

Agriculture & Agri-Food Value Chain BR+E Study

Simcoe, Grey & Bruce Counties



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EXECUTIVE SUMMARY

The 2018 Agriculture and Agri-food BR+E carried out collaboratively in Simcoe, Grey and Bruce counties is a large, complex study. The dedicated efforts of the County Coordinators and many volunteers has provided a significant quantity and quality of data able to provide important insights into agriculture and agri-food businesses within the geographical area of the study. Between February and September a total of 276 businesses were interviewed. Many of the businesses interviewed were discovered to be involved in more than one activity along the agricultural and agri-food value-chain defined for the study. For instance, a farmer also operating an on-farm store, or being a crop advisor or veterinarian; or an agri-food processor running a restaurant, or selling products from a retail outlet were found to be common occurrences. In such situations, when a business owner operated several businesses or had many active operations in different value-chain categories, the owner was asked sector specific BR+E questions in the interview. All of these responses were then entered into Executive Pulse and ultimately downloaded for analysis. When the business interviews wrapped up at the end of August considerably more data than anticipated was available for analysis in each of the six value chain categories than originally devised at the beginning of the project.

This trend report provides an unbiased high level summary of results emerging from this BR+E study. It is not an exhaustive analysis or an action plan. The data have been organized using the defined value chain categories in tables and graphs. For further information or to garner additional insights through a “deeper dive” into value-chain categories or OMAFRA survey questions, seven separate appendices go along with this trend report. Each appendix documents the aggregated results from the data for the agricultural and agri-food value chain categories. These appendices are available by request from one of the County Coordinators.

A summary of key, high level results emerging include:

- Business owners are very positive about doing business, living and working in the region. They are invested in their communities through owning business facilities and identify quality of life as very important. There is a high level of satisfaction with many community services and opportunity to address specific factors to maintain and improve the community as a place to do business.
- These are long established, community-based enterprises with 63% of the interviewed businesses in this BR+E having been in operation for over 10 years; 35% for over 25 years.
- The primary market for 88% of all interviewed businesses was local or regional. Very few businesses exported. Inter-provincial trade may be more beneficial to explore and support for local agri-food businesses than international destinations.
- There is interest in business supports for innovation, niche market opportunities and a directory style toolkit to help start agriculture or food related businesses. Market intelligence is often a barrier to new market opportunities.
- Over half of interviewed businesses plan to expand. Focus on growing and expanding businesses and supporting those that are planning to remain the same. These offer the highest potential for an increase in workforce and facilities. Further exploration of specific challenges and supports needed may translate the desire for expansion and growth into action.

- Employer demand for both skilled and non-skilled labour is growing. Meeting workforce challenges may be a significant barrier to sustaining business growth and expansion. Hiring difficulties, training, seasonality and wages are workforce barriers.
- Employers support employee training and use local training opportunities when they are available and businesses are aware of them.
- Farmers rated numerous factors related to doing business in the community as quite high. They share many of the same concerns identified by businesses across the value chain. However there are issues related to specific programs and services including Minimum Distance Separation and Wildlife Damage Compensation.
- For some producers selling meat products directly to consumers the proximity, availability and capacity of abattoirs was identified as problematic. The need and interest in special diet abattoir services is limited.
- There is a lot of food processing already happening across the region, with many businesses having commercial kitchens on site or close by.
- For those participating in farmers' markets, being a vendor is important for building customer relations, accessing new customers and sales/income.
- On-farm retail and farm gate sales are being undertaken by 58% of farms interviewed. Farms face significant barriers when diversifying into commercial activities or when expanding those existing operations. In particular issues related to signage, regulation, distance separation, zoning and planning, staffing and marketing are problematic.
- The majority of businesses indicate their industry is growing. Many have made significant recent investments in equipment and machinery.
- Access to capital and affordable financing would be helpful to facilitate diversification and/or expansion.
- IT barriers were experienced by a majority of businesses. With Internet speed, access and cost topping the list of barriers faced. Internet speed and availability were also found to be impacting expansion plans as well as a disadvantage as a place to do business.
- A growing population in some of the counties and the region's proximity to the Greater Toronto Area (GTA) to access markets there as well as attract tourists from to Region 7 were indicated as attributes supporting the local food economy.
- Retailers and consumption businesses are most likely to see themselves as part of tourism. This most likely also explains the predominance of tourism businesses reporting being open year round.
- Primary producers were less likely to engage in tourism as inviting tourists onto working farms may or has negatively impacted/had repercussions to agricultural operations.
- Of those businesses engaged in tourism, about half indicated relying on visitors coming from within 100 kms with most being day trippers.
- Creating and supporting "Buy Local campaigns" to promote local foods and be a platform to educate consumers and build awareness would be advantageous.

1. INTRODUCTION

In early 2018 the three counties of Simcoe, Grey and Bruce began interviewing businesses for a collaborative BR+E study. The purpose of the BR+E was to investigate the needs of existing agricultural and agri-food businesses in order for effective responses to be identified and developed that would ensure these business pillars of local rural communities in the three counties stayed, grew, and collaborated, ensuring the sector became more competitive. The following report outlines how the study was conducted, the six agricultural and agri-food value-chain categories developed for use in the study, and from the aggregated results, key trends identified for the Food-E steering committee to consider as it plans actions and next steps coming out of this BR+E. Added as an appendix to this report are the aggregated results from all interviews conducted. A series of separate documents captures and reports on the aggregated results for each of the agricultural and agri-food value-chain categories. These separate value-chain category aggregated results can be obtained by contacting the BR+E Coordinator in one of the three participating counties.

2. METHOD

An agri-food value chain is a linkage between primary producers, processors, marketers and consumers and input services. It is created to improve quality, increase efficiencies or develop and market differentiated products. Value chains are a business model based on collaboration. Further, value chains allow member businesses to be more competitive by seeking market opportunities and linking production and processing requirements to meet consumer demand. As a business model, agricultural and agri-food value chains place emphasis on both the value of the core activities (farming, processing, marketing) and the values associated with building business relationships/strategic business alliances within the entire agri-food supply chain. Fostering regional agricultural and agri-food value chains can respond to a growing demand for food that is differentiated from conventional products¹. Moreover, gaining an understanding then acting upon research findings can contribute to a diverse, decentralized, and resilient structure of agriculture vitally important to local, regional and national food safety and security.

Following a meeting held on March 8, 2018, where the parameters of defining the value chain for this BR+E study were shared and discussed, six categories were identified for this BR+E, as shown in Figure 1. Relevant North American Industry Classification System (NAICS) codes were then organized into one of the six categories. An earlier report submitted in April, 2018 to the County Coordinators identified the NAICS codes included in each of the categories. Business counts provided in EMSI Analyst, based on June 2017 Canadian Business Counts data from Statistics Canada, were then downloaded and sorted by the relevant NAICS codes into the value chain categories for each of the Counties. This provided the foundation for calculating the number of interviews, the proportional representations by County and value-chain categories based on the total number of interviews intended to be completed.

¹ Stevenson, G.W., King, R., & Ostrom, M. (2011). Midscale food value chains: An Introduction. *Journal of Agriculture, Food Systems, and Community Development*, 1,4, pp 27-33.

Figure 1: Agricultural & Agri-food Value Chain for Simcoe, Grey and Bruce Counties BR+E, 2018

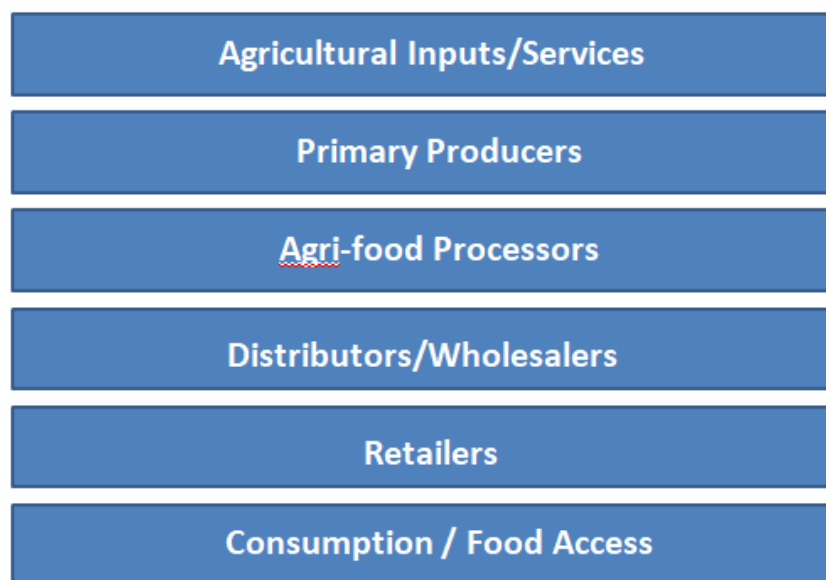


Table 1 shows the anticipated, targeted number of interviews by County and category. The “Reported Interviews Completed” column gives the number of interviews actually completed as reported by the County Coordinators on September 4, 2018. The “Executive Pulse” column provides an inclusive number of records returned by category after sorting the data in preparation for analysis. The larger numbers returned from Executive Pulse were due to the businesses that ultimately agreed to be interviewed in this BR+E indicating they were involved in numerous business activities or the business owner had several businesses. The multiplicity of rural business along the value-chain was the source of several NAICS codes being collected then entered into Executive Pulse from a single business interview. For instance, a farmer could also be operating an on-farm store, be a crop advisor, or a vet. Likewise an agri-food processor might have been found to run a restaurant, operate a retail outlet selling cider, wine or beer, or the agri-food processor could in addition have warehousing or distribution activities. The take-away is recognizing that many of the businesses interviewed in this BR+E were active in multiple business activities along different categories in the agricultural and agri-food value chain under investigation. Therefore category membership in this study was not always mutually exclusive. Businesses who were interviewed may have been part of more than one, and quite possibly several, of the defined value-chain categories.

