:

Size:

- $5,375,000 average revenue
- $50,000-$50,000,000
- 37% under $600,000—profitability threshold

Demographics:

- 18% have one owner under the age of 35
- 37% new entrants
- 51% has at least 1 owner who is female
- 1 indigenous owned company

Common Trend

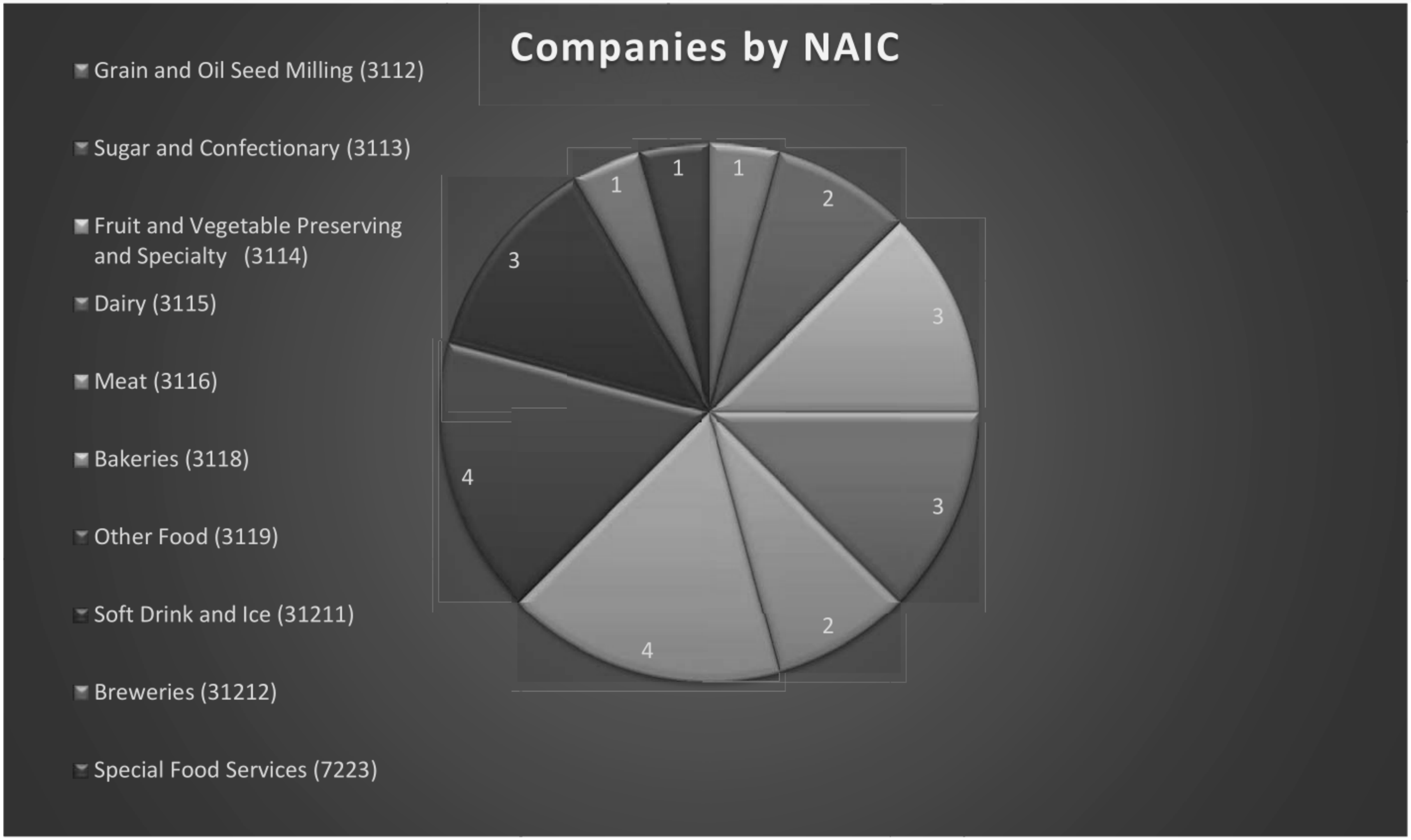
- High Labour demand
- Owners with greater than 5 years experience in the field

Lean’s Emphasis:

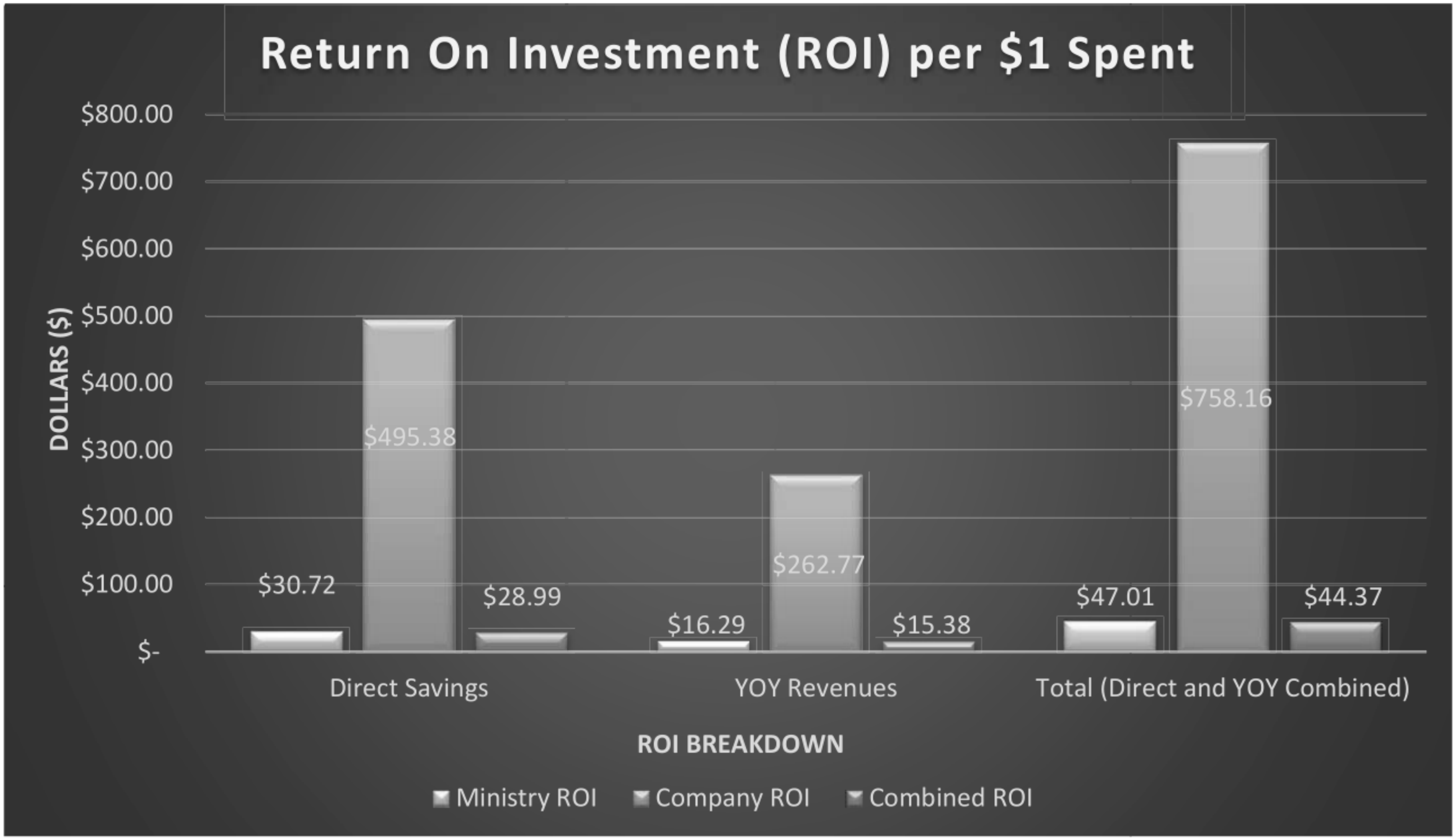
Targeted Subsectors and Commodities:

- Plant protein processing (NAIC-311990) – product development and growth strategy for the sector
- Oilseed processing (31122) – explore opportunities for BC oilseed inputs for manufacturers
- Cider (312120) – sector strategy
- Fruit and vegetable processing (Frozen - 31141) (Preserves – 31142) – capacity growth
- Cheese manufacturing (31151) – sector strategy and increases to labour productivity
- Beef and pork (value added cuts and processing – 31161) – all areas*
- Seafood (3117) – increase labour productivity, develop innovative products and processing equip.

*sector strategy, increases to labour productivity


Companies by NAIC
Grain and Oil Seed Milling (3112)
Sugar and Confectionary (3113)
Fruit and Vegetable Preserving and Specialty (3114)
Dairy (3115)
Meat (3116)
Bakeries (3118)
Other Food (3119)
Soft Drink and Ice (31211)
Breweries (31212)
Special Food Services (7223)
1
2
3
3
2
4
4
3
1
1

Ministry of Agriculture



- Over $9,500,000 in savings and increased revenue!
- Difference in ROI between CAP and Feed BC funded differed markedly

Questions and Discussion

Lean Program Summary and Analysis:

Introduction:

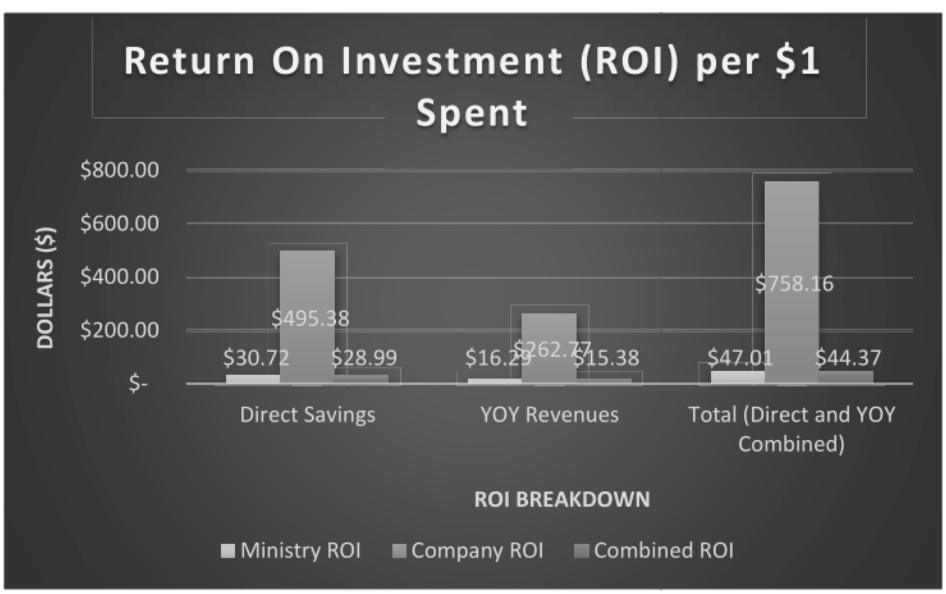
The founding year of companies utilizing the Lean program varies from 1961 to 2017, though the business tended to be less mature, the majority have been operating less than 10 years, 37% less than 5 years. These Businesses by and large are struggling with growth and profitability. Though they vary in the way they struggle; from needing to condense the time spent on production, to dedicate more time to steering the business, or needing to increase their output to keep pace with rising demand. The underlying trend is that standardization and reformation leads to operational efficiencies.

Companies:

Apex Food Source	Amonda Tea & Wellness INC	Salt Spring Kitchen Co	Ripple FX Water Inc	Route 18 Real Food Co. Inc.
Harmonic Arts	Squamish Kefir Water Co.	Golden Ears Cheese Crafters	St Jean's Cannery & Smokehouse	Chef's Plate
Hidden Garden Foods Ltd	Mother Love Ferments	Hills Foods	Laughing Daughters Gluten Free Bakery	Johnston Packers (1995) Ltd
Chewters Chocolate	English Bay Batter	Wise Bites	Kettle & Foods Kitchen Ltd	Canadian Cultured Dairy Inc.
Natural Immix Health Ltd.	EMKAO Foods Ltd	Anita's Organic Grains & Flour Mill	Central City Brewers	Natural Pastures Cheese Company

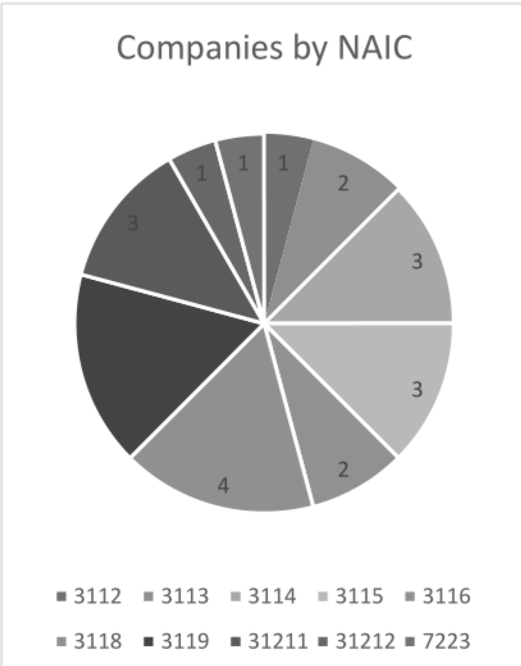
Return on Investment (ROI):

The ROI for companies is significantly higher for the companies compared to the ministry because of the disparity between the amount that they invest. Companies only pay a fee of $500, the ministry contributes $8400. It is supportable going forward that companies contribute $1500 and the ministry reduces its share to $7350 ($7000 plus GST), because the companies will still yield very strong ROIs



and it would allow the ministry to help more companies within the same budget. Whereas the primary goal of lean is to enhance the competitiveness of the sector it stands to reason the more companies that can participate the better.

Who is participating in Lean? (NAICS, size, Etc):



Top participants are as follows: Bakeries and tortilla manufacturing (NAIC 3118, 4 Companies) and other food manufacturing (NAIC 3119, 4 Companies). Followed by soft drink manufacturing (NAIC 31211, 3 companies), Fruit and Vegetable preservation and specialty food manufacturing (NAIC 3114, 3 companies), Dairy Product Manufacturing (NAIC31 15, 3 companies), and Other Food Manufacturing (NAIC 3119, 3 companies).

NAIC 3113 and 3116 both had two companies enroll in the lean program. NAIC 3112, 31212, 7223 all had one company participate.

Absent from the Lean Program is: Animal Food Manufacturing (3111), Seafood Product Preparation and Packaging (3117), Wineries (31213), Distilleries (31214), and Tobacco Manufacturing (3122).

The average yearly revenue of Lean participants was $5,375,000, but yearly there was an exceptional range: from as low as $50,000, to as high as $50,000,000. 37% where under $600,000, the relative threshold of becoming feasible for the owner.

Companies range greatly in size and profitability. Profitability of participating companies: 25% of companies who participated in the lean program are not profitable, the remaining 75% are profitable, but 1/3 of all participants have their revenue exceed their operating costs by less than $200,000. Overall about 44% of the participating companies are truly profitable, the other 56% are not profitable, but they are close. Follow up should be done to see to what extent participating in Lean helped companies become profitable.

Demographic related trends: Participants in the Lean Program tend to be older and more experienced,. the latter might be counterintuitive. 37% are new entrants, 51% have an owner who is a woman, and 18% have an owner under the age of 35. Only one business was owned by an indigenous person, but that is roughly proportional to the demographics of the province.

Lean participants tended to be high labour demand NAICs, on the cusp of being profitable, plurally new and small scale, and were predominantly owned by older individuals with more than 5 years of experience managing in the industry.

Common Challenges and Trend:

Common challenges emerged among Lean Program participants. From the dynamics of owner operation, inventory management, to labour related issues, and complications resulting from the facilities, equipment, and operating procedures.

In many cases the owners tended to be directly involved in the production of their company's product, taking their time away from focussing on growing their business and refining its internal processes. The lack of prioritising the direction of their business' and its operations led to inefficiencies throughout the organization.

Labour was an issue for most companies in one way or another, often several. The attraction and retention of labour proved difficult for most. Employee performance was often poor because of the failure of management to set expectations which resulted in reduced run yields. Performance targets, Standard operating procedures (outright or in practice), or clear roles and responsibilities were often missing. This lack of discipline also often leads to lower standards of production, and a higher frequency of mistakes like labeling errors, which adds to processes that are already more labour intensive than they should be.

Inventory Management was a consistent problem for companies. Insufficient supply of raw materials and ingredients compromised the ability of firms to fulfill orders, which lead to delays, lost sales, and compromised future growth. Over supply of raw and finished products in other cases led to waste which erodes margins. A lack of organization, standardization, and data driven methods of management were the leading causes insufficient inventory management which impacted the ability of the firm to meet demand. Other data gaps are also problematic such as lot tracking, a lack of which makes any mistake correcting even less labour efficient.

Scheduling was problematic and undermined the efficiency of the production teams in particular. Scheduling impacted: manpower, position coverage, and caused duplication, combined with a lack of standardized work flows lead to inefficiencies and even full disruptions in the production process, these bottlenecks (often the result of mistakes) wasted labour time and reduced margins.

Perhaps the most prominent theme was "Mom & Pop" operations struggling to scale up. A big part of their challenge is capital costs. Often, they are not quite profitable enough to finance the new equipment that is necessary, or have otherwise not adequately planned to do so, which has contributed to their failure to meet the demand for their product. This means they miss the opportunity to raise revenues to a point where their company is profitable and more competitive. Equipment is often aged (requiring more attention and maintenance), under-automated, unsophisticated, and operating at a capacity that is no enough for the current needs of the business. The end result is an inability to meet demand, and constantly chasing after sales and lagging behind potential growth. Companies are often at the capacity of their current facility, equipment, and therefore production.

Lastly, Facilities were often poorly organized and layed out, which impacted workflow and lead to inefficiencies like the unnecessary movement of product which wasted labour time. Specific to a few was the reconciling the seasonality of their products with the economic reality of year-round costs, though only a few companies, every company with seasonal natured product had this issue. On the whole these trends are so prominent it would be worth while creating a guide to teach people their most immediate areas of opportunity when it comes to making their business more efficient, competitive, and profitable.

Local Procurement: Metrics are Pivotal

A NATIONAL FARM TO INSTITUTION METRICS COLLABORATIVE WEBINAR

FARM to INSTITUTION NEW ENGLAND

Wallace Center at WINROCK INTERNATIONAL

MICHIGAN STATE UNIVERSITY | Center for Regional Food Systems

National FARM to INSTITUTION METRICS COLLABORATIVE

NATIONAL GOOD FOOD NETWORK

Local Procurement: Metrics are Pivotal

NFtI Metrics Collaborative Webinar

Dr. Lilian Brislen

University of Kentucky

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Copyright

Several definitions and several tracking systems currently exist that could be adopted by Feed BC

For Example, in regards to definitions the Ministry of Health's BC product definition, Ministry of Agriculture 3 definitions (BC Made, BC product, BC grown), Canadian Food Inspection Agency has "product of Canada" "made in Canada from imported ingredients" "made in Canada from domestic and imported ingredients" "local" and "locally grown", the Ontario government have specific commodity definitions of "Ontario Food" such as "Ontario Beef" and "Ontario Processed Foods"

In regards to tracking, there is Meal Exchange's Real Food Guide, STARS Sustainable Tracking Assessment and Rating System, The Ontario Gov have developed "best practices" for administering Food Audits, and Aramark has developed a BC Product Auditing System.

The issue is that ALL tracking systems we have found are ALL based on audits, and the issue with audits are that they are

(1) Onerous- they require individual people to manually record if the product meets the set definition (takes a lot of time and a lot of money in the long-term)
(2) Not comparable- because the definition has to be set out prior to the audit, the results cannot be compared to any other audit that does not have the same definition. Therefore it would take ALL provinces, ALL PSI's, ALL hospitals, ALL individual consumers, to agree on a single definition in order to truly make comparisons.
(3) Not robust- they rely on subjectivity, and are susceptible to human error.

What we are proposing is that Feed BC does not adhere to one definition of "BC food" and does not invest time and money into developing another tracking system based on auditing, but instead invests in the development of a robust, internationally useable data tracking solution to increase the traceability of food products throughout the supply chain.

	Produced					Processed			
	Single Ingredient	**Multi Ingredients**				**Single/ Multi Ingredients**			
Product	100% grown, raised or caught in BC	100% raw ingreidnents grown, raised or caught in BC	Majority of raw ingredients grown, raised or caught in BC	Some of raw ingredients grown, raised or caught in BC	No raw ingredients grown, raised or caught in BC **OR** cannot confirm raw ingredient place of origin	Product was processed in BC by a BC owned business	Procuct was processed in BC by a non-BC owned business	Product was processed in BC but business ownership unknown	Product was not processed in BC **OR** cannot confirm location of processing

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s.22

Page 071 of 144 to/à Page 077 of 144

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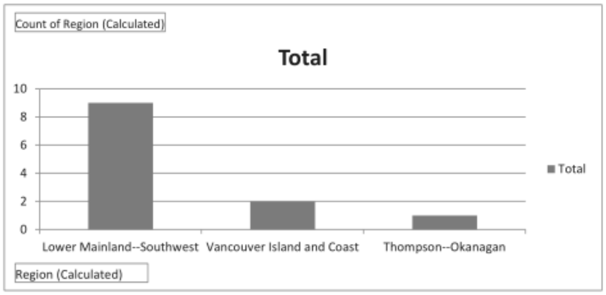
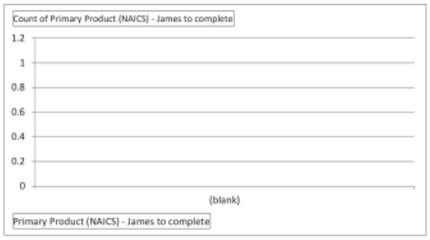
s.16 ; s.17 ; s.21

Row Labels	Count of Region (Calculated)
Lower Mainland--Southwest	9
Vancouver Island and Coast	2
Thompson--Okanagan	1
Grand Total	**12**

s.16;s.17;s.21



Row Labels	Count of Primary Product (NAICS) - James to complete
(blank)	
Grand Total	



CAP Reporting Requirements
1. Recipient Type
Primary Producers
Processors
2. Type of Industry

BC Government Healthcare Market Development Strategy

Report Prepared For:

BC Ministry of Agriculture

April 9, 2019

Submitted By:

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550-475 West Georgia Street
Vancouver, BC V6B 4M9
Tel: 604-688-2424 (extension #304)
Email: ference@shaw.ca
Website: www.ferenceandco.com

Ference & Company

Executive Summary

Purpose of Study

The purpose of the study is to conduct market research to identify key opportunities and challenges to the supply of BC food and beverage products to BC healthcare facilities and to prepare a long-term market development strategy to increase the proportion of BC food and beverage products used by healthcare facilities across the province.

Method of Study

We compiled a list of the products currently sourced by BC healthcare facilities from outside BC that have the greatest potential to be made in BC. To determine the capability and interest of BC food processors in supplying BC healthcare facilities with these products, we worked with the BC Food Processors Association to develop a list of food processors that could potentially supply these products to healthcare facilities. We then contacted these BC food processors to determine their interest and capability in supplying the food and beverage products currently sourced from outside BC.

SWOT Analysis

Strengths

1. There appears to exist a general desire by most group purchasing organizations (GPOs) and food service management companies supplying food products to health authorities to achieve the target of 30% for BC food expenditures established by BC Ministry of Agriculture.

2. Some health authorities, GPOs and food service management companies have made significant attempts to use local sources of food.

3. BC has a large number of food processors that can supply many of the products currently sourced from outside BC for the healthcare market. We have identified 44 food processors in BC that have indicated an interest and capability in supplying a wide variety of products currently sourced from outside BC by local health authorities.

4. A key strength of BC food processors is that they have lower transportation costs than suppliers from outside BC which increases their price competitiveness as well as the ability to provide products quicker due to their proximity.

Weaknesses

1. Some food service management companies and group purchasing organizations that purchase food for BC health authorities indicated that they don't know which products are available locally and that it takes considerable effort for them to locate local suppliers.

2. Many BC food processors are not aware of or know how to access the marketing opportunities to supply the healthcare market in BC. Due to the complexity of the healthcare food distribution system, there exists a need to educate BC food processors about the BC healthcare food distribution channels, the most appropriate organizations within the food distribution network that they should contact, the volume of food required by healthcare facilities, and the specifications and requirements that they must meet to supply the healthcare market.

3. There does not exist aggregated market intelligence on the total volume of each type of food product used by all health authorities which makes it difficult for BC food processors to determine the size of the BC healthcare market. One of the limitations of the current study is that information on the volume of each type of product used by only the Interior Health Authority was made available. It was not possible to accurately extrapolate this information to determine total volume of each product used by all health authorities due to significant differences in delivery models (e.g. use of fresh ingredients versus frozen pre-cooked entrees) used by different health authorities.

4. In some instances, attempts by GPOs and food service management companies to use BC food processors have not been successful for a variety of reasons including lack of year-round supply, inability to meet minimum quality standards, and an inability to supply the product size and package type desired. In other instances, BC food processors indicated that there was not sufficient volume to justify developing a unique product for a healthcare supplier.

5. Some contracts between health authorities with their GPOs/food service management companies contain incentives to achieve the target of 30% local spend as well as penalties if this target is not achieved. However, not all contracts between health authorities and GPOs/food service management companies contain incentives or rebates which reduces the motivation for these organizations to source product from BC processors.