Table 1: Agricultural and Agri-Food Businesses Interviewed, 2018: Targeted Number, County Proportional Representations, Reported Numbers, and Sorted in Executive Pulse.

	Target Number	Target Number as %	Bruce	Grey	Simcoe	Reported Interviews Completed	Interviews Completed as %	Executive Pulse
Agricultural Inputs & Services	23	6%	4	5	9	18	6.5%	50
Primary Producers	201	56%	47	45	73	165	60%	171
Agri-food Processing	9	2.5%	4	5	12	21	7.5%	53
Distributors/Wholesalers	13	3.5%	4	2	2	8	3%	13
Retailing	32	9%	5	6	10	21	7.5%	44
Consumption	83	23%	7	10	26	43	15.5%	53
TOTAL =	360	100%	71	73	132	276	100%	384

As interviews were completed the responses were entered into Executive Pulse. The records in this Customer/Client Relationship Management (CRM) software program were sorted using the NAICS codes defined for each of the value-chain categories before downloading the data into “category sets” used for aggregating the resulted illustrated in this report. A “category set” is comprised of a series of Excel spreadsheets and graphs generated by Executive Pulse. The reporting out of the aggregated results corresponds to information captured in specific OMAFRA BR+E surveys as highlighted in the following Table 2.

Table 2: OMAFRA BR+E Surveys Employed in the Simcoe, Grey, Bruce BR+E Study, 2018

Results Reported in Sub-Sections	OMAFRA BR+E Survey Questions
General Category Characteristics	NACIS Retention – Business Information
Agriculture	Farm Survey Meat Production – Simcoe Grey Bruce Community Survey Questions
Local Food	Local Food Survey Community Support For Local Food - Simcoe Grey Bruce Community Survey Questions
Manufacturing	Manufacturing Survey
Retention Survey	Retention – Business Climate & Community Development Survey (Entitled “Business Environment”) Future Plans Business Development

Results Reported in Sub-Sections	OMAFRA BR+E Survey Questions
	Workforce Simcoe Grey Bruce Community Survey Questions
Tourism	Tourism Survey Simcoe Grey Bruce Community Survey Questions

2.1 Data & Interpretation Limitations

As with all studies, there are limitations and cautionary notes to consider. In this BR+E when referencing and using the Executive Pulse (EP) generated graphs and tables please take care when considering the data in your interpretations. Business interviews were conducted and entered into Executive Pulse by several different people. As such how questions were asked, capturing of responses, and what ultimately got entered into Executive Pulse introduced opportunities for inconsistency in data collection and data entry. Moreover during data entry where a response was not provided by the interviewee, left blank, or a questions was skipped by an interviewer the data entry person often had to enter 'no response' to proceed in EP with additional data entry. Many of the graphs generated by EP reported out and calculated percentages inclusive of 'no response'. Therefore, where possible 'no response' numbers should be subtracted from the total in a series and the percentages re-calculated. In addition, through its Power Search function EP aggregates the collected data into pre-programmed charts and graphs that cannot be altered by the user. Therefore when interpreting EP generated graphs and charts the user needs to clearly understand what is being represented.

The segmenting out of the data from EP based on the NAICS codes for each value chain category and recognizing the categories are not mutually exclusive means accepting businesses will be included in the results of more than one category. To this end, one needs to take care and realize the value-chain category percentage do not average out to be the value given to the "All". Again, careful interpretation is advised.

3. TRENDS

In consultation with the County Coordinators, a range of questions were considered to present cross category comparisons. These questions were ones felt to provide insight and highlights on the characteristics and nature of individual categories and all businesses interviewed in this study. Trends are illustrated through a series of tables showing results by value-chain categories and "all" on a variety of questions asked in the BR+E.

Unless noted when introducing a particular question, the values given in the tables are percentages. In a few situations the actual number of businesses is used rather than percentages.

The reporting of trends has been organized and framed to mirror the OMAFRA BR+E surveys used in this study to help guide the reader through the results.

3.1 General Business Characteristics

Questions included under “General Business Characteristics” were taken from the business information portion of the OMAFRA BR+E Retention Survey.

BI2. Owners’ Involved In Business Daily & BI3. Owner Resides In Community

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Owner involved in day-to-day operations	97%	96	99	98	100	97	96
At least one own resident of community	95%	100	99	96	86	100	84

Almost all of the businesses surveyed have at least one owner involved in the day to day operations and at least one owner residents in the community. This is relatively consistent across all value chain categories. This would indicate that business owners live and work in the community where their business is located.

Further, results indicate that 92% of businesses are locally owned and operated with one or more locations. Sixty three percent (63%) of businesses have been operating in the community for over 10 years, with 35% operating in the community for over 25 years. This indicates there are some long established businesses. In the interview, these businesses were not asked about an exit strategy or succession plan. There is opportunity for further discussion with business owners on those topics.

Eighteen percent of businesses interviewed in this BR+E were established in the last 3 years, while 55% of businesses report the current owner operator has been operating the business for more than 10 years.

In the business environment section, the factors for doing business in this community rate quality of life very highly, which may reflect why business owners are living, working , and interested in expanding their business in the community.

When asked to identify advantages of doing business in this community common themes emerged, such as: Location (proximity to markets and the GTA, access to major roadways, between GTA and cottage country, affluence of the area), Quality of Life (community, recreation, environment, diversity), Lower Costs (housing, taxes, inputs, labour), Growth (in business, customer base, development bringing in new residents), Land (quality for agricultural production, leasing/rental opportunities including land from non-farming land owners), Workforce – although there are difficulties finding employees, when they do, employees are of high quality, Supports (from customers, community, municipality, organizations and associations).

BI4. Business Planning

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Has a business plan	61	63	57	65	62	79	68
Last updated less than 1 year ago	61	68	64	53	40	48	53
Last updated 1 to 3 years ago	27	23	27	31	60	33	33
Last updated 4 to 5 yrs ago	7	3	3	13	0	15	8
Last updated more than 5 years ago	5	6	4	3	0	4	6

Over sixty percent (61%) of businesses report having a business plan. Of those with a business plan, 88% have updated it within the past 3 years. This would indicate that those with a business plan have a fairly current plan. However, 39% of businesses do not have a business plan. There were also noteworthy differences across the value chain. Fifty-seven percent (57%) of primary producers report having a business plan while 79% of those in the retailer category report having a business plan.

BI9. Market Reach/Primary Market

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Local	48	40	44	37	25	64	67
Regional	40	45	46	43	67	33	29
National	7	10	5	14	0	3	2
International	5	6	5	6	8	0	2

The primary markets for most of the businesses are local and regional. Overall, 88% report their main market reach as local or regional. While, this is relatively consistent across all sectors of the value chain, agri-food processors and businesses involved in agricultural inputs and services report a higher national and international market reach.

3.2 Business Environment

The Business Environment aspects illustrated next were from the aggregated findings on particular questions asked in the OMAFRA BR+E Retention Survey in the “Business Climate” and “Community Development” portions. It was felt these questions provided insights into the overall business environment in the communities where the agricultural and agri-food businesses interviewed were operating.

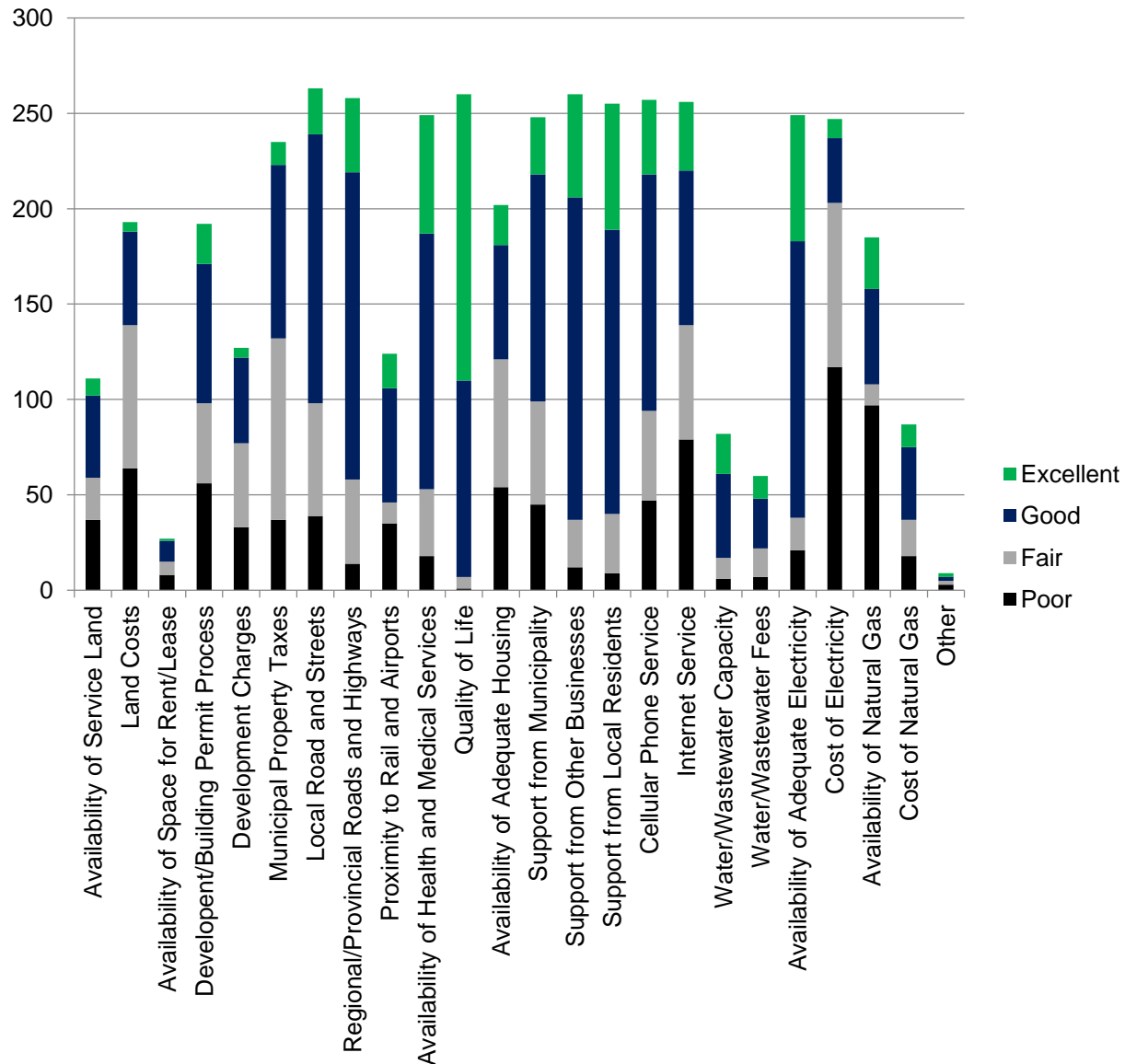
BC1. Impression of Community

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Poor	6	6	5	12	0	8	2
Fair	11	19	11	6	8	16	21
Good	56	49	56	47	69	50	49
Excellent	27	26	29	35	23	26	28

Survey respondents have a very favourable impression of their community as a place to do business. Good and excellent ratings range from 75% to 87% across value chain categories with an overall rating of 83%.