Opportunities

1. Based on a review of products consumed by the Interior Health Authority and feedback from the Local Food Working Group, GPOs and food service management companies as well as discussions with BC food processors, the top priority products/product categories that could be sourced from BC instead of outside the province include the following:

   - Chicken
   - Turkey
   - Beef
   - Frozen vegetables
   - Frozen berries
   - Frozen mashed potatoes
   - Muffins
   - Fresh salads
   - Frozen pre-cooked entrees
   - Cheese
   - Salmon
   - Apple sauce
   - Coffee
   - Sugar
   - Tea
   - Frozen soups
   - Ice cream
   - Yoghurt
   - Water
   - Rice
   - Honey

6. If all health authorities were to use the BC food processors that have expressed an interest and capability to supply products currently sourced from outside BC, the additional revenues that could be achieved by these BC food processors is estimated to range between $18 million and $22 million per year. These additional revenues would increase the market share of BC food processors from the current level of 25% to 50%.

7. While the capacity does not currently exist, BC food processors have expressed an interest in producing some additional products such as yoghurt cups, ice cream cups, and juice cups in individual portion sizes if the BC healthcare market is large enough to warrant the purchase of the equipment required. To achieve sufficient volume, it may also be necessary to include other institutional sectors such as the post-secondary market and prisons.

8. Once BC food processors have successfully supplied health authorities in BC, there exists an opportunity for some larger BC food processors to compete for national contracts with GPOs and food service management companies. As an illustration, the largest chicken processors in BC also have plants in western Canada and Ontario which enables them to supply national contracts from their plants throughout Canada.

9. Some food service management companies indicated flexibility in modifying their menus to better reflect the food products that are available locally. Consequently, greater awareness of locally available products could motivate them to modify their menus to use BC products.

Threats

1. Some GPOs and food service management companies have established national contracts with food processors and are motivated to honor these national contracts to source their food products as they are likely to obtain the lowest price due to economies of scale. Consequently, they are less motivated to use local suppliers to obtain their food products.

2. Some GPOs and food service management companies indicated that trade agreements impose a constraint to increasing the proportion of BC food purchases because these trade agreements prevent them from giving higher priority to local companies.

3. While it does appear possible to significantly increase the market share of BC food processors beyond 30%, some GPOs and food service management companies indicated that this may result in an increase in food costs incurred by BC health authorities. However, there does not exist accurate information about whether food purchase costs incurred by the health authorities will increase significantly if more BC food is purchased.

Healthcare Market Development Strategy

The key market development events, activities and initiatives that should be taken by government and industry in the short and long term to increase the proportion of food products supplied by BC food processors to the BC healthcare market for each of the top priority products/product categories mentioned previously are described below.

Short Term

1. Conduct a series of meetings to present the report findings to educate health authorities, GPOs, food service management companies, broadline food distributors and BC food processors

about the opportunities to source more food and beverage products from BC food processors. The sequence and series of meetings proposed are as follows:

- Presentation of study findings to representatives of health authorities that belong to the Local Food Working Group;
- Presentation to all GPOs, food service management companies and broadline food distributors servicing the BC healthcare market; and
- Presentation to the BC Food Processors Association and the BC food processors that have indicated an interest in supplying the healthcare market.

As part of this process, a list of BC food processors (Appendix 2) that have indicated an interest and capability to supply GPOs and food service management companies that service BC health authorities should be distributed so that health authorities, GPOs and food service companies are more aware of the capability of BC food processors to replace products currently sourced from outside BC.

2. Obtain additional market intelligence by aggregating information on the volume of each type of product used by all health authorities in BC to provide accurate information on the total size of the healthcare market in BC for each product. This information is necessary to give BC food processors accurate information on the size of the market which may encourage investment in new equipment. As an initial step, priority should be given to obtaining information from GPOs and food service management companies on the volume of food purchased for each health authority for the top priority products/product categories identified in this report.

3. Obtain additional market intelligence by combining information on the volume of each top priority product/product category identified for the BC healthcare market with similar information on the volume of top priority product used by post-secondary educational institutions, prisons and other institutions operated by the BC government. The rationale for this action is that these other institutional markets are served by most of the same GPOs and food service management companies that serve BC health authorities and that it provides a larger market for BC food processors to justify the necessary investments (e.g. equipment to producing product in specific sizes) to serve the institutional market in BC.

4. Engage a food processing consultant to organize and conduct one-on-one meetings between individual BC food processors and GPO/food service management companies. Prior to the meeting, each BC food processor should be educated by the food processing consultant on BC healthcare food distribution channels, the most appropriate organizations within the food distribution network that they should establish contracts with, the volumes of food required by healthcare facilities, and the specifications and requirements that they must meet to supply the healthcare market. The value to be gained from the one-on-one meetings between BC food processors and GPOs/food service management companies is that it will accelerate the use of BC food processors to supply products currently sourced from outside BC by GPOs and food service management companies.

5. Encourage GPOs and food service management companies to contact the BC Food Processors Association when they are seeking food processing suppliers.

6. Encourage GPOs and food service management companies to include BC food processors in Requests for Proposals or other intention to purchase documents. To do so, where a BC company has been identified as a potential supplier, health authorities should request that their GPO or food service management company provide these companies with an opportunity to bid.

Long Term

1. Host regular industry forums to present opportunities in the healthcare and institutional sectors in BC. Presentations could be made by the BC Ministry of Agriculture, BC Ministry of Health, GPOs and food service management companies to explain the opportunities in healthcare and other institutional markets. Invitees would include BC food processors with an interest and capability to supply this market. This forum could be coordinated by the BC Food Processors Association.

2. Ensure that all contracts between health authorities and GPOs/food service management companies contain monetary incentives and penalties to ensure compliance with target for the percentage of food purchased from BC food processors that is used by health authorities.

3. The BC Ministry of Agriculture and BC Ministry of Health should jointly increase the current target of 30% local purchases on a gradual basis to eventually achieve a goal of 50% market share by BC food processors within the next 5 to 10 years. An independent analysis that includes consultations with BC food processors, GPOs and food service management companies should be conducted to determine the likely impact on healthcare food costs by increasing the target from 30% to 50%.

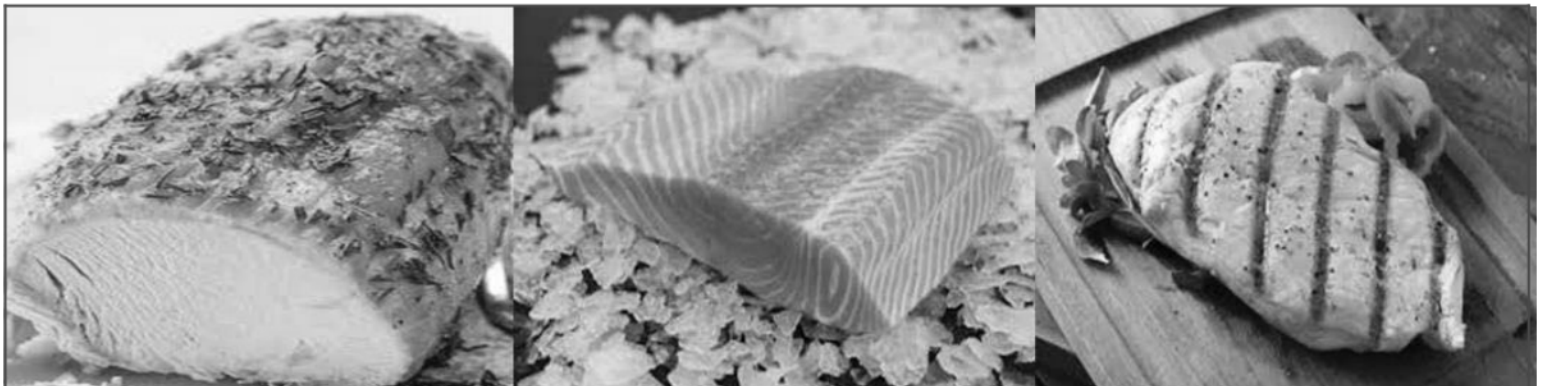
4. The BC Ministry of Agriculture or Investment Agriculture should consider providing financial grants to small BC food processors to enable them to justify the necessary capital investments to serve the BC healthcare market.

Critical Success Factors and Performance Indicators

1. The critical success factors to increasing the proportion of food purchased from BC food processors for consumption in BC healthcare facilities are:

    a. Increase the degree of awareness of the capability of BC food processors among GPOs and food service management companies;
    b. Establish collaborative working relationships between BC food processors and the GPOs and food service management companies that supply the health authorities in BC; and
    c. The assistance provided by the BC Ministry of Agriculture to establish collaborative working relationships between BC food processors and the GPOs and food service management companies.

2. The key performance indicators that should be used to assess the performance of the healthcare market development strategy are the percentage of food purchased locally by the GPOs and food service companies that serve each health authority in BC.



I. Introduction

The following paragraphs describe the purpose and methodology employed to undertake the assignment.

A. Purpose of Study

The purpose of the study is to conduct market research to identify key opportunities and challenges to the supply of BC food and beverage products to BC healthcare facilities and to prepare a long-term market development strategy to increase the proportion of BC food and beverage products used by healthcare facilities across the province.

B. Method of Study

To assess the current status of the sector, we examined the available reports and other information on the current state and size of the BC healthcare facilities market as well as information on the nutritional and other specifications demanded by these healthcare facilities. We also reviewed the available information on the food and beverage products consumed by BC healthcare facilities and the work undertaken to date to replace products currently brought into BC with locally produced and processed food and beverage products.

To determine the products currently sourced from outside BC that have the potential to be made in BC, we distributed a survey questionnaire to members of the Local Food Working Group that contains members from health authorities across BC as well as some organizations that supply the healthcare institutional market in BC. This survey questionnaire requested respondents to indicate the top 10 to 20 products currently sourced from outside BC that have the potential to be made in BC as well as their purchase volumes and key specifications (e.g. packaging needs, nutritional requirements, serving size, etc.) demanded by BC healthcare facilities. We also conducted follow-up interviews with the following broadline food distributors, food service companies and GPOs that supply of food and beverage products to BC healthcare facilities:

- Aramark
- Compass
- Health Pro
- Sodexo
- Sysco
- Gordon Food Systems

In addition, we conducted interviews with representatives of the Provincial Health Services Authority and the Business Initiatives and Support Services (BISS).

To determine the products currently sourced from outside BC, we conducted a detailed review of the HealthPro and Aramark velocity reports for the Interior Health Authority for the period from April 1 – November 15, 2018. Based on our knowledge of the food processing industry, we identified potential products that could be supplied from British Columbia. To determine the capability and interest of BC food processors in supplying BC healthcare facilities with these products, we worked with the BC Food Processors Association to develop a list of 45 food processors that could potentially supply food and beverage products to healthcare facilities. We then contacted these BC food processors to determine their interest and capability in supplying some of the food and beverage products currently sourced from outside BC.

For the purposes of this study, the definition used for BC food and beverage products is the same as that used by the BC health authorities which is "a final product produced and/or processed within the borders of British Columbia". Please note that the definition includes product that are processed in BC, but this does not necessarily mean that the raw products or inputs for this product come from BC. The rationale for including products that are processed in BC but the inputs for these products do not come from BC is that the processing of these products in BC still contributes to the BC economy in to terms of creating employment.

C. Study Limitations

One of the study limitations is that we were provided access to only the velocity reports of the Interior Health Authority rather than all health authorities in BC. The Interior Health Authority velocity reports provided a detailed list of the food and beverage products supplied to the health authority. However, because the types of food products purchased varied considerably from one health authority to another due to variety of different delivery models employed, it was not possible to accurately extrapolate the food purchased by the Interior Health Authority to determine the total volume of each type of food product consumed by all healthcare facilities in BC. For example, one health authority uses a food service company that supplies its own staff to run the kitchens and cafeterias in the hospitals and uses food that is primarily made from fresh ingredients while another health authority uses a group purchasing organization that supplies pre-made entrees that are then heated before being served to patients.

D. Report Outline

The next chapter describes the complex distribution system employed to provide food and beverage products to BC healthcare facilities. Chapter 3 describes the products that are currently sourced from outside BC for which BC food processors have the capability to supply some of these products to the local healthcare market. Chapter 4 summarizes the experience of other jurisdictions to encourage the use of locally produced food products particularly by the institutional market. The last chapter provides a SWOT analysis and a long-term market development strategy to increase the use of BC food by healthcare facilities in BC.

II. Distribution of Food to BC Healthcare Facilities

This chapter provides a description of the complex distribution system to deliver food and beverage products to healthcare facilities throughout BC.