BC3. Factors of Doing Business In Community

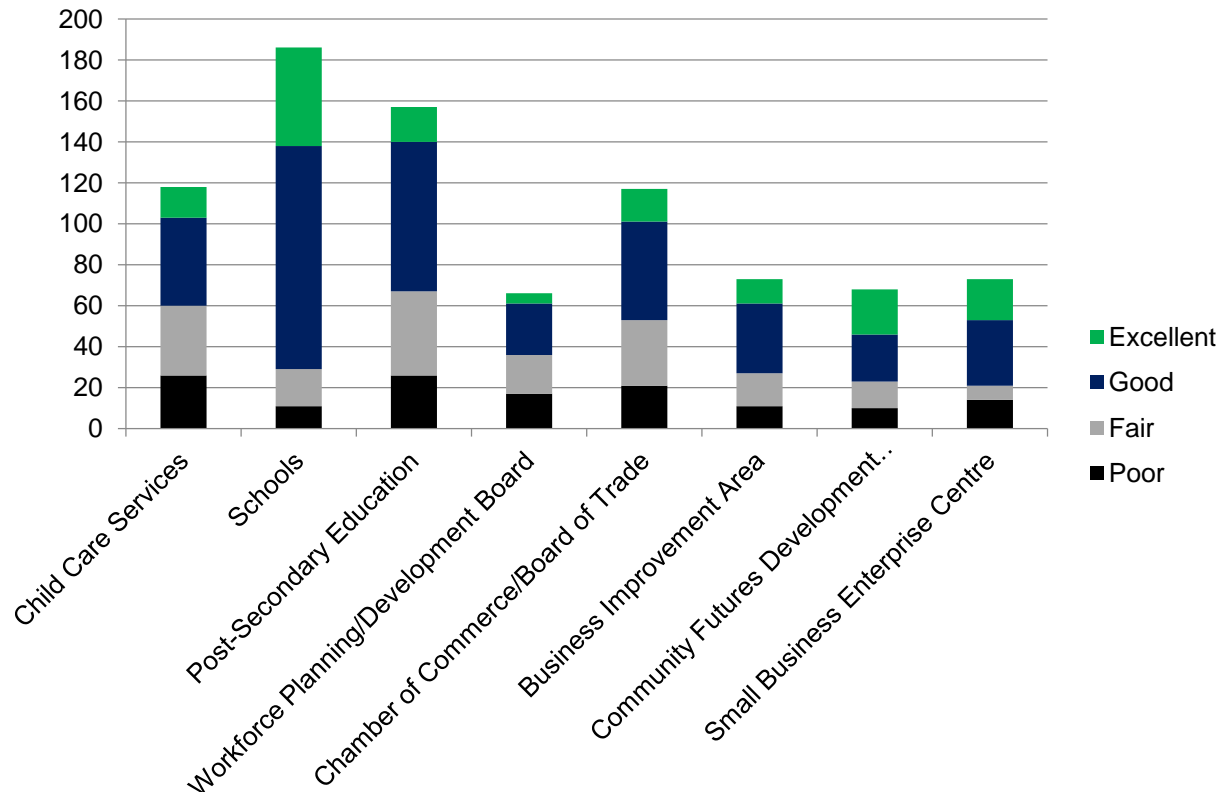
How would you rate the following factors of doing business in this community?



Businesses were asked to rate 24 different factors related to doing business in the community. This graph provides a comparison of factors rated from “Poor” to “Excellent”. The y axis reports the number of businesses responding (frequency) to each of the factors and not percentages. Not all businesses responded to each of the factors. Factors that rated most highly include: quality of life, support from other businesses, support from local residents, availability of adequate electricity, regional/provincial roads and streets, and health and medical services. Factors that rated lower include: cost of electricity, internet service, availability of adequate housing, municipal property taxes and land costs.

BC4. Level Of Satisfaction With Community Services

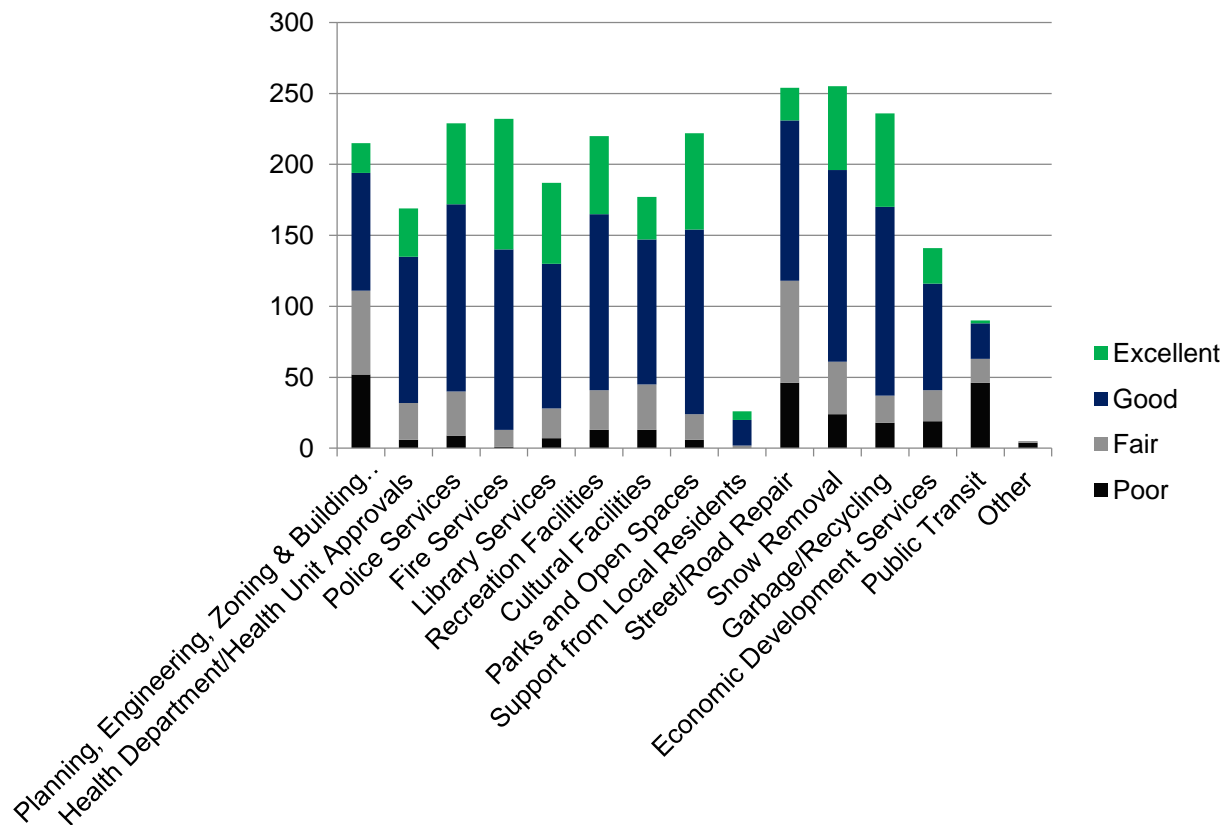
From the perspective of your business, rate your level of satisfaction with each of the following community services:



Businesses indicated their satisfaction with eight different community services by rating these from “Poor to Excellent”. This graph reports the actual number of businesses responding on each of the community services rather than percentages, and the number of businesses reporting is indicated along the y axis. The majority of services rated as good or excellent. When compared with the other community services, child care services and Workforce Planning and Development Board have lower ratings.

BC5. Level Of Satisfaction With Government Services

From the perspective of your business, rate your level of satisfaction with each of the following community services:



This graph illustrates the satisfaction rating of 15 different government services. Again the number of businesses responding on each government service is reported and can be found along the y axis. Services that rated highly include: garbage/recycling, snow removal, fire and police services, library services, recreation facilities and park and open spaces. Planning, engineering, zoning and building permits and public transit received much lower ratings than other services.

Overall, businesses have a very favourable impression of their community as a place to do business and have a high level of satisfaction with many of the community services that are offered. There is opportunity to consider further steps that can be taken on specific factors that rated poorly, to continue to maintain and improve the community as place to do business. High ratings on quality of life, support from other businesses and support from the community could be reflected in the high percentage of business owners who work and live in their community.

SGB 19. Would You Find Value In A Directory Style Toolkit?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	65	60	67	58	60	71	69
No	35	40	33	42	40	29	31

Sixty-five percent (65%) of all respondents are interested in a directory style toolkit that would help start or expand an agriculture or food related business. Those businesses involved in the retail, consumption and primary production parts of the value chain indicated the highest degree of interest.

SBG20. Interested In Supports For Innovation In Your Sector

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	82	88	85	73	100	76	77
No	18	12	15	27		24	23

There is a lot of interest in supports for innovation. Eighty-two percent (82%) of all respondents indicated they are interested in supports, with the distributor/wholesaler, ag inputs and services and primary producers most interested.

A supplemental question asked for types of innovation of interest and supports needed:

- Distribution
- Payment methods
- Marketing and e-commerce
- Energy costs, sustainability, water conservation and climate change
- Grants, funding and increasing profit margins
- Labour, employee training and shared staffing options
- Food trends and new technology for agriculture and agri-food processors
- Automation to reduce labour needs (agriculture, agri-food processing and consumption)
- Drone technology (agriculture)

CD2. What are the community's top three advantages as a place to do business?**Summary of responses:**

- Location (proximity to the Greater Toronto Area, number of cottagers in the area, number of day trip tourists to the area, close proximity to new immigrant populations)
- Low overhead costs/lower cost of living
- Work Life Balance
- Sense of Community
- Tourism activities and assets in the area
- Good agricultural land
- Good transportation networks

CD3. What are the community's top three disadvantages as a place to do business?**Summary of responses:**

- Cost of land/lack of affordable housing
- Lack of consumer awareness/education about buying and eating local
- Lack of wage/increase to minimum wage
- Lack of local advertising/promotional opportunities
- Distance to the large populations and lack of distribution in get to large population markets
- Regulations (increasing lack of abattoirs and how at least 17 regulatory bodies guardian farmers in Ontario)
- Traffic (half-load restrictions, lack of knowledge about slow moving traffic and lack of share road program)
- Transportation costs to deliver or receive items
- Internet speed and availability
- Seasonality of tourists (long shoulder seasons)
- Lack of infrastructure and high costs (water, waste water, hydro and natural gas)
- Urban sprawl

CD4. In terms of overall impact on this community as a place to do business what is the most significant change you would like to see in the next five years? Summary of responses:

- Infrastructure (3-phase hydro, natural gas, broadband)
- Road and drainage maintenance on rural roads
- Highway 400-404 Link creation
- More abattoirs and food storage (dry and refrigerated)
- Distribution solution
- More consumer awareness education, and support from the local government for the awareness (number of times mentioned a website highlighting what is available locally and where to buy it)
- Awareness and education about slow moving vehicles
- Updating zoning and by-laws to reflect present day farming activities
- Revitalization of waterfronts, more parking for downtown areas and updating patio by-laws
- Support for small businesses (tax rebates, funding and grants)
- Signage (directional, gateway and business signage by-laws)
- Affordable housing, commercial and industrial properties
- Coyote bounty

CD5. What Assistance Or Opportunities Would Be Beneficial To Support Your Business?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
Updating business plan	8	10	8	7	9	9	7
Succession planning	8	8	8	7	6	5	6
Marketing seminars	9	5	8	7	3	9	10
Access to capital information or seminars	8	8	7	10	12	7	7
Trade shows	7	6	7	8	9	3	7
Business networking sessions	10	12	9	13	15	8	8
Export development programs and services	2	2	2	2	6	1	1
Joint advertising and marketing	10	7	7	11	9	9	11
Attraction of related supply & services businesses	8	8	6	9	9	7	11
Workforce planning, employee training and attraction	9	12	12	10	6	8	11
Productivity improvement workshops	8	8	7	6	6	5	5
E-marketing, social media and online content workshops	11	12	16	8	9	9	14
Other (Specify)	2	3	2	2	3	2	4

3.3 Business Development

The questions included in the “Business Development” sub-section are from the “Business Development” portion of the OMAFRA BR+E “Retention Survey” and there is one community specific question: SGB10. Are you interested in a joint venture opportunity?

BD1. Industry Outlook

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
Growing	59	52	56	62	79	74	66
Declining	12	13	11	13	15	13	18
Stable	22	29	25	21	8	5	14
Not sure	7	6	8	4	0	8	2

Survey respondents were asked what the outlook for your industry was and could indicate one of 3 options: growing, declining or stable. Also, there was a “not sure” provided. Fifty-nine percent (59%) of all businesses responding indicated their industry was growing. Distributors/Wholesalers were the most likely to indicate their industry was growing at 79% stating it was, whereas ag inputs and services were the least likely.

BD4. Rate Business' Use Of Technology

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
Very Low	6	4	7	4		9	4
Low	18	6	17	18	14	17	18
Moderate	36	33	34	33	36	37	32
High	32	44	34	39	43	34	40
Very High	8	13	8	6	7	3	6

On average, 24% of businesses rated their use of technology low or very low; 36% at moderate and the remaining 40% at high or very high.

In rating their business' use of technology respondents from the ag inputs and services businesses were rated much higher than other categories (10% at the low or very low rating and 57% rated high or very high). At the other end of the spectrum, retailers were found to rate low their business' use of technology, with 26% of retail type businesses reporting to be low or very low and only 37% high or very high.

BD5. Is your business currently experiencing any barriers related to your information technology requirements?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
No barrier currently being experienced	22	21	18	30	44	21	29
Internet speed	21	24	23	19	17	18	16
Internet access	18	16	19	16	17	19	19
Internet cost	16	16	17	20	22	16	15
Hardware/software support	8	8	8	5		12	9
Knowledge & training	11	12	12	9		12	7
Other	4	3	5	1		3	5

Distributors/Wholesalers (44% vs. 22% on average) were least likely to be experiencing IT barriers. However, similar to other types of businesses interviewed in the study Distributors/Wholesalers who were experiencing difficulties reported it was either the cost or access to Internet they faced as barriers.

Primary producers interviewed were most likely to face IT barriers. Internet speed, access and cost as well as knowledge and training were often cited.

A number of barriers were further explained, and below are a summary of the themes:

- Lack of towers or too many users on one tower
 - GPS cannot be used on tractors or crop surveillance software (dead zones)
 - Point-to-point sales terminals (debit/credit machines or square) do not work and time out.
- Lack of broadband
 - Difficulties accessing website and social media for promotions
 - Difficulties accessing commodity purchase sites and retrieving/making order forms or reservations
 - Robotic and automation technology requiring technology support needs to be connected to internet for real time diagnoses. Internet too slow for the diagnoses to take place.
 - Businesses not able to access on-line training and commodity group information webinars because of lack of internet to watch real time videos.

SGB10. Interested In Joint Venture Opportunity

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
Yes	57	65	52	73	100	84	62
No	43	35	48	27	0	16	38

Fifty-seven percent (57%) of interviewed businesses were interested in a joint venture opportunity. Although distributors/wholesalers represented a small number of businesses included in this BR+E, all of them indicated they'd be interested in a joint venture. The least likely to be interested were primary producers. Primary producers may be least interested businesses in working cooperatively with another business but a summary of the types of joint ventures identified by respondents may indicate otherwise, as: private brands; farm/agri-food processor projects, were farmer and processor joint label processed food products. Although farmers interviewed lacked the same level of enthusiasm for joint ventures, there are individual primary producers who are very interested and could be a good place to start putting together successful joint ventures that could act as demonstrations for others who may be reluctant at the moment.

BD10. Do You Own or Lease Facility?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
Own	69	66	74	67	67	63	54
Lease	31	34	26	33	33	37	46

Owning vs. leasing is important as it represents strong grounding in the local community and considerable investment into business assets. Sixty-nine percent (69%) of all businesses interviewed indicated they owned the businesses facilities. Of the 31% who were leasing a large portion of these did not feel they would have any difficulties renewing their leases when it comes up for renewal. Primary producers were most likely to own their facilities , almost $\frac{3}{4}$ of all interviewed farm businesses indicating they owned and didn't lease.

3.4 Future Plans

All of the questions highlighted in this part of the Trends Report were taken from the “Future Plans” portion of the OMAFRA BR+E “Retention Survey”.

FP1. Within The Next 18 Months, Do You Plan On:

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Remain the same	33	33	30	23	19	31	36
Expanding	53	58	57	64	69	44	45
Downsizing	5	2	6	4	6	2	5
Relocating	3	5	3	5	6	13	2
Selling	5	2	3	2	0	6	10
Closing	1	0	1	2	0	4	2

Eighty-six percent (86%) of all businesses are planning to expand or remain the same. For businesses planning to remain the same the following reasons were offered: Comfortable with status quo, Approaching retirement; Limited at current location; High costs; Increased regulations, Financing (availability and affordability), In transition, or Have recently undergone an expansion.

Very few businesses are considering closing, relocating, selling or downsizing. Thirteen percent (13%) of retailers are considering a relocation, while 10% of businesses in the consumption category are planning on selling. Reasons for potential downsizing include: Retirement, Regulatory burden; Paying down debt, Increase in minimum wage impacting profitability of business, Change in business plan.

Expansion is planned across the whole value chain, and slightly over half of all businesses (53%) are planning an expansion within the next 18 months. As these represent the majority of businesses interviewed, a focus on growing, expanding and supporting business that are already in the community could be considered. Business owners report that future expansion, could lead to an increase in the workforce of an additional 397 employees and a decrease of 8, with a net employment gain of 389. A potential total increase in facility space is predicted to be 510,050 square feet.

FP15. Is Business Currently Experiencing Difficulties With Expansion Plans?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	58	52	54	71	50	75	67
No	42	48	46	29	50	25	33

Fifty-eight percent (58%) of all businesses responding indicated they were currently experiencing difficulties with their expansion plans. However, retailers and agri-food processors were over 70% in experiencing difficulties in comparison to the other types of businesses interviewed.

FP16. Could the community potentially provide some assistance to support your expansion plans?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	60	53	52	72	1 biz	56	83
No	40	47	48	28		44	17

With the levels of difficulty being experienced with expanding, respondents think the community could potentially provide assistance to support expansion. A higher percentage of food consumption businesses and agri-food processors are having difficulties and further indicated community assistance would be beneficial.