A. Description of Healthcare Facilities Food Distribution System

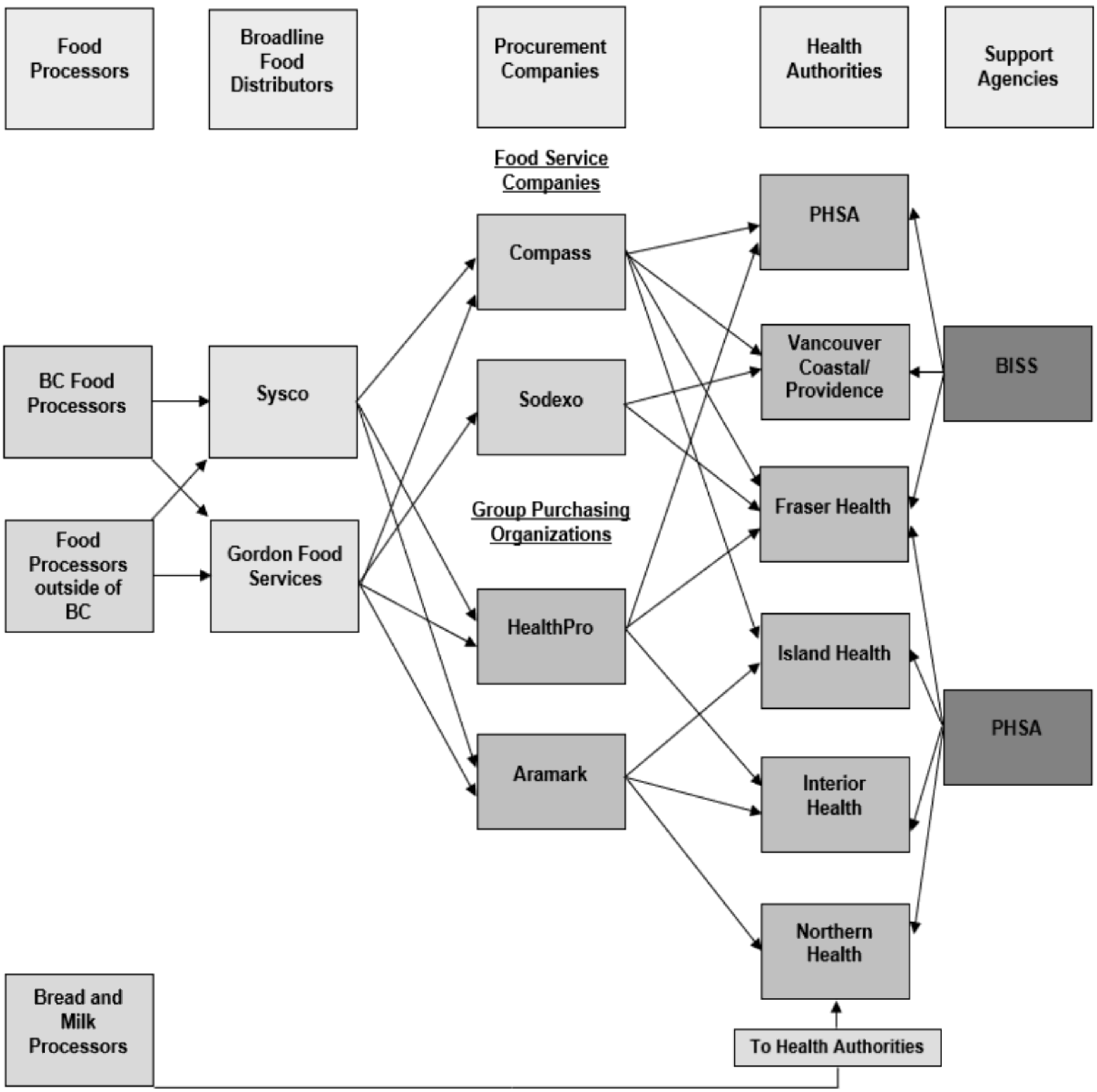
This section of the report summarizes an extensive description of the BC healthcare food distribution system provided in March 2018 report entitled *Local Food Procurement in BC Healthcare: Review of Food Procurement Processes in BC Healthcare Facilities and Opportunities for Increasing Local Food Buys* by Michele McBride and Lisa Forster-Coull. In some instances, we have updated the description of the BC healthcare distribution systems to reflect recent changes as reported in our interviews with GPOs, food services management companies and broadline food distributors.

The Ministry of Health works together with the Provincial Health Services Authority and the five regional health authorities to provide health services to British Columbians. As indicated in the March 2018 report entitled *Local Food Procurement in BC Healthcare: Review of Food Procurement Processes in BC Healthcare Facilities and Opportunities for Increasing Local Food Buys* by Michele McBride and Lisa Forster-Coull, the approaches and arrangements related to food procurement by health authorities are complex and sometimes historical. Health authorities provide food service in both acute and residential settings. Facilities vary greatly, from large acute care hospitals to small residential long-term care homes. In smaller communities, acute and residential long-term care are often located within the same facility or adjacent to one another. In addition, there are specialized residential facilities, such as mental health and addiction centres. When considering food service procurement in healthcare, the food can either be prepared on-site, or prepared off-site and reheated at the facility. Food that is prepared on-site may offer greater flexibility in purchasing local product when in season. Food prepared off-site is usually entrees for reheating or “scoop and bake” (muffins or cookie batter) and may therefore be somewhat less flexible when substituting local.

Figure 2.1 on the following page illustrates the key players involved in the supply of food and beverage products to health authorities in BC while a more detailed description is provided in Appendix 1. As indicated in the report entitled *Local Food Procurement in BC Healthcare*, food processors (with the exception of milk and bread processors) do not supply their food and beverage products directly to BC hospitals and healthcare facilities. Instead, the health authorities either contract with food service companies or general purchasing organizations to supply them with food and beverage products.

- *Contract with a food service management company* – Contracts with foodservice management companies are usually for “full service” whereby contract prices will be for “meal days”, i.e. the company will provide three meals and two snacks daily at a set price that includes the cost of the food, labour and overhead. Foodservice staff are employees of the contracted company, rather than the health authority. These companies have their own purchasing department that will purchase food through their own network of suppliers. There are two foodservice companies that operate in BC – Compass Group (which includes Morrison Healthcare and Marquise Hospitality) and Sodexo. Compass Group, the largest foodservice company in the world, is headquartered in England; Sodexo is headquartered in France. Both provide foodservice and support services across Canada in many sectors including healthcare, education, workplace and sports/leisure. In the healthcare sector, in addition to foodservices, both companies provide a broad range of support services such as laundry, cleaning, maintenance, grounds keeping and patient transport. Compass Group and Sodexo each have their own procurement programs that access suppliers of a broad range of products. As indicated in Figure 2.1, Island Health, Vancouver Coastal Health/Providence Health Care and Fraser Health have food service contracts in place with Compass Group. Vancouver Coastal/Providence and Fraser Health have contracts with Sodexo. Interior Health and Northern Health do not use any contracted services.

Figure 2.1: BC Healthcare Food Distribution Network



- *Foodservice is managed "in-house"* – In this case, the health authority has an agreement in place with a Group Purchasing Organization (GPO) for the purchase of most food categories. A GPO is an enterprise that leverages the collective buying power of a group of organizations. These organizations commit to purchasing certain volumes through the GPO. The GPO then aggregates these volumes and negotiates the best price with suppliers on behalf the organizations. HealthPro and Aramark are the two GPOs used by BC health authorities.

  - HealthPro is a Canadian healthcare GPO that works with its members: provincial health authorities, hospitals and shared service organizations representing more than 800 facilities across the country. Membership in HealthPro does not commit the health authority to source all products through it, although HealthPro guarantees the lowest price for that product. HealthPro makes many product offerings to its members throughout the year. If the product meets the health authority's requirements, the health authority then commits to purchasing a certain volume of that product for a certain time period. HealthPro requires members to purchase a minimum of 80% of a product through HealthPro if they have agreed to participate in the buy. Generally speaking, HealthPro suppliers must be able to provide their product on a national level. BC health authorities with agreements with HealthPro are Fraser Health, Interior Health (Interior Health is phasing out their HealthPro contracts over the next six years and have an agreement now in place with Aramark) and PHSA.
  - Aramark is a large multinational company specializing in food, facility and uniform services. The Aramark agreement assumes a certain basket of products and a commitment to purchase the products in that basket. The health authority commits to making all its purchases through Aramark for the goods in the basket (although Aramark has shown flexibility in meeting the changing needs of health authorities). The Aramark agreement can be terminated without penalty for convenience with 180 days notice. Health authorities with agreements currently in place with Aramark are Northern Health and Interior Health. Island Health has an agreement with Complete Purchasing Solutions (CPS), a division of Aramark.

  In addition to the use of a GPO or food service management company, the health authority may also have additional agreements with a few independent suppliers, outside of the agreement with the GPO. For example, some health authorities have in place different arrangements for the purchasing and delivery of milk and bread directly from suppliers.

As indicated in Figure 2.1, the two GPOs and two food service management companies in BC use two different broadline food distributors (i.e. either Sysco or Gordon Food Systems) to procure and deliver food and beverage products from food processors in BC and outside of BC directly to BC hospitals and other healthcare facilities. Sysco is the largest broadline distributor in North America and operates across the US and Canada with 161 regional distribution centres including those in Nanaimo, Victoria, Vancouver, Kelowna, Edmonton and Calgary. Sysco deals with national brands along with its own house brands. Gordon Food Systems (GFS) is a family owned business operating since 1897 with its headquarters in Wyoming, Michigan. GFS serves the eastern half of the US and all of Canada. GFS came to BC in 2002 with the purchase of Neptune Foodservices. The distribution centre for GFS, which stocks national as well as its private brands, is in Delta and serves all of BC.

Health authorities have provincial support in managing the foodservice provision options open to them, through two organizations:

- *Provincial Health Services Authority (PHSA)* – PHSA has a mandate to create enhanced value to the healthcare system through increased process efficiency, standardization, capital avoidance and leveraging of buying power; enhance service quality through delivery of customer-focused services; and improve alignment and integration across the health authorities.

- *Business Initiatives and Support Services (BISS)* – BISS leads and coordinates the contracting of external service providers for foodservices, housekeeping, laundry, waste management, patient transportation and retail services. BISS acts as the agent for most foodservices contracting needs in Vancouver Coastal Health/Providence Heath Care, Fraser Health, and Provincial Health Services Authority. BISS also provides clinical nutrition services across all Fraser Health sites and operates in-house patient foodservices at some facilities within Fraser Health.

The most appropriate channel for most BC food processors to supply their products to BC healthcare facilities is to negotiate a contract with a GPO (i.e. Aramark and Health Pro) or a food service management company (i.e. Sodexo and Compass). A GPO or purchasing department of a foodservice management company employs a variety of procurement tools, such as Requests for Proposal and Invitations to Bid, to determine the preferred vendors with which to enter into contracts. In only a few instances for staples such as bread and milk do health authorities have agreements directly with food processing companies.

B. Current Status of Sector

As indicated in Table 2.1 below, BC health authorities serve 20.3 million meals annually in 157 different healthcare facilities throughout the province.

Table 2.1: Size of BC Healthcare Market

<table>
<tr><th>Health Authority</th><th>Annual Number of Meals Provided</th><th>Number of Locations Meals are Provided</th><th>Population Served (millions)</th></tr>
<tr><td>Fraser Health</td><td>4.1 million</td><td>19</td><td>1.77</td></tr>
<tr><td>Interior Health</td><td>5.1 million</td><td>55</td><td>0.74</td></tr>
<tr><td>Island Health</td><td>3.5 million</td><td>30</td><td>0.76</td></tr>
<tr><td>Northern Health</td><td>1.8 million</td><td>27</td><td>0.28</td></tr>
<tr><td>Provincial Health Services</td><td>0.4 million</td><td>4</td><td rowspan="2">1.00</td></tr>
<tr><td>Vancouver Coastal Health/Providence Healthcare</td><td>5.4 million</td><td>22</td></tr>
<tr><td>Total</td><td>20.3 million</td><td>157</td><td>4.55</td></tr>
</table>

Source: *Local Food Procurement in BC Healthcare, 2018* and Auditor General of BC report on Health Authority

Health authorities are working towards meeting the 30% target for BC food purchasing established by the BC Ministry of Agriculture. The definition of BC food adopted by the Local Food Working Group established by the BC Government is as follows: *"a final product produced and/or processed within the borders of British Columbia".*

As indicated in Table 2.2 on the following page, for 2017-2018, the percentage that BC food accounts for the total food expenditures reported by BC health authorities ranges from 16.5% to 35%[1]. The highest proportion of BC food expenditures has been achieved by Island Health Authority in-house services (35%) and Fraser Health Authority in-house services (31.1%) while the two lowest are Fraser Health Authority contracted services (16.5%) and Island Health Authority contracted services for acute care facilities (16.8%). Using the

1 Contracted services for PHSA have not been included in Table 2.2

population served by each health authority, the weighted average percentage of BC food compared to the total spend of all health authorities was 25.3% in 2017/18.