In summary, the respondents indicated the community could provide the following types of assistance to support expansion plans:

- Labour (affordable housing and public transportation)
- Regulation (zoning, official plans, Building Code, conversation authorities, engineering requirements)
- Infrastructure improvements (broadband and municipal services, sewers)
- Funding for expansions (capital, grants, tax rebates and loans)

As expansion is planned across many businesses in the value chain, and represents a potential increase in jobs and business space, further exploration of specific challenges and supports might assist businesses to actually follow through with expanding.

3.5 Workforce

Results provide insights reflected across numerous areas of the BR+E study. A key workforce challenge emerging is a shortage of both skilled and unskilled labour. Over half of the businesses indicate they have difficulties hiring. There is a demand for employment and demonstrated growth in hiring. With optimism for expansion across the entire value-chain, the question arises: Will future employee workforce needs be met and fulfilled? There is potential for a staffing bottleneck to become a limiting factor to sustaining and expanding businesses. An

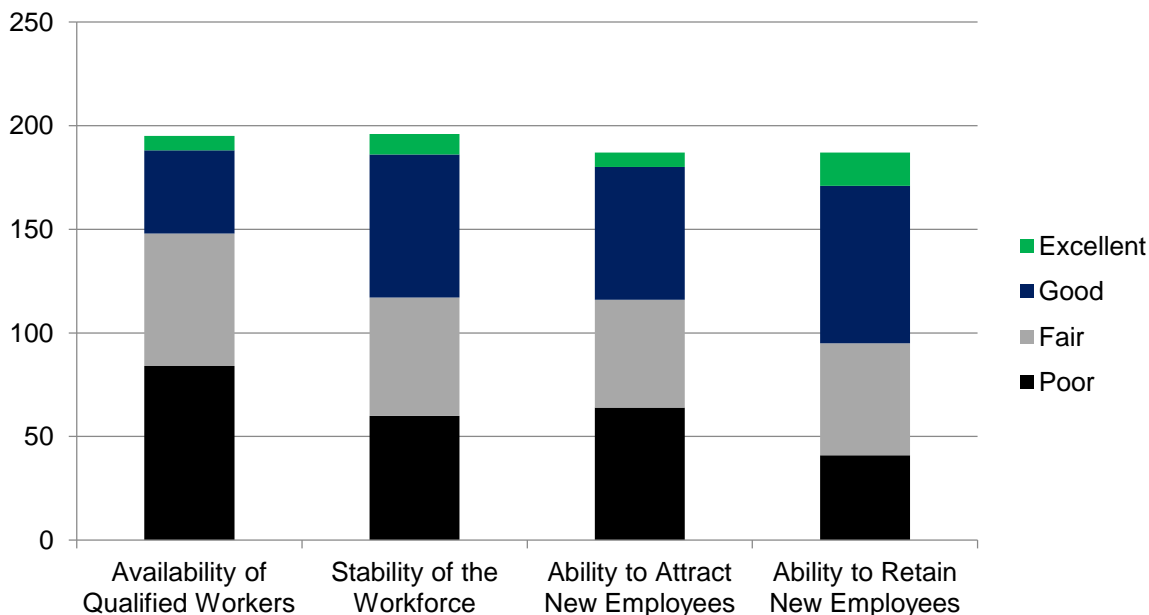
abundance of training opportunities specifically related to employment and workforce were identified.

WF1. Past 3 Years Change In Employee

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Increased	41	41	31	47	39	50	64
Decreased	8	7	8	11	7	7	13
Stayed the same	50	52	61	42	54	43	24

Only 8% of businesses surveyed report a decrease in their workforce, with 91% of businesses reporting their workforce has been growing or staying the same over the past 3 years. This is fairly consistent across the value chain.

Forty-one percent (41%) of all respondents have increased the number of employees in their business during the past 3 years. The total increase reported is 1,025 employees and the decrease is 51 employees for a net increase of 974 employees.

WF2. How would you rate the following factors in this community for your business needs?**How would you rate the following factors in this community for your business needs?**

Businesses rated 4 workforce factors from “Poor” to “Excellent”. To help with the contrasting and comparing of the results on these factors, the above graph is based on the number of businesses reporting on each factor. The y axis indicated the number of businesses responding, not the percentage. All factors have a significant number of poor and fair ratings, indicating businesses have concerns over the availability of qualified workers, stability of the workforce and their ability to attract new employees. The ability to retain new employees rated slightly higher.

WF3. Difficulties hiring

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	53	50	46	55	60	67	66
No	47	50	54	45	40	33	34

Over half (53%) of all businesses have difficulties when hiring. Businesses in the retail and consumption portions of the value chain indicated having the most difficulty. The two biggest hiring challenges are too few applicants and lack of appropriate skills or training, followed by lack of relevant experience. Seasonality, worker motivation and working conditions were sighted as other reasons for difficulties hiring workers. An extensive list of occupations that businesses have difficulty recruiting for, was identified. Themes included but are not limited to: Equipment operators (truck drivers, heavy equipment, working at heights), Labour (farm, herdsperson, general, cropping, manual, beekeepers, greenhouse, harvesting, cleaning staff), Customer Service (servers, managers, frontline, supervisors), Culinary (bakers, cooks, kitchen

staff, brewers, cake decorators), Technical (veterinarian, veterinarian assistants, building, service, engineers, agronomist, processors, maintenance, software developers, skilled trades, welders, laboratory) and Sales.

Personal networks, job boards and social media are the methods most likely to be utilized for recruitment.

WF5. Does business have difficulties retaining employees?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	32	38	33	28	50	37	28
No	68	62	67	72	50	63	72

A majority of the reporting businesses do not have difficulties retaining employees. The third of businesses whom do experience difficulties seasonality of the work was the top reason stated (33%), followed by wages (26%), demanding work environment (21%), then competition (20%).

WF8. Are there currently any barriers for you and/or your employees receiving the necessary training?

Responses	Number of Businesses	(%)
Yes	65	34.6%
No	123	65.4%
Total	188	100.0%

Source: Executive Pulse (Sept, 2018)

Of the 188 businesses reporting, 65% were not experiencing any employee training barriers. Of those businesses indicating they were experiencing training barriers the availability of training locally was most often identified followed closely by the cost. In a free text supplementary questions business identified and described the key barriers to workforce training as follows:

- Awareness of training opportunities, a disconnect between business owners needing training support and knowing who is offering training and what training is available
- Availability - timing of when courses or training sessions are offered, number of courses being offered, specific training/course not being offered locally, and aligning business training needs with training being offered by providers (time, number, type of training, location)
- Cost – actual cost of training/course, and indirect training cost to business to allow staff to attend, e.g., wages, travel expenses, other staff to cover while away at training

SGB11. Number of Businesses Aware Of Training Grants And Incentives

ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
48	9	25	15	1	15	16

Of the 276 businesses interviewed only 48 (17%) stated they were aware of training grants and incentives provided by the government.

SGB3. Number of Businesses using the Seasonal Agricultural Workers Program and Cooperative Education Placements

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Seasonal Agricultural Worker Program	16	4	13	5	2	6	3
Coop/ Experiential	51	18	27	9	1	8	11

It is interesting to note that across the entire value chain, high school/university co-op/experiential learning programs were used more than other programs. Fifty one businesses indicated they used coop/experiential education programs. The Seasonal Agricultural Worker Program is predominately used by primary producers, however, only a small number of farms (13) were using this program.

SGB13. Employee Training Essential or Not

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Not essential	4	6	3	5		0	2
Somewhat essential	13	14	16	12		16	14
Essential	83	80	81	84	100	84	83

Ninety-six percent (96%) of all businesses interviewed believed employee training was at least somewhat essential.

SGB14. Using Online Training for Employees

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	46	49	34	58	50	60	65
No	54	51	66	42	50	40	35

SGB15. Sending Employees Outside Local Area For Training

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	31	63	28	38	50	33	15
No	69	37	72	62	50	67	85

Most businesses across the value chain (83% overall) identify employee training as essential. Slightly less than half are using on line training for employees, with primary producers reporting the lowest use and those in the consumption category reporting the highest use. The majority of employee training is happening locally. Overall, 69% of businesses are not sending their employees outside of the area for training. The exception being ag inputs and services where 63% are sending employees out of the local area to receive training.

SGB22. What event, conference or training opportunity do you attend that you find valuable to your business?

Participants listed training, events and conferences they attend. Indicated below are the most common ones highlighted by the businesses interviewed:

- Guelph Farm Smart
- Guelph Organic Conference
- Outdoor Farm Show
- Grey Bruce Farmers' Week
- Central Ontario Agricultural Conference
- Dairy Expo
- Beef/Cattlemen Association events
- Ontario Fruit & Vegetable Conference
- Ontario Craft Beer Conference

The respondents provided comments on why the different events, training, or conferences attended were valuable to their business. With the most comment reasons being: Networking and knowledge exchange; Meeting potential customers and competitors; Learning about emerging trends, technology and/or ingredients; Learning about marketing and new sales channels; and Best practices.

3.6 Agriculture

The questions included here are from the OMAFRA BR+E Farm Survey with added Simcoe Grey Bruce BR+E questions specifically on meat production and abattoirs. The agriculture findings are organized into six key areas and the following are highlights of the results by each of these areas.