Table 2.2: Purchased from BC Food Processors Compared to Total Food Expenditures by BC Health Authorities in 2017/18

Health Authority	In-House or Contracted	Percentage Local of Total Spend
VCH/Providence	Contracted (Sodexo)	26.8%
PHSA	In-House	28.0%
Fraser Health	In-House	31.1%
	Contracted (Compass)	16.5%
	Contracted (Sodexo)	26.8%
Island Health	Acute Care Contracted (Compass)	16.8%
	Residential Care Contracted (Compass Marquise)	21.2%
	In-House	35.0%
Interior Health	In-House	26.9%
Northern Health	In-House	19.2%
Weighted Average		**25.3%**

Source: *British Columbia Food Services: Local Food Expenditures for 2017-2018*, Provincial Food Services Technical Team

BC food purchases as a percentage of total food expenditures by the Interior Health Authority have increased from 26.9% in 2017/18 to 30% in 2018.

C. Opportunities and Constraints to Sourcing BC Food Products

The following paragraphs summarize the results of our interviews with stakeholders regarding the opportunities and constraints to sourcing BC food products.

Constraints

1. One of the major constraints mentioned by several GPOs and food service management companies is that they don't know which products are available locally. They indicated that it takes considerable effort for them to locate local suppliers.

2. GPOs and food service management companies have established national contracts with food processors and are motivated to honor these national contracts to source their food products as they are likely to obtain the lowest price due to economies of scale. Consequently, they are less motivated to use local suppliers to obtain their food products.

3. To use a local supplier, BC food processors must first be approved by the health authority as well as the GPO or food service management company and meet the necessary specifications for a given food product (e.g. nutritional requirements, packaging size and type, etc.), specific plant standards for sanitation and food quality as well as assurance of supply.

4. The target of 30% for BC food purchases is recognized as aspirational and difficult to enforce. Some GPOs and food service management companies indicated that trade agreements impose a constraint to increasing the proportion of BC food purchased because they can't prioritize local companies. As indicated in the report entitled *Local Food Procurement in BC Healthcare*, BC is subject to the provisions of several trade agreements including the New West Partnership Agreement (among the four western

provinces); the World Trade Organization Government Procurement Agreement, the Canada Free Trade Agreement; and the Canadian European Union Comprehensive Economic Trade Agreement. Under each of these trade agreements, there are different thresholds for different sectors. The lowest threshold for goods for the Ministries, Crown Corporations and MASH (Municipalities, Academics, Social Services and Health) sector is $75,000 under the New West Partnership Agreement. Therefore, for contracts over $75,000, all qualified suppliers to health authorities must be treated equally, and no preference given to local suppliers. While these trade agreements do not apply to non-government entities, they do come into play for those that were specifically created to support the work of government as is the case for BISS.

5. Some GPOs and food service management companies indicated that while it is possible to achieve the 30% target without likely incurring high food purchase costs, their costs will likely increase if they increase their BC food expenditures beyond 30%.

6. Respondents indicated that there exists a need to educate BC food processors about the BC healthcare food distribution channels, the most appropriate organizations within the food distribution network that they should establish contracts with, the volumes of food required by healthcare facilities, and the specifications and requirements that they must meet to supply the healthcare market.

7. In some instances, attempts to use BC food processors have not been successful for a variety of reasons including lack of year-round supply, inability to meet minimum quality standards and nutritionals, lack of federally approved meat slaughtering facilities and inability to supply the product size and package type desired. In other instances, BC food processors indicated that there was not a sufficient volume to justify developing a unique product for a healthcare supplier.

8. While some respondents indicated that local products can be cheaper, other respondents indicated that some local products are priced higher. Some respondents expressed a desire that local product be price competitively to their national contract prices so that they are cost neutral when using BC food products.

9. One supplier indicated that it is very costly to modify their information systems to indicate which products are local and which ones are sourced from outside BC.

<u>Opportunities</u>

1. There appears to exist a general desire by the representatives of GPOs and food service companies to attempt to achieve the target of 30% for BC food expenditures established by the BC Ministry of Agriculture. Most respondents indicated a desire to obtain more information on BC food processors for a wide variety of products that they currently source from outside BC.

2. Some food service companies indicated flexibility in modifying their menus to better reflect the food products that are available locally. Consequently, greater awareness of local available products could motivate them to modify their menus to use locally available products.

3. In some instances, contracts with GPOs and food service management companies include incentives for achieving the target of 30% and penalties if this target is not achieved. Greater use of such contracts will increase the opportunities for purchase of BC food products.

4. Price was not viewed as a major obstacle to purchasing BC food products by most respondents.

5. Most respondents indicated that leadership by the BC Ministry of Agriculture and the BC Ministry of Health as well as individual health authorities to steadily increase the target beyond 30% is a key factor in increasing the proportion of BC food products used by BC healthcare facilities.

III. Potential BC Food Products for BC Healthcare Facilities

This chapter provides our findings regarding the products currently sourced from outside BC that have the potential to be made in BC.

A. Products Sourced from Outside BC That Could Potentially be Made in BC

To determine the products currently sourced from outside BC that have the potential to be made in BC, we distributed a survey questionnaire to members of the Local Food Working Group that contains members from health authorities across BC as well as some GPOs and food service management companies that service the healthcare institutional market in BC. This survey questionnaire requested respondents to indicate the top 10 to 20 products currently sourced from outside BC that have the potential to be made in BC as well as the key specifications (e.g. packaging needs, nutritional requirements, serving size, etc.) required by BC healthcare facilities. We also conducted follow-up interviews with representatives of GPOs, food service management companies and broadline food distributors that service the BC healthcare market. Table 3.1 provides a list of the 20 products most frequently identified by stakeholders that are currently sourced from outside BC as having the greatest potential to be made in BC.

Table 3.1: Products Sourced from Outside BC Most Frequently Identified by Health Authorities, GPOs and Food Service Companies with the Potential to be Supplied Locally

Produce

1. Frozen vegetables (peas, carrots, green beans, corn, broccoli, turnips, squash)
2. Frozen blueberries and raspberries
3. Canned fruit (peaches, pears, apricots)
4. Apple sauce

Dairy

5. Yogurt cups
6. Ice cream cups (vanilla, strawberry, chocolate, butterscotch)
7. Cheese (slices and bulk)

Baked Goods

8. Muffins individually wrapped

Beverages

9. Juice cups (apple, cranberry, orange, grape)
10. Juice concentrate (apple, cranberry, orange)
11. Coffee

Grocery

12. Frozen mashed potatoes
13. Frozen pre-cooked entrees (Mac'n Cheese, Lasagna, Chana Masala, Pasta Primavera)
14. Frozen, canned and dry soup (tomato, asparagus, celery, mushroom, chicken, broccoli)

Protein

15. Diced chicken
16. Whole frozen chicken
17. Further processed chicken (e.g. cooked, battered, breaded)
18. Turkey cooked and raw (slices and breast)
19. Salmon individual and bulk portions
20. Diced pork

Some of the products mentioned above such as canned fruit, canned soups, juice cups and ice cream cups cannot be supplied by BC processors at this time due to lack of equipment to produce these products in the package size and type required by BC health authorities.

B. Ability of BC Processors to Substitute Products Sourced from Outside BC

Several BC companies currently supply the healthcare market in BC. As indicated in Appendix 3, about 55 BC companies currently supply food products to the Interior Health Authority. Eighteen of these companies are smaller processors often local to the Okanagan. They supply fresh fruit, buns, vegetables, smoked sausages, deserts, coffee, energy bars and other specialized products. This illustrates that there is flexibility in the purchasing system to encourage business with smaller BC processors.

To assess the ability of BC processors to substitute products currently sourced from outside BC, we first compiled a master list of products currently sourced from outside BC that have the potential to be made in BC. This master list contained the products identified by a survey of Local Food Working Group members and subsequent interviews with GPOs, food service management companies and broadline food distributors. This list also included products that we observed in the Interior Health Authority velocity reports that could potentially be made in BC.

We provided the master list of products currently outsourced from BC to the BC Food Processors Association to indicate which food processors had the capability to make these products in BC. A total of 44 food processors were identified that could potentially supply these products to healthcare facilities. We then contacted these BC food processors to determine their interest and capability in supplying some of the food and beverage products currently sourced from outside BC. Our findings are summarized below while a more detailed list of the BC food processors that can supply products currently sourced from outside BC is provided in Appendix 2.

Poultry

Currently, fresh and some frozen chicken and turkey are sourced from BC processors including Hallmark Poultry, Sunrise Farms and Sofina (Lillydale). However, a large volume of further processed chicken and turkey is being sourced from Quebec and Ontario due to national contracts with GPOs and food service management companies.

Three BC chicken processors that have the capability to supply all of the fresh, frozen and further processed chicken requirements of BC healthcare facilities are Hallmark Poultry, Sunrise Poultry and Sofina (Lillydale). Both Hallmark (JD Sweid) and Sunrise Farms (Sunwest) have modern further processing facilities producing a range of further processed chicken products including those that are battered and breaded, cooked or par-fried strips, tenders, breasts or other parts and grilled products including thigh or breast meat.

Most of the diced chicken used by BC healthcare facilities comes from chicken that is grown in the US and shipped to chicken processors in eastern Canada. Because this imported chicken is considerably lower in price than chicken produced in BC and BC chicken processors are limited in the amount of chicken they can import from the United States as a result of TRQ regulations, it is difficult for BC chicken processors to compete with chicken processors in eastern Canada specifically with regard to the supply of diced chicken to BC healthcare facilities. However, it may be possible to substitute this diced chicken with other types of chicken products that can be supplied by BC chicken processors.

Three BC companies that expressed an interest and capability to supply raw and cooked turkey products, including cooked turkey slices and roasts, are Sunrise Farms, Sofina (Lillydale) and Rossdown Farms.

Beef and Pork

Suppliers to the healthcare sector require that meat companies are federally inspected which limits the number of suppliers of beef and pork products produced in BC. As a result, most of the beef and pork products used by health authorities are purchased from outside BC. In particular, most of the ground beef is supplied from Cargill who operates a large beef slaughter and processing plant in Alberta. However, Sysco Fine Meats, Sunrise and Albion Farms & Fisheries (owned by GFS) do already supply some meat products such as ground beef, beef cubes, beef strips, pork loins and diced pork to some of the health authorities and have the capability to supply a variety of beef products to other health authorities.

Seafood

Salmon products in bulk and portion sized cuts (e.g. 3 to 4 oz) are currently sourced from eastern Canada (e.g. Highliner Seafoods in Nova Scotia). Both Albion Farms & Fisheries and Seven Seas Fish Co. are interested in supplying salmon in bulk or portion sizes required by BC healthcare facilities. These companies also have the capability to supply cod and pollock.

Eggs

Two BC suppliers of shell eggs to health authorities are Golden Valley Foods or Burnbrae Farms. Both companies can supply cage free products. Liquid egg products and hard-boiled eggs are available from BC by Vanderpols (Egg Solutions) and Golden Valley Foods. Processed egg products including frozen frittata, omelets and French toast are not made in BC as the volume does not warrant the cooking equipment.

Dairy

Saputo (Dairyland) and Island Farms supply all of the fluid milk, cream, cottage cheese, sour cream and butter to the health authorities. Saputo also supplies some of the bulk yogurts. Most health authorities also use yogurt in portion-sized 100 gram foil topped containers and this product comes from outside BC (e.g. Quebec). This is a significant market opportunity for a BC processor to supply single serve yogurt to BC health authorities. As an illustration, the total number of 100 gram foil topped yogurts containers used by 4 health authorities/GPOs/food service management companies that provided data is about 1 million per year. Olympic Dairy Products (division of Agropur, Quebec) is the only dairy in BC that packages yoghurt in a 100 gram foil topped container and they could potentially supply this product from their BC plant. In addition, Avalon Dairy do produce yoghurt in BC and expressed an interest in exploring the market for yoghurt in 100 gram foiled topped container to assess whether the demand is sufficient to justify purchasing the packaging equipment required.

Most of the larger size retail and food service containers of ice cream come to BC from Ontario. However, Island Farms is interested in and has the capability to supply the requirements of health authorities in these larger package sizes. Island Farms does not currently have the capability to supply a 115 milliliter ice cream sundae cup to health authorities. Currently, this product is produced in Alberta and shipped to BC by an Agropur company (same ownership as Island Farms). The production of a 115 milliliter ice cream sundae cup represents an opportunity for Island Farms or another local producer.

Most of the bulk and shredded cheese supplied to the health authorities in BC come from out of province. However, Paradise Island Foods on Vancouver Island and Saputo Dairy Products have the capability to supply bulk and shredded cheddar and mozzarella cheese to health authorities.

Vegetables

Frozen vegetables used by health authorities are currently supplied from outside of BC. The following three BC companies have expressed an interest in supplying this market: BC Frozen Foods, Nature's Touch and Snowcrest Foods.

With regard to fresh vegetables, the two broadline distributors, Sysco and GFS, source fresh produce directly from local suppliers as required and in season.

Fruit

A considerable volume of frozen berries used by health authorities comes from outside BC. However, there are a number of frozen berry processors in BC interested in supplying the healthcare market including Snowcrest Foods, Abbotsford Growers, Nature's Touch and RJT Blueberries. Snowcrest Foods already supplies some products such as IQF blueberries to health authorities.

There is a market opportunity to supply 113 gram foil topped fruit cups to healthcare facilities; however, there is no company currently packing this size product in BC. Sun Rich supplies bulk fruit in syrup to hospitals. As a result, a market opportunity exists for Sun Rich or another company to produce fruit cups for BC healthcare facilities.

Pacific Coast Fruits expressed an interest and capability in supplying apple sauce to health authorities. They currently produce apple sauce in a 26-pound pail. Sun Rype currently supplies applesauce in 625 ml containers to some health authorities and could potentially supply this product in different sizes.

Baked Goods

In 2018, Interior Health purchased frozen individually wrapped 50 gm muffins from Ontario. However, there are local BC suppliers of BC muffins. Fraser Health Authority currently buys fresh 65 gram muffins from Monte Cristo Bakery in BC. Monte Cristo and the following three other bakeries have expressed an interest in supplying BC health authorities with muffins: Trumps Foods, Creekside Foods and English Bay Batter.

A considerable volume of muffin and cookie batter is sourced from outside BC. English Bay Batter is currently a supplier of muffin and cookie batters to some health authorities and could increase the number of health authorities serviced.

BC processors including Canada Bread and other specialty bakers provide bread directly to the healthcare market in BC. Some BC processors that currently supply cakes, buns and other fancy baked goods to healthcare facilities are Original Cakery, Gizella Pastry and Gourmet Baker.

Beverages

Coffee is a major purchase of the healthcare market and most of this product is sourced from outside BC. One BC company that expressed an interest in supplying coffee is Ethical Bean which produces premium, fair trade, organic coffee and has the capability to do whole bean or ground coffee (decaf and regular) but the company does not produce frozen liquid coffee. Ethical Bean is an approved supplier to both Sodexo and Compass. They currently supply six universities in BC. Another potential BC supplier of coffee is Swiss Water Decaffeinated Coffee.

Most of the tea bags used by the healthcare market are sourced from outside BC. Some BC companies interested in supplying tea bags to the healthcare market are JusTea and Nu-Tea.

Some bottled water used by health authorities is purchased from outside BC (e.g. Alberta). However, water could be supplied from BC through Nestle Waters, Ripple FX or Happy Water.

Sun Rype Foods is a major supplier of fruit juices to the health care market in larger size packaging. Although there are no current suppliers of the 114 ml individual serving cups of fruit juice, this is a potential opportunity for Sun Rype.

Grocery

There are two Canadian suppliers of sugar and sugar products, Redpath and Rogers/Lantic. BC health authorities have purchased from both suppliers. However, Rogers/Lantic is the only BC company and can supply all local healthcare market needs.

Fresh salads including potato, macaroni, pasta and coleslaw are currently being sourced from Ontario by some health authorities. However, a BC company, Freybe Gourmet Chef, is very interested in supplying these products. Gourmet Chef can also supply a variety of prepared frozen entrees including mac'n cheese, chicken pot pies, Italian dishes, ethnic dishes and frozen or fresh/frozen mashed potatoes. Zinnetti Food Products is interested in supplying Italian entrees.

Two BC companies are interested in supplying frozen soups: Freybe Gourmet Chef and Global Gourmet Foods.

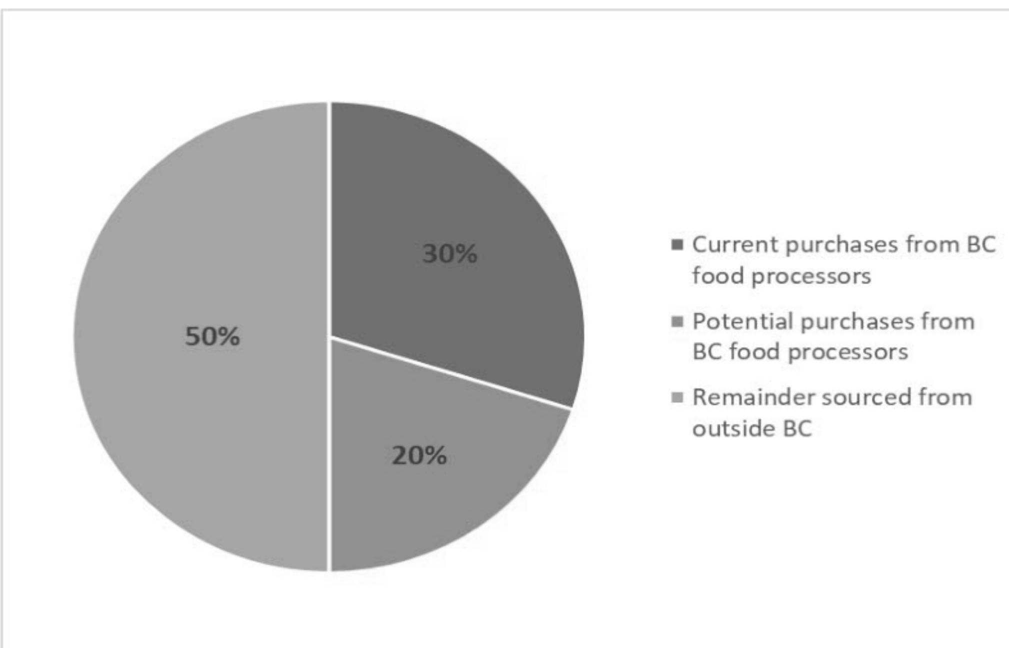
Although the market for honey is not large, two BC companies, Kidd Brothers and RJT Blueberries, are interested in supplying honey to BC health authorities.

Western Rice Mills is a large BC processor of rice and is interested in supplying the BC healthcare market.

C. Potential Market Share of BC Processors

As indicated in Figure 3.1, the use of the additional BC food processors by the Interior Health Authority could increase their share of BC food purchases from the current level of 30% to about 50%. Based on our market research, other health authorities in BC could also increase their purchases from BC food processors to achieve a similar market share of 50% by BC food processors.

Figure 3.1: Potential Market Share of BC Food Processors for Interior Health Authority



s.16;s.17;s.21

D. List of Top Priority Products

The top priority products/product categories that could be supplied to BC healthcare facilities by BC processors that are currently sourced from outside BC is provided on the following page and listed in order of priority. The criteria employed to rank the top priority products include the potential sales revenues that could be achieved by BC processors and the frequency in which products were mentioned by Local Food Working Group, GPOs and food service management companies. Please note that this list of top priority products/product categories is based primarily on a review of the velocity reports for the Interior Health Authority, survey responses from the Local Food Working Group and conversations with GPOs and food service management companies. As indicated previously, access to the velocity reports of all health authorities was not available but is necessary to develop a more accurate list of the top priority products/product categories because we were not able to obtain the volume of each food product consumed by each health authority or the volumes purchased by GPOs and food service management companies. Please note that this list includes products that BC food processors currently have the capability to produce and does not include products that BC processors do not currently have the equipment to produce the product in the package size or type requested by health authorities.

s.16; s.17; s.21

IV. Jurisdictional Scan

This chapter provides the findings from an environmental scan of other jurisdictions with regard to the purchase of local food.

A. United States

In the United States, 25 or one half of all states have legally enshrined local purchasing preferences, providing an absolute advantage for in-state bidders over others. In addition to state policies, many counties and cities (such as San Jose, Los Angeles, Madison, Albuquerque and Columbus) also have local purchasing preference policies. A number of major cities, including New York and Los Angeles, have included local economic development objectives in social procurement programs. As well, 35 states have a reciprocal preference law. These reciprocal policies give a local preference to companies when there are bidders from other states that do have local preference policies. This shows both the prevalence of these policies as well as some of the retaliatory practices that can come along with absolute preferences.[1]

Alaska

Alaska passed legislation establishing a statewide farm to school program that coordinates with procurement officials to identify sources of local produce, helps to connect farmers with schools, and provides resources to support development of individual farm to school programs.[2] Any state entity or school district receiving state money must purchase its agricultural products from farms within the state as long as the in-state product costs no more than 7% above similar out-of-state products and the in-state product is of the same quality.[3]

Arizona

The City of Phoenix reaches out to local suppliers for RFPs and requires sourcing to local business under certain thresholds. For contracts under $50,000, procurement officials must try to grant the contract to a regional business. Only if there is insufficient interest can they look to outside bidders. A similar system exists in Washington, D.C. For contracts under $100,000, bids are first put out to certified local businesses that have registered and agreed to certain prices on items. Only if three qualified certified bidders cannot be found does bidding open to the public.[4]

Illinois

Illinois' Local Food, Farms, Jobs Act of 2009 set a goal that all state institutions purchase at least 20% of their food from local sources by 2020.[5] By contrast, Illinois' goal for farm to school procurement was only 10% by 2020. The higher goal for state agencies recognizes that it may be easier for institutions like prisons to obtain more food from local sources than it is for schools.[6]

1 www.naspo.org/Documents/SummaryReport2011-12Survey_ Updates_1-8-13.pdf
2 http://www.markwinne.com/wp-content/uploads/2012/09/food-toolkit-2012.pdf
3 https://www.foodliteracycenter.org/sites/main/files/file-attachments/procurement.pdf
4 https://www.sauder.ubc.ca/Faculty/Research_Centres/Centre_for_Social_Innovation_and_Impact_Investing/Core_Themes/Impact_Investing/~/media/Files/ISIS/Reports/Social%20Economy%20Reports/Buying%20Local%20-%20Tools%20for%20Forward%20Thinking%20%20Institutions.ashx
5 https://www.foodliteracycenter.org/sites/main/files/file-attachments/procurement.pdf
6 http://www.markwinne.com/wp-content/uploads/2012/09/food-toolkit-2012.pdf

Los Angeles, California

The Good Food Purchasing Program (GFPP) was developed by the Los Angeles' Food Policy Council and was adopted by the City of Los Angeles in 2012. The GFPP is regarded across North America as one of the most comprehensive procurement policies because it takes into consideration multiple aspects of the food system. All City departments with food purchases of greater than $10,000 annually, through their department budgets and/or contracts and concessions, must adopt the Good Food Purchasing Pledge and initiate plans to follow the Good Food Purchasing Guidelines. Departments must sign the pledge and commit to implementing the Good Food Purchasing Guidelines in all future food procurement and make best efforts to incorporate the Good Food Purchasing Guidelines into new contracts for food purchases.[7]

Massachusetts

A Massachusetts law requires all state agencies purchasing agricultural products (defined to include processed foods and seafood) to prefer products grown in the state or end products made using products grown in the state. When given the choice between Massachusetts-produced products and those from out of state, state agencies are required to buy the local products as long as they are not more than 10% more expensive than the out of state choices.[8]

The state has also encouraged the use of local food in schools by raising its small purchase threshold. A food purchase that qualifies as a small purchase is one for which the school district is not required to go through the formal bidding process. This makes it easier for small farms to sell their products to schools because they avoid incurring administrative costs. Federal law currently allows a district accepting federal funding for school meals to consider any purchase below $150,000 a small purchase, but some states set their standards lower. For example, the small purchase threshold for food items in Massachusetts is only $25,000.

Michigan

The Buy Michigan First program promotes local food procurement in state institutions. One of the largest supporters of the program is the state prison program, which has significantly reduced its food budget by buying locally grown produce. Of the $43 million that the Michigan Department of Corrections contracts for bread, dairy, and meat products, 11% is now locally sourced. The prison system spent another $4 million on fresh produce in 2005, of which about 28% is now Michigan-grown. Plans to expand the program into state hospitals, office cafeterias, and state-funded universities are currently under way.[9]

Montana

Using a local food procurement statute, Montana gave broad discretion to state institutions (including agencies, schools, prisons, universities, hospitals, etc.) to purchase Montana-produced food directly from farmers and other producers rather than going through the state's standard procurement procedures.[10] Under this law, institutional decision-makers have significant leeway to choose local products—so much so that the definition of whether a price difference is reasonable is left to the institutional decision makers' discretion.