3.6.1 Characteristic of Primary Producers Interviewed

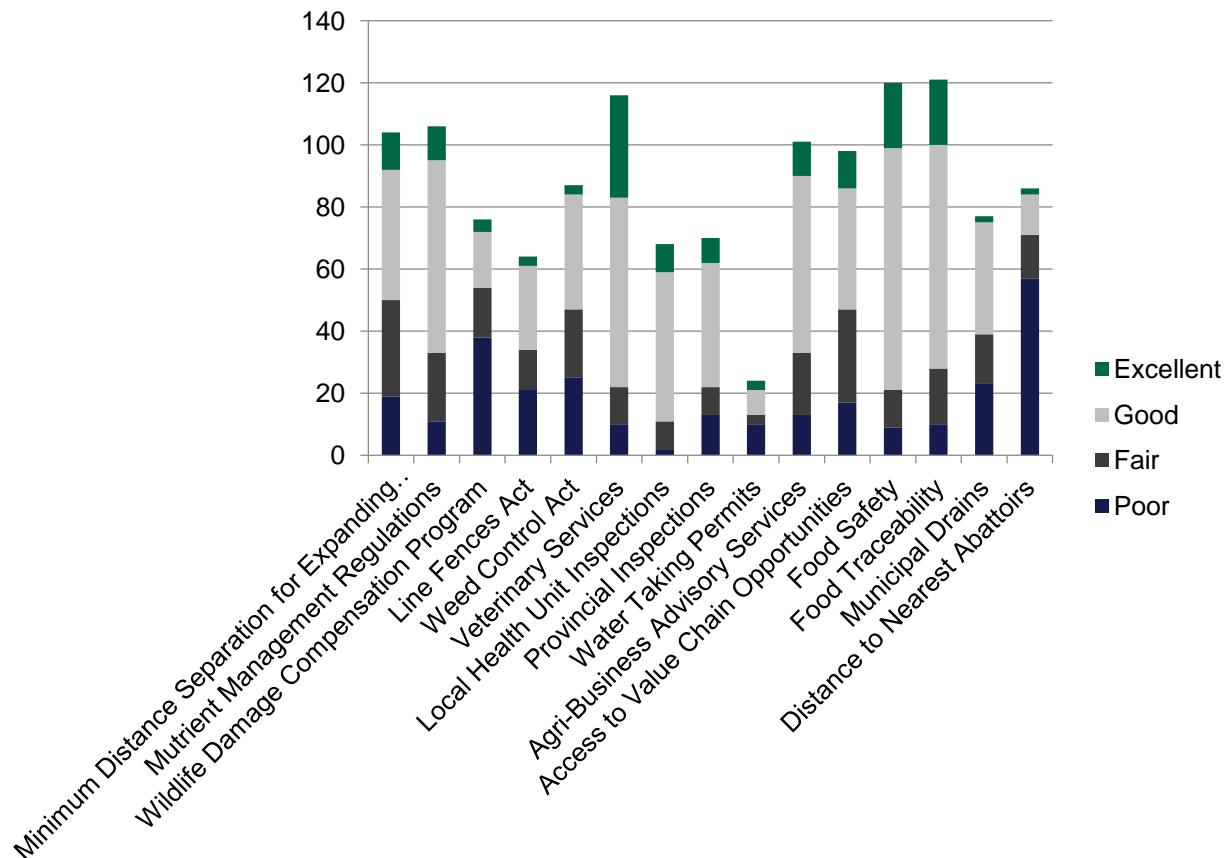
One hundred and seventy one (171) agricultural/farm businesses were interviewed in this BR+E study. Simcoe County interviewed 74, Grey County interviewed 46 and Bruce County interviewed 51.

Agricultural operations ranged in size from very small to very large. It is interesting to note that while there tends to be a clustering at the large and small end of the range, there are still a significant number of mid-sized operations in the region. All farm sizes were represented in the study with approximately 44% of respondents have farms under 200 acres and 32% being over 500 acres. Thirty-six percent (36%) of livestock operations have over 150 head of livestock.

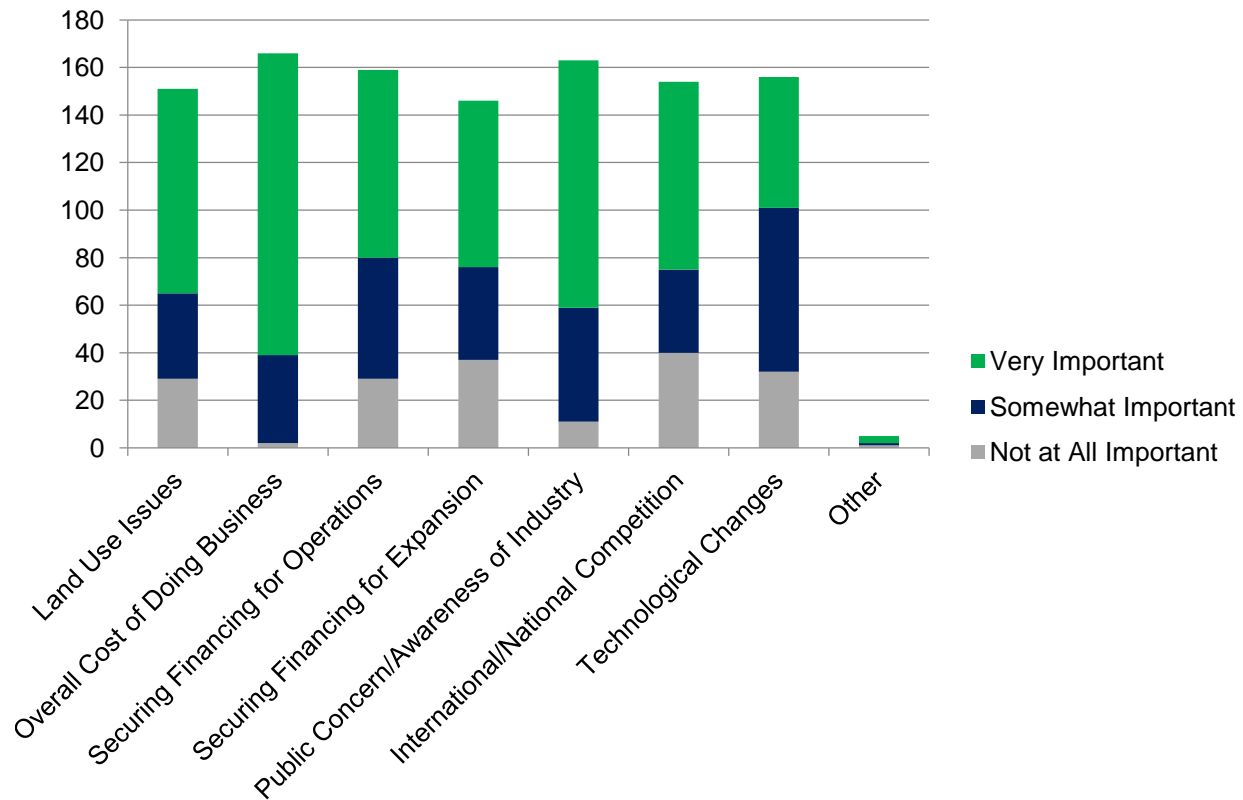
Farms tend to be involved across several business categories and farming categories with the majority participating in livestock and field crop production as well as poultry, horticulture, custom work and on farm retail. For example, livestock operations may also have a field crop operation or on-farm retail. Forty-nine percent (49%) of respondents are involved in livestock and poultry operations and 38% have field crop operations. Twelve percent (12%) report having on-farm processing. These results may reflect those farm businesses willing to participate in the BR+E study and may not be statistically representative of the distribution of farms found through other sources like the Census of Agriculture.

The adjective most used to describe farming activities is “commercial agricultural production”. One hundred and ten (110) out of 171 (64%) of respondents identify as commercial agricultural production. The next frequently used adjectives were “grass-fed” and “integrated pest management” (26 % of respondents).

3.6.2 Factors for Doing Agricultural Business

AG5. How would you rate the following factors of doing business in this community?

Farm business owners were asked to rank 15 factors from “Poor” to “Excellent” on doing business in this community. The above graph provides the number of response, rather than the percentages, given on each factor in order for the factors to be compared to one another. Regulatory factors, services, and opportunities were considered. Overall ratings of Excellent and Good are given for most of the factors. The following factors ranked highly: veterinary services, food safety, food traceability, local health unit and provincial inspections. Minimum Distance Separation for expanding, the Wildlife Damage Compensation Program, municipal drains, and distance to nearest abattoirs rated lower.

AG6. During the next 18 months, how important will each of the following factors be to your farm business?

The above graph illustrates the importance of 7 factors to farm businesses. The number of responds given on each factor is reported in the y axis and provides a basis for comparing factors to one another. All factors are rated important or somewhat important for doing business in the next 18 months. Overall the cost of doing business and public concern/awareness of the industry ranked highest in importance.

AG8. Are there assets or infrastructure that you would like to see developed to support agriculture? Summary of responses:**Assets:**

- Distribution, storage (dry and refrigerated) and packaging facilities
- Year round indoor farmers' market
- Abattoirs
- Agricultural education in the local school systems

Infrastructure:

- Rail access to Hamilton Port
- Broadband internet
- Road maintenance:

3.6.3 Meat Products

A series of questions explored meat processing and marketing. Only the farms raising livestock and/or poultry were asked these questions, leading to 94 (55%) of the 171 farm business interviewed responding to these specific questions. Of those businesses that indicated they raised livestock or poultry, 59% (or 55 out of 94 respondents) sell meat directly to consumers.

For those businesses that sell meat directly to the consumer, 32 businesses indicated they have difficulty getting product to an abattoir. Forty-eight percent (48%) of respondents selling meat directly to consumers drive over 100 km to access an abattoir and 36% have to book at least 6 months in advance.

When asked “Do you require a special abattoir for your product?” the majority of respondents (74%) indicated they do not require a special abattoir. The following responses were given:

Responses	Number of Businesses	(%)
No	53	73.6%
Organic	9	12.5%
Kosher	1	1.4%
Halal	3	4.2%
Other	6	8.3%
Total	72	100.0%

Source: Executive Pulse (Sept, 2018)

When asked “If a special abattoir was available”, 57% of respondents indicated they were not interested in raising specialty diet livestock/poultry. Those who are interested in raising specialty diet livestock/poultry if an abattoir was available are mostly interested in organic.

Barriers identified to raising special diet livestock/poultry can be summarized as: Access to abattoir, Halal processing, Costs, Return on investment (both time and money), Labour intensive, Regulations, Cost of certification.