New Mexico

New Mexico's farm to school memorial statement asserts that state schools should serve in-state products to the extent possible, and it has helped lead to more concrete commitments to farm to school programs around

7 http://sustainontario.com/greenhouse/custom/uploads/2016/09/Toolkit_Final25-11.pdf
8 https://www.foodliteracycenter.org/sites/main/files/file-attachments/procurement.pdf
9 https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/Local_Food_Policy_Brief_-_Published.pdf
10 https://www.foodliteracycenter.org/sites/main/files/file-attachments/procurement.pdf

the state.[11]

New York

The New York Senate introduced the Buy from the Backyard Act which would require all state agencies to purchase at least 20% of their food from producers and/or processors in New York State. These laws have the benefit of simplicity: agencies have discretion to choose exactly which 20% of their food is purchased in-state, but they are mandated to buy a certain amount of local food in bulk.[12]

Columbia University uses procurement cards so that end-users can easily connect with suppliers. The university became aware that many smaller companies didn't use credit cards due to the high fees, so they worked out an agreement with a local bank so that the businesses could get the same rates as the university if they set up merchant accounts.[13]

North Carolina

North Carolina State University's "10% Campaign" provides an example of encouraging organizations to buy 10% of their food from local sources.[14] This campaign has the advantage of establishing a quantifiable goal for all institutions and expanding the support of local food into the private sector. It also increased community support for using local products in a variety of settings, including schools.[15] Presently, 15% of campus food comes from producers from around the state. Similarly, Appalachian Food Services, at Appalachian State University in North Carolina, bought 10% of its food from local producers in 2011 and set a goal of purchasing 15% from local producers by 2013.[16]

Oregon

Oregon has a reimbursement program, in which the state specifies that it will reimburse school districts that purchase foods produced or processed in Oregon. The state keeps costs reasonable for this program by specifying that all reimbursements are set at the amount that reflects the lesser of either the amount actually paid for the Oregon-based product or fifteen cents per school lunch in which it was used.[17]

Texas

The Texas Department of State Health Services hosts a Farm to Work Initiative in which employees can order a basket of fresh produce from a local farm to be delivered to their workplace. This innovative idea does not involve procurement policies but serves the same goal of increasing opportunities for the state and local businesses to support local food production.[18]

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11 http://www.markwinne.com/wp-content/uploads/2012/09/food-toolkit-2012.pdf
12 http://www.markwinne.com/wp-content/uploads/2012/09/food-toolkit-2012.pdf
13
https://www.sauder.ubc.ca/Faculty/Research_Centres/Centre_for_Social_Innovation_and_Impact_Investing/Core_Themes/Impact_Investing/~/media/Files/ISIS/Reports/Social%20Economy%20Reports/Buying%20Local%20-%20Tools%20for%20Forward%20Thinking%20%20Institutions.ashx
14 https://www.foodliteracycenter.org/sites/main/files/file-attachments/procurement.pdf
15 http://www.markwinne.com/wp-content/uploads/2012/09/food-toolkit-2012.pdf
16 http://www.markwinne.com/wp-content/uploads/2012/09/food-toolkit-2012.pdf
17 http://www.markwinne.com/wp-content/uploads/2012/09/food-toolkit-2012.pdf
18 http://www.markwinne.com/wp-content/uploads/2012/09/food-toolkit-2012.pdf

Washington

The State of Washington has been a leader in promoting farm to institution programs. The purpose of Washington's Local Farms-Healthy Kids Act of 2008 was to make Washington-grown food available to as many Washington citizens as possible. Even though it deals with several different policy areas, not just procurement, it is useful as an example of a comprehensive policy supporting local food.[19]

The State of Washington has instituted a pilot program that is a partnership between the state Department of Agriculture and the state Department of Corrections.[59] Washington farmers have the opportunity to sell food products to two prisons at their fair market value, as determined by the Seattle Terminal Market Value.[60] In order to keep farmers' costs down in terms of both time and money, they are encouraged to only field-pack their products; the Department of Corrections cleans, sorts, and processes the food within the prison facility. [61] The state has designated two prisons to participate in the program.[62] Farmers participating in the program can actually make better profits on their food than they would at a farmers' market, despite selling products at the same price, because they can sell their produce without investing the cost in time, effort, and money to prepare these products for sale at market.

B. Europe

Public procurement in the European Union (EU) is governed by regulations that, amongst other directives, include a principle of non-discrimination. In other words, contracts cannot be awarded based on the geography of the bidder, and thus food miles cannot be taken into consideration. In 1999, the EU Council of Ministers did agree that contracting authorities may take production methods into consideration. This is particularly relevant in terms of green procurement, as it allows environmental criteria to be considered, as opposed to a decision based primarily on cost. [20]

France

France has announced that by 2022 at least half of all food bought by the public sector must be organic or locally produced. This includes food bought for use in schools, hospitals and prisons. This initiative highlights the power of public procurement to support better farming practices and improve access to healthy foods.

Italy

Twenty years ago, the Italian government passed a law to guarantee the promotion of organic agricultural production of "quality" food products by stipulating that public institutions that operate school and hospital canteens provide in the daily diet the use of organic, typical and traditional products as well as those from denominated areas, taking into account the guidelines and other recommendations of the National Institute of Nutrition. This law has helped to facilitate public procurement of local, organic food in Italy.

An example of a successful local food procurement program is Rome's school meal program. Introduced in 2001, the All for Quality principles provide a guideline for food procurement that focuses on "best value" of the food companies contracted, rather than lowest price. The Rome school system contracts with several smaller local food companies, maintaining a competitive bidding system that ensures higher quality. The contracts given to local food producers are based on a 100-point system. 51 points are allotted for price of food, whereas the other 49 are for infrastructural considerations that support food quality. The quality of the food is based on place of origin, organic products, and fair trade. This system not only supports local food companies but has raised the quality of school food in Rome considerably by creating a competitive market for local food

19 http://www.markwinne.com/wp-content/uploads/2012/09/food-toolkit-2012.pdf
20 http://publish.illinois.edu/globalcurrents/2014/06/12/public-procurement-of-food-should-governments-buy-local/

based on important aspects of food quality.[21]

While Rome is one of the larger scale examples of a local food procurement policy, there are over 300 examples of local, organic school meal services in Italy. For example, the town of Ferrara (pop. 133,000) commissioned a feasibility study and then created a list of foods that could be used without significantly increasing costs. As result of this study, the use of organic foods in public procurement has increased to 50% and up to 80% for nurseries, while the average cost of a meal has only increased by 13.4%.[22]

United Kingdom

In the United Kingdom, the Government launched in 2014 a “Plan for Public Procurement”. Among its main innovations is the introduction of a balanced scorecard for all procurement. This scorecard is a comprehensive and straightforward set of criteria that enable social and environmental factors (including nutrition, sustainability and customer satisfaction) to be considered together with the traditional cost factor for awarding contracts. It gives suppliers the opportunity to be rewarded for excellence, continuous improvement and innovation. The plan was implemented in line with the Government’s Procurement Pledge (2012) which, among other things, gives providers – including smaller providers – simpler, more streamlined procurement processes.[23]

Beyond the central government level, the Scottish government has launched important public procurement initiatives for local economic development and community benefits. At the local government level, the City of London stands out for the steps it has taken to promote local purchasing within the city, especially in the private sector. The City Procurement Project provides free support and guidance to city-based businesses wishing to procure locally. Support measures include providing access to local supplier databases, one-on-one advice, and written guidance via the Local Purchasing Toolkit and other resources. These resources help private sector firms to create and implement their own local procurement policies. Along with economic and corporate responsibility arguments for such policies, the project outlines benefits of procuring locally, including “creative solutions, flexible delivery, better customer service and response time, and decreased environmental impact.” U.K. civil society groups have also been directly involved in efforts to increase local procurement. The LM3 tool, originally developed by the non-profit New Economics Foundation (NEF), provides users with an easy to follow process for measuring a company’s local economic impact. This tool has been used by a number of businesses and city councils in the United Kingdom to identify ways to maximize local economic development, especially through procurement. This focus on measurement was taken further by the City of Manchester, which undertook an extensive study of its procurement dollars and where its suppliers spent their money. The study provided a useful baseline and a greater understanding of the economic impacts of procurement and highlighted key challenges and recommendations for moving forward.[24]

Having a database of local companies enables procurement officials to identify and better engage local businesses. If these types of databases are shared with local private businesses and developers, it makes it easier for them to support other local suppliers in their own procurement processes. When the City of London surveyed large companies in the city to see what support they needed to increase local purchasing, the top answer by a large margin was databases. In London, there are at least 10 local databases, four of which are city-wide, and the remainder of which are regional. The City directs businesses to these publicly available databases in its Local Purchasing Toolkit for City Based Firms, and also provides direct one-on-one guidance for local purchasing.

21 http://publish.illinois.edu/globalcurrents/2014/06/12/public-procurement-of-food-should-governments-buy-local/
22 http://sustainontario.com/greenhouse/custom/uploads/2016/09/LocalFoodProcurementPolicies.pdf
23 http://www.fao.org/3/a-i7636e.pdf
24
https://www.sauder.ubc.ca/Faculty/Research_Centres/Centre_for_Social_Innovation_and_Impact_Investing/Core_Themes/Impact_Investing/~/media/Files/ISIS/Reports/Social%20Economy%20Reports/Buying%20Local%20-%20Tools%20for%20Forward%20Thinking%20%20Institutions.ashx

Vienna

The City of Vienna offers the most successful initiative in Austria for making procurement more sustainable in public institutions. The programme 'ÖkoKauf Wien' ('EcoBuy Vienna') goes back to 1999 and was launched as part of the Vienna Climate Protection Program. It uses public procurement, including food for hospitals, schools, kindergartens and nursing homes for the elderly, as a contribution to help reach climate protection goals. The EcoBuy programme has helped to make the public procurement sector more sustainable. Figures show it has already made savings of about 17 million Euros and 30,000 tonnes of CO² emissions per year.[25]

C. Australia

At the state level, the government of Western Australia has a "buy local" policy, which gives 10% preference to regional companies and 10% penalties to imported products. The preference applies when no bids are received from other Australian or New Zealand states. Since 2009, the policy has not applied when bids are received from the United States or Chile. More recently, Australian public sector procurement policy has focused on achieving local economic development through social procurement measures. Guidelines drafted by the State of Victoria in 2010 take this approach, listing local sustainability as a key benefit of social procurement, alongside other benefits such as diversity, equality, employment, training and service innovation. Under the Victoria state guidelines, local sustainability is defined as "strengthening the local economy and ensuring its financial and environmental sustainability." Other regions, such as the Australian Capital Territory, also produce guidelines on social procurement for their purchasing departments.[26] [27]

D. Brazil

Brazil's Food Acquisition Programme is one example of how government procurement can benefit local farmers and provide food to those in need. The program's goal is to provide food to members of the population who are facing "food and nutritional insecurity." Between 2003 and 2008, Brazil spent $1 billion on locally-grown food for the program, and the food was donated to 16.8 million people. This program, while not without challenges, provides local farmers with a sales venue for their crops, spurs production and consumption of local foods, and provides nutritious foods for those who might otherwise go without.[28] In 2009, the National School Feeding Program (PNAE) set an objective to purchase at least 30% of the products for school meals from local family farmers, prioritizing organic foods. It also required that organic products be purchased from farmers at a 30% price premium.[29]

E. Canada

Ontario

Local Food Plus (LFP) is a not-for-profit organization that certifies local farmers and brokers procurement contracts between institutions and those farmers. So far, LFP has brokered deals with the University of Toronto and the City of Markham, amongst others. The City of Toronto's Local Food Procurement Policy is part of some of the city's larger projects, such as the "Climate Change, Clean Air and Sustainable Energy Action Plan." The policy's overall objective is 50% local food for city operations. Its implementation started

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25 http://www.foodlinkscommunity.net/fileadmin/documents_organicresearch/foodlinks/publications/Foodlinks_report_low.pdf
26 Victoria Department of Planning and Community Development. Local Government Procurement Strategy. Sept. 2008. Retrieved from: http://www.localgovernment.vic.gov.au
27
https://www.sauder.ubc.ca/Faculty/Research_Centres/Centre_for_Social_Innovation_and_Impact_Investing/Core_Themes/Impact_Investing/~/media/Files/ISIS/Reports/Social%20Economy%20Reports/Buying%20Local%20-%20Tools%20for%20Forward%20Thinking%20%20Institutions.ashx
28 http://publish.illinois.edu/globalcurrents/2014/06/12/public-procurement-of-food-should-governments-buy-local/
29 https://www.organicwithoutboundaries.bio/2018/09/05/public-procurement/

with city run daycares. Its first year, 2008/2009, resulted in a 13.4% increase in local food procurement.[52] Purchasing practices that focus on seasonal produce have been effective in managing cost impacts of local procurement, as these foods are more readily available locally and therefore more affordable.

Thunder Bay, Ontario

The City of Thunder Bay is a leading example of local, sustainable food procurement. The City of Thunder Bay's Local Food Procurement Project is dedicated to increasing the amount of local food purchased by seven institutions through the Supply Management Division. These institutions have an annual budget of $1.5 million for food, serving 3000 meals and snacks each day.[24] It is through the City of Thunder Bay's Supply Management by-law article 2.03 Sustainable Environmental and Ethical Procurement that allows for the support of local food procurement. The by-law article states that suppliers are "expected to strive continually towards minimizing the environmental impacts of their operations and the Goods and Services provided.[30] The City of Thunder Bay's Supply Management Division reports that the City has successfully raised their total spend on local (Ontario) and regional foods to 38.45 % in 2016. [31]

Markham, Ontario

In 2008, the municipality of Markham reached an agreement with Local Food Plus to purchase a minimum of 10% of its municipal services food from LFP-certified farmers in the first year and increase that commitment by 5% every year thereafter.[32]

British Columbia

In 2011, the City of Nelson passed a buy local amendment to its purchasing policy, giving preference to suppliers who hold a business license in the West Kootenay area.

At the University of Victoria (UVic), locally sourced food is a priority. Numerous initiatives have been implemented, including one that helped to create the Vancouver Island Heritage Food Cooperative, an organization that makes sourcing from local farmers easier. UVic leads the Vancouver Island Local Food Project, which engages key stakeholders to create a stronger local food network.[41]

At the University of British Columbia, the housing department is sourcing more local food than it did previously. UBC Food Services sourced 45% of its food from within 150 miles of campus in 2010/2011, and the organization has a goal to increase this percentage every year.[33]

The District of Saanich also has a local food procurement policy that stipulates at least 40%of food procured should be sourced from within the province, when operationally and economically feasible.[34]

30 http://sustainontario.com/greenhouse/custom/uploads/2016/09/Toolkit_Final25-11.pdf
31 http://tbfoodstrategy.com/pillars/food-procurement/
32 https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/Local_Food_Policy_Brief_-_Published.pdf
33 https://www.sauder.ubc.ca/Faculty/Research_Centres/Centre_for_Social_Innovation_and_Impact_Investing/Core_Themes/Impact_Investing/~/media/Files/ISIS/Reports/Social%20Economy%20Reports/Buying%20Local%20-%20Tools%20for%20Forward%20Thinking%20%20Institutions.ashx
34 https://www.sauder.ubc.ca/Faculty/Research_Centres/Centre_for_Social_Innovation_and_Impact_Investing/Core_Themes/Impact_Investing/~/media/Files/ISIS/Reports/Social%20Economy%20Reports/Buying%20Local%20-%20Tools%20for%20Forward%20Thinking%20%20Institutions.ashx

Manitoba

The Manitoba Farm and Food Awareness Act enables the minister to establish goals to strengthen the domestic market for local foods. This was followed by the Climate Change and Green Economy Action Plan which committed to a 20% target of government food procurement for food that is produced or processed in the province.

New Brunswick

New Brunswick's Local Food Strategy aims for a medium-to-long-term target of 30% local food for all public schools.

Nova Scotia

In the context of Nova Scotia's Environmental Goals and Sustainable Prosperity Act (2007), which aims an increase of 20% in local food consumption, the province has implemented a Sustainable Procurement Policy.[35] The Province of Nova Scotia has taken on several initiatives to increase local purchasing, with a focus on local supplier engagement. Of the $1 billion Nova Scotia spends annually on procurement, 86% is sourced locally. Nova Scotia also has a supplier development program that offers site visits, workshops and a reverse trade show for local businesses.

Quebec

Quebec has piloted a number of programs that foster local and sustainable food systems. Plan de développement de la zone agricole consists of supporting municipal counties to engage regional stakeholders in the development of agricultural land use plans. Organic businesses are eligible for subsidies when they apply for investment loans in the Finiancière agricole's rural and business development programs. The Ministry of Agriculture provides municipal counties with tools and resources to support organic agriculture within their agriculture land use plans.[36]

35 https://foodsecurecanada.org/sites/foodsecurecanada.org/files/discussion_paper_canadian_policy_landscape_for_local_sustainable_food_systems_final2017_.pdf

36 https://foodsecurecanada.org/sites/foodsecurecanada.org/files/discussion_paper_canadian_policy_landscape_for_local_sustainable_food_systems_final2017_.pdf

V. BC Healthcare Market Development Strategy

This chapter provides a SWOT analysis and a long-term market development strategy to increase the proportion of food products processors supplied by BC food processors to BC healthcare facilities.

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Appendix 1

Key Players in BC Healthcare Food Distribution System

s.13;s.16;s.17;s.21

Appendix 2

List of BC Processors that Can Supply Food and Beverage Products to Healthcare Facilities in BC

s.13;s.16;s.17;s.21

s.13;s.16;s.17;s.21

s.13;s.16;s.17;s.21

s.13;s.16;s.17;s.21

s.13;s.16;s.17;s.21

s.13;s.16;s.17;s.21

Appendix 3

BC Companies That Currently Supply Food Products Utilized by Interior Health Authority

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s.13;s.21

s.13;s.21

Feed B.C. Value Chain Advisory Group September 2018 Meeting Notes & Recommendations

Prepared for
BC Ministry of Agriculture, Agriculture Science and Policy Division

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Disclaimer

BRITISH COLUMBIA

1. Introduction

Purpose

The purpose of this report is to summarize the findings and recommendations arising from the September 28th, 2018 Advisory Group meeting for the FEED BC initiative.

Background

Feed BC was identified as a key priority in the Minister of Agriculture's 2017 mandate letter. Feed BC aims to effect long-term system changes that will increase the use of BC-grown and processed foods in hospitals, schools, and other government facilities. The primary goal of FEED BC is to "Increase the use of B.C.-grown and -processed foods in B.C. government facilities." There are three supporting objectives:

1. Shift the current procurement priorities and practices that **government facilities** are using, to better emphasize BC food.
2. Build capacity of BC **producers and processors** to increase supply of BC food to government facilities.
3. Build capacity of **distributors** to expand the availability of BC food.

An initial stakeholder workshop was held in March 2018 to introduce the FEED BC Program and present connections to similar work under the GrowBC and Buy BC programs. At that time stakeholders self-identified their interest in joining an ongoing Advisory Group.

2. FEED BC Advisory Group

Draft Terms of Reference

Thom Dennett, from the Ministry of Agriculture, highlighted the importance and need of the Ministry to advance key recommendations that will help the government meet and ultimately exceed its 30% goal. The Advisory Group is intended to be a body of industry stakeholders with expertise that can be shared with government to help focus their actions and improve the effectiveness of potential programming. A draft Terms of Reference was shared and reviewed with attendees and there were no major objections or recommended changes (see Appendix A)

Advisory Group Members

The following is a list of stakeholders and their current advisory group status:

Name	Organization	Status
Deborah Jackson	Aramark	Membership confirmed
James Martin	Sodexo	To reconfirm
Candice Appleby	Small Scale Food Processors Association	To reconfirm
Donna Koenig	Interior Health	To reconfirm
Karen Forrester	Heathrow	To reconfirm
James Donaldson	BC Food Processors Association	To reconfirm
Matt Wilkinson	Island Health	Membership confirmed
Maria Dalziel	GFS	Membership confirmed
Fiona Lee	Compass Group	Membership confirmed
Derrick Usher	English Bay Cookies	Membership confirmed
Ryan Mackay	YVR Prep	Membership confirmed
Joan Tidy	Vanderpols Eggs	To reconfirm
Karen Hebb	Sysco	To reconfirm
Victoria Wakefield	UBC	To reconfirm
Michelle Nelson	SFU	To reconfirm
Kim Simpson	Meadowfresh	To reconfirm
Guy Dean	Albion Fisheries	To reconfirm
Michel Benoit	BC Turkey Board	To reconfirm
Ahriane Garcia	Provincial Health Services Authority	Membership confirmed

Attendees also recommended asking representatives from the following organizations to potentially participate as members of the Advisory Group:

- GS1
- Vancouver Food Executives
- BC Fresh
- Dairy Processing
- BC Meats

3. General Questions and Feedback on FEED BC

During the first part of the day attendees provided some feedback and further questions for the Ministry as it continues its work, as well as general discussion around key areas. These included:

1. What is the scale of opportunity?
    - What is the size of food market within government facilities?
    - What is the economic impact?
2. Working from a common definition is critical
    - Different definitions in other provinces and federal definition makes comparability difficult
    - BC Health Authorities have their own definition too
    - 'Local' definition is perceived differently for different types of food (e.g. local produce is seen to come from the lower mainland, local meat is seen to come from BC and local seafood means comes from Canada.
    - Work is needed around consumer awareness around a standardized definition.
3. Some Health Authoritieshave their own production kitchens that cook from scratch. If raw ingredients are not local, but finished product is made in these processed kitchens, can it be considered local?
4. Processed products also have coding issue for national companies like Maple Leaf Foods. Product processed in Ontario but raw ingredients are from a BC company and labelled same as BC products. This is similar to the produce issue raised in the March workshop.
    - Current definition is therefore going to be hard to track accurately. There is work in progress with better labelling.
5. Alberta has had an Advisory Group for 4 years with that has proved to offer great value; what can we learn from their approach?

3.1 Advisory Group Recommendations Prioritized

Stemming from the March Workshop were a series of recommendations on how the Ministry could move towards the 30% goal (see separate March 2018 FEED BC Workshop Report). Based on that workshop and other work in progress the Ministry brought forward 10 key recommendations for review and prioritization by the Advisory Group:

1. "Market Ready" program
2. "Market Ready" staffing
3. Funding for producers to gain relevant certifications
4. Measure baseline of BC food in government facilities
5. Funding for facilities to promote FeedBC
6. Develop FeedBC case studies
7. FeedBC Evaluation Plan
8. Code produce items depending on region of origin
9. Aggregation of BC product
10. Flexible contracts

In addition to the initial 10 recommendations, the Ministry of Agriculture and the Advisory Group added five more:

11. New product development
12. Food processing equipment financing
13. How do we decide which local producers get the contracts?
14. Infrastructure to scale up for processors
15. Local businesses unique challenges

s.13

s.13

3.2 Advisory Feedback on Key Recommendations

The top three ranking recommendations (considered high priority or high-impact) were discussed in more detail. Results from the discussions are presented below:

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s.13

4. Conclusions and Recommendations

From the second session there was clear direction from the advisory group, namely;

- Improve tracking of government facilities performance of buying BC product,
- Support more producers to be able to supply government facilities.

It was thought that more accurate tracking would entice buyers to buy more BC product and increasing the number of market ready producers would provide the buyers with a wider supply of BC product to choose from.

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Recommended Next Steps for Top 3 Advisory Group Recommendations

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Other Prioritised Advisory Group Recommendations

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s.13

Appendix A - Draft Terms of Reference - Feed BC Value Chain Advisory Group (October 15, 2018)

Purpose

The purpose of the Feed BC Value Chain Advisory Group (advisory group) is to further build Ministry of Agriculture's understanding of key challenges and opportunities to strengthen supply chain opportunities that will enable B.C. Agrifood producers and processors to fully participate in the BC 'government facilities' market. Advisory group recommendations will identify recommendations for action by the Ministry and industry stakeholders to address existing gaps and opportunities.

The advisory group recognizes that a key strategy for increasing the amount of BC food in government facilities is to increase the supply of BC food that meets the requirements needed by government facilities. The Ministry of Agriculture can support industry to build capacity to provide more 'government facility-ready' food, but must ensure that the supports are effective at meeting the needs of industry. The advisory group can fulfill the role of advising the Ministry on support that benefits the whole value chain.

This is a standing industry advisory group established to build strong Ministry-industry collaboration to test potential actions with industry stakeholders going forward.

'Value Chain' Definition

A strategic network of independent organizations/businesses (producers, processors, distributors, and retailers) who recognize their mutual need for one another and will:

- Work together to identify strategic objectives,
- Be willing to share the associated risks and benefits,
- Invest time, energy and resources to make the relationship work

Term

The advisory group is anticipated to function from March 2018 until March 2021. Individual industry-stakeholder members may start and end their terms throughout that time period as needed by their schedules.

A review of the terms of reference is scheduled for the meeting nearest May 2019.

Membership

Members of the advisory group will be invited to participate by the Ministry of Agriculture. Additional members may be invited to reflect emergent needs for roles in the value chain or alternate members from currently represented organizations.

Membership is intended to reflect all of the relevant links in the value chain that contribute food procurement in government facilities. Examples include: primary producers, food processors, broadline distributors, group purchasing organizations and government facilities representatives.

The principles used to invite individuals include:

1. Represent distinct roles in supply chain
2. Represent key industry associations/stakeholders
3. Represent types of inputs most commonly used in government facilities

See Feed BC Value Chain Advisory Group Membership List section for detailed membership information.

Roles and Responsibilities	Members • Attend and participate in meetings. • Give feedback and guidance on actions related to Feed BC: Increasing BC Food in Government Facilities. • Share information on related initiatives they know about. • Support all advisory group actions and projects with feedback as appropriate. Ministry Staff • Set agenda for each meeting. • Provide updates on progress made on Feed BC: Increasing BC Food in Government Facilities. • Listen to discussion and incorporate feedback into developing programs, projects and initiatives related to Feed BC. • As needed, support facilitation of meeting activities. Secretariat • Hosts (including coordination of logistics) and facilitates meetings. • Gathers and records information generated from meetings; synthesizes that information into a report including recommendations.
Meetings	Meetings are intended to be quarterly, with flexibility to adjust the schedule so that members are only brought together after significant progress has been made since the last meeting.
Secretariat Support	The advisory group will be supported through secretariat support by staff officials, or external consultants on behalf of staff, from the Ministry of Agriculture.
Confidentiality	The working group members are expected to hold the work of the working group in confidence except when updating their respective organizations. Members are expected not discuss or disclose the content of these conversations with the general public or the media.