The availability and capacity of abattoir services is an issue for approximately 32 producers. Distance and booking in advance is problematic for 1/3 to half of those producers. The majority of respondents do not require specialized abattoir services and are not interested in raising special diet livestock/poultry; however, those who would like to participate in speciality diet markets are limited by these services. Perhaps consideration could be given to increasing capacity of existing abattoir facilities, adding shifts, mobile services, and designating special times/days for special diet requirements.

3.6.4 Farm Gate Sales and On-Farm Retail

Fifty-eight percent (58%) of respondents indicated their business includes on farm retail or farm gate sales and 44% felt there were barriers in the community to expanding those aspects of their business. Respondents identified several barriers. Prevalent themes include: Signage, Staffing, Regulatory (understanding requirements and restrictions), Zoning and planning,

Marketing, Adjusting to a changing customer base, costs, competition from big box stores and other retail.

3.6.5 Niche Markets

Seventy percent (70%) of respondents have considered exploring niche market opportunities and offer a full spectrum of exciting ideas and interests. Prevalent themes include but are not limited to: livestock, crops (specialty like malting grains, bird seed, hay exports, herbs), production practices (like organic, antibiotic free, Non GMO practices), value add (cheese making, ice cream, potato chips, cosmetics), beverage market, attracting a new customer base, agritourism, creating a “venue”, aquaponics and hydroponics, supplying local restaurants and retailers.

3.6.6 Climate Change

Businesses are thinking about the impacts of climate and environmental changes. Sixty-five percent (65%) of respondents indicated they anticipate changing production practices. Prevalent themes include: Greenhouse technology, water, irrigation, tillage and crop production practices (type, variety, cover crops), tree planting, change in business location and consideration of Northern Ontario opportunities, implement recycling programs, change in livestock type and practices.

3.7 Local Food

In this section of the report the tables were prepared from the results on OMAFRA's BR+E Local Food Survey along with a few added Simcoe Grey Bruce questions. Note that in front of some of the category names in tables there's an *, this indicates the question was identified at the outset to be asked only of that type of business. As it was discovered that the categories were not mutually exclusive, the results are shown for each of the value chain categories. However, readers should focus on the (*) categories when interpreting and taking action on the results.

Once again, the local food questions have been organized into key themes to highlight the findings. The following are the results within each of these themed areas.

3.7.1 Suppliers of Local Foods

LF3. At Any Time In The Past 3 Years Have You Been Left With An Excess Supply Of Product?

	ALL	Ag Inputs & Service	*Primary Producers	*Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
Yes	36	25	36	35	25	45	41
No	64	75	64	65	75	55	59

Almost 2/3 of businesses responding to the local food questions indicated not have any excess supply of product during the past 3 years. Retailers and consumptive businesses were more likely to experience excess products with 45% and 41% respectively saying they did, in the past

three years. Respondents dealt with their excess products by: Donating (to school, food banks, and shelters; however it was also mentioned at times that when offering donated items it wasn't possible or difficulties were incurred), Composting or dumping, Discounting it/putting on-sale (at local retailers, farmers' markets, on-site stores, online), Feeding to animals (to their own and neighbouring livestock), Giving away to staff/friends, or Using it for value-add production (baked goods, smoothies, prepared meals, health care products)

LF4. Interested In Supplying Local Markets If Distribution And Management Systems Were In Place

	ALL	Ag Inputs & Service	*Primary Producers	*Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
Yes	75	69	75	83	57	79	56
No	25	31	25	17	43	21	44

Three-quarter ($\frac{3}{4}$) of the businesses answered they would be interested in supplying local markets if the distribution and management systems were in place.

LF5. Do businesses have the capacity and interest to increase production to supply local markets if additional buyers identified

	ALL	Ag Inputs & Service	*Primary Producers	*Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
Yes	72	67	70	82	88	74	64
No	28	33	30	18	12	26	36

Almost $\frac{3}{4}$ of businesses answered "yes" they do have the capacity and interest to increase production to supply local markets if additional buyers were identified. In particular businesses identified a number of products to be supplied including: Salad Greens and Vegetables, fruits (apples), meat products (chicken, lamb, beef, pork and rabbit), honey, dairy products, baked goods, and maple products. Several limitations were articulated, such as, weather, food safety, lack of labour, lack of storage (refrigeration), Federal or provincial regulations, lack of abattoirs and butchers for slaughtering and processing.

3.7.2 Processing Local Foods

LF6. Primary Producers Asked If They Currently Process Before Selling To Consumers

	ALL	Ag Inputs & Service	*Primary Producer	Agri-food Processors	Distributors/Wholesale	Retailer	Consumption
Yes	81	89	77	97	50	96	92
No	19	11	23	3	50	4	8

LF7. In the future, would primary producers consider having value-added to current products or the products of other businesses by processing?

	ALL	Ag Inputs & Service	*Primary Producers	Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
Yes	58	47	57	59	50	68	67
No	42	53	43	41	50	32	33

Of the 106 primary producers asked 77% indicated they were already processing their produce before selling to consumers. Slightly more than half who weren't already processing indicated they would consider having value-added to their produce in the future.

3.7.3 Commercial Kitchens**LF10. Agri-Food Producers Utilizing A Certified Commercial Kitchen**

	ALL	Ag Inputs & Service	Primary Producers	*Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
Yes	61	38	39	71	1 biz	72	91
No	39	63	61	29		28	9

On average, ¾ of the 104 responding businesses had a commercial kitchen on-site. With most of the remaining businesses travelling less than 30 minutes to reach the one they use. Almost all of the consumptive businesses (94%) had a kitchen on-site that is used daily, whereas only 50% of primary producers had a commercial kitchen on-site and frequency of use was more likely to be monthly or in-season.

Agri-food processors were targeted to responding to this question and 35 did. Of these 35, 71% were already utilizing a commercial kitchen. Over sixty percent had such a kitchen on-site with 25% travelling less than 30 minutes to reach the commercial kitchen they used.

With many of the businesses already having a commercial kitchen on their premises or arrangements to use one within 30 minutes drive when needed, the value of investing into developing and operating a community-shared commercial kitchen may not be necessary. Businesses interviewed also indicated they preferred to be self-reliant and autonomous in their business operations as many were not interested in participating in joint ventures or cooperative facilities.

3.7.4 Demand for Local Food

LF1. In Your Opinion What Are The Greatest Barriers To Supplying Locally?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Competition from outside of the area	7	7	7	6	12	8	6
High cost	7	6	6	7	7	8	11
High transportation costs	6	7	6	8	15	5	6
Inability to meet off-season demands	8	5	7	3	7	7	7
Lack of Access to capital	3	5	4	6	2	4	2
Lack of Access to land	2	3	3	2	5	2	1
Lack of Access to retail space	2	3	2	3		2	1
Lack of commercial kitchens	3	5	3	4		4	2
Lack of packing or co-packing facilities	3	4	4	5	3	2	2
Lack of Processors	6	8	7	5	3	4	4
Lack of Producers	4	2	3	3	3	5	6
Lack of Storage	5	6	5	5	5	5	6
Lack of well-developed local markets	6	4	5	8	2	5	5
Limited processing capacity (e.g. abattoirs)	7	10	8	7	7	7	4
Poor local distribution system	6	5	6	8	5	7	7
Poor product quality	1		1		2	1	1
Regulatory barriers	6	8	6	7	7	6	6
Other	4	6	3	4	10	5	5
Consistent volume	7		7		5	6	8
Inability to produce large, consistent volume	7	6	7	7		6	8

Businesses responding to this question were able to select as many of the listed barriers as applied to them. The percentages reported in the EP table tally 100% for each of the category columns. This table really only gives an indication or provides guide posts of prevalent barriers based on the percentages being higher than others. For example, for the consumptive businesses “high cost” was a barrier more so than other items listed for these types of

businesses. For distributors/wholesalers “high transportation costs” and “competition from outside” were greater barriers than any of the others listed.

LF16. Interested in purchasing locally grown and processed foods if distribution and management systems were in place

	ALL	Ag Inputs & Service	Primary Producers	*Agri-food Processors	*Distributors/ Wholesalers	*Retailer	*Consumption
Yes	83	50	75	81	100	93	85
No	11	25	25	9		7	5
N/A	6	25		9			

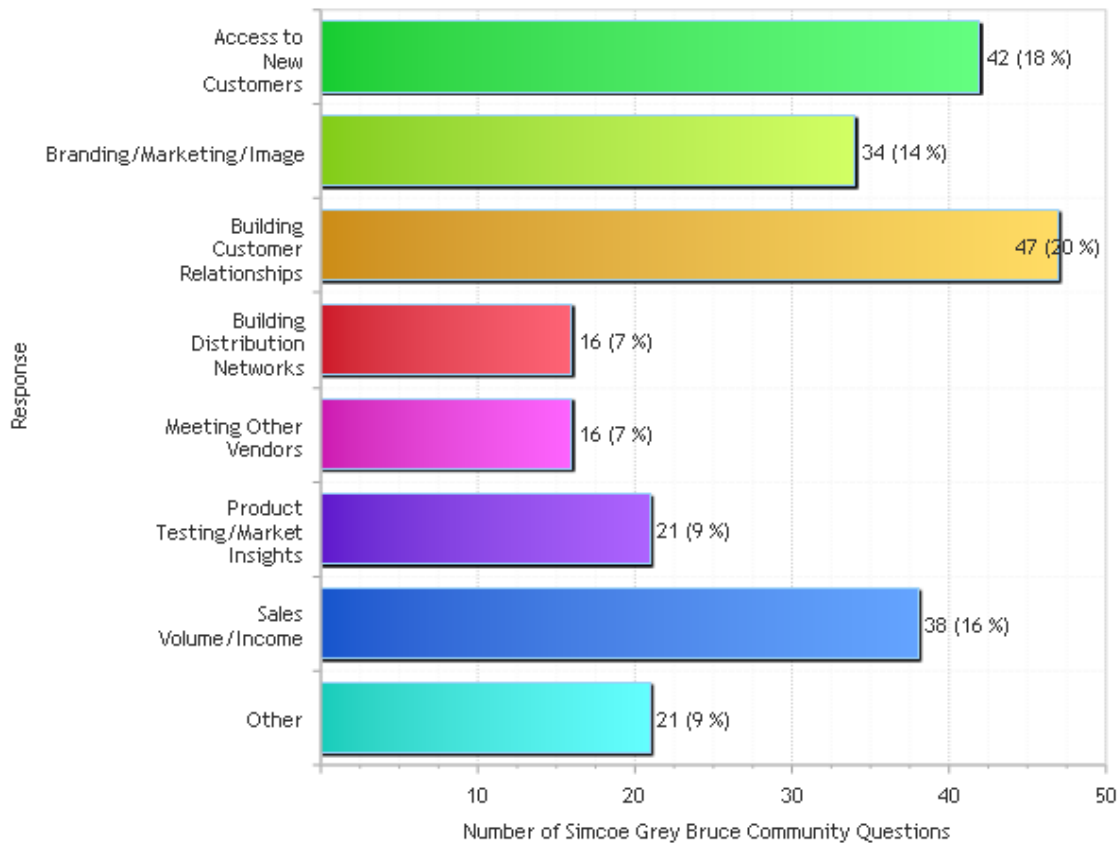
Overall, 83% of interviewed businesses would be interested in purchasing locally grown and processed foods if distribution and management systems were in place. The question was targeted to be asked only to agri-food processors, distributors/wholesalers, retailers and consumption businesses. The distributors/wholesalers, retailers and consumption businesses responding were more interested. Agri-food processors were slightly below the overall average in being interested.

In a supplemental question, what products or services would you like to purchase locally that are now being purchased outside of the area?, the summary of responses were:

- Packaging, restaurant, and processing supplies (jams, bags, containers, etc.)
- Farm machinery and maintenance
- Abattoir and butchery services
- Animal feed (beef, chicken, pork and sheep)
- Ingredients for agri-food and consumption sectors (the volume and year-round supply they require is not available locally)

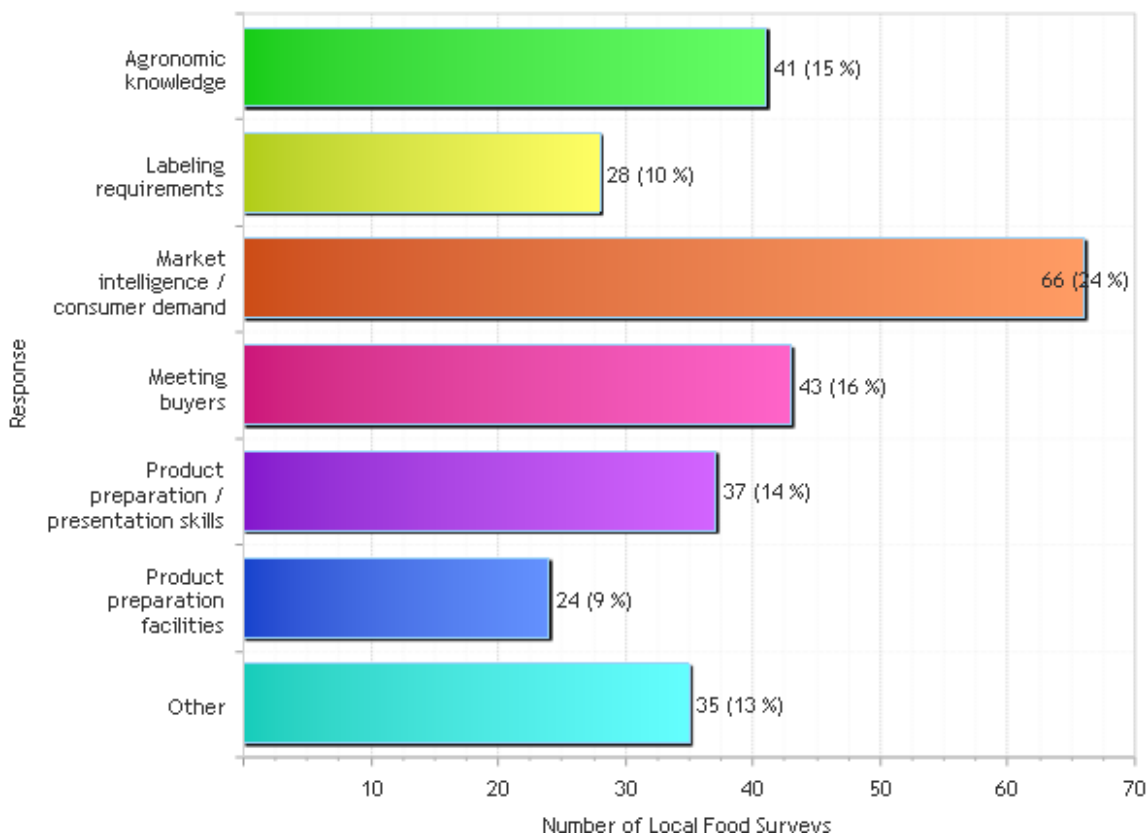
3.7.5 Community Support

SGB21. Top impacts of being vendor at farmers' market (asked of primary producers and agri-food processors)



Source: Executive Pulse (Sept, 2018)

“Building customer relationships” and “access to new customers” were the two greatest impacts of being a vendor at a farmers’ markets. “Sales volume/income” were a close third reason.

LF21. In your opinion what barriers exist to capitalize on new opportunities such as emerging food trends and ethnic markets?

Source: Executive Pulse (Sept, 2018)

Respondents were able to select as many of the items as relevant to them on the barriers existing to capitalize on new food opportunities. The percentages presented in the above EP graph is therefore based on the frequency of responses to this question and not to the number of businesses interviewed. The results provide guideposts on the barriers and are not statistical findings. Based on the results “market intelligence/consumer demand” was the top barrier identified. “Meeting buyers” and “agronomic knowledge” were also key items identified as barriers. “Product preparation facilities”, such as abattoirs, were the least likely items to be identified from the items pre-determined for this question. However, the other barriers identified outside of the above list suggested “product preparation facilities” are an issue as one of the common ideas summarized was: Specialty abattoirs/butchers to process meat products. The other barriers identified:

- Distance to the new emerging markets
- Language barriers (for labeling, meeting buyers and interacting with the new consumer)

LF22. Greatest Barriers to Growing Economic Activities Around Local Food In Region

- Cost of production and/or lack of local processing
- Lack of capital (for short and long-term)
- Lack and cost of labour for agriculture, food processing, retail and consumption industries
- Lack of distribution and wholesaling opportunities
- Lack of consumer knowledge, education and literacy of food and buying local
- Competition (outside of the area and international)
- Government regulations and lack of access to abattoirs
- Cost of land and cost to develop (for start-up and pre-existing companies)
- Distance from large urban markets
- Lack of awareness by the agri-food value chain about what products and services are available locally in the region

LF23. Greatest Opportunities to Growing Economic Activities Around Local Food In Region

- Tourism (coming to the area for natural assets and activities and want to participate in agri-tourism activities and local food)
- Educated consumer (increase population wants to eat local and/or healthier)
- Increase Population (increased urban populations mean increase in potential new consumers)
- Close proximity to the Greater Toronto Area population (for tourism and business sales)

LF20. Ways Local/Regional Organizations And Municipalities Could Assist In Enhancing The Local Food Economy?

Responses	Number of Businesses	(%)
Developing networking and communication.	121	15%
Promoting "Buy Local" campaigns.	136	17%
Providing knowledge of available local labour	91	11%
Streamlining regulatory and permitting processes.	91	11%
Supporting the creation of food hub or distribution centre	103	13%
Other	30	4%
Connecting food producers to processors, retailers, restaurants, etc.	131	16%
Improving infrastructure (roads, energy, services, etc.)	95	12%
Total	798	100.0%

Source: Executive Pulse (Sept, 2018)

Respondents were able to select as many of these items as relevant in their experience. The percentages therefore are based on the frequency of responses and not statistically representative. The results provide guideposts. The top ways organizations or municipalities could help assist in enhancing the local food economy were: Promoting “Buy Local” campaigns; Connecting food producers to processors, retailers, restaurants, etc.; and Developing networking and communication.

Further description provides some explanation on how organizations and municipalities could help:

Promoting “Buy Local” campaigns:

- Consumer awareness and education about local food
- Promotion of what is in season and local food products

Connecting food producers, retailers, restaurants, etc.:

- Website for retailers/consumption providers of what is available locally and why who

Developing networking and communications:

- Training for farmers and agri-food processors about wholesaling to the retail and consumption sectors

Supporting the creation of food hub or distribution centre:

- Overall comments:
 - Not a Toronto Food Terminal – something smaller, maybe with commercial kitchen and cold/dry/refrigerator storage
 - Local location to drop products (farmers and agri-food processors) for pickup and shipment by one truck to all of Ontario
 - Retailers/consumption providers looking for one pickup location, instead of multiple delivery companies and times
 - Needs to be a private venture, not government (too many regulations with government)

Streamlining regulatory and permitted processes:

- Overall comment was yes, respondents had different comments based on their sub-industry needs and reporting bodies.
- One overall comment from farmers’ market coordinators was that the local health units need to standardize their interpretations of the Farmers’ Market Act to define with a primary producer is and when the 51 percent of vendors need to be primary producers. Currently interpretation is left up to each individual health unit inspector.
- One overall comment from small food processors was able the lack of information available about how to certificate or what is needed to certificate a kitchen with the local health units.

Improving infrastructure:

- Internet (broadband, fibre, high speed, wireless signals)
- Natural gas
- Lack of hydro and costs

- Road maintenance:
 - Repair and paving of secondary municipal roads
 - Paved or raised curbs for tractors to move on
 - Cutting of branches higher for moving agricultural equipment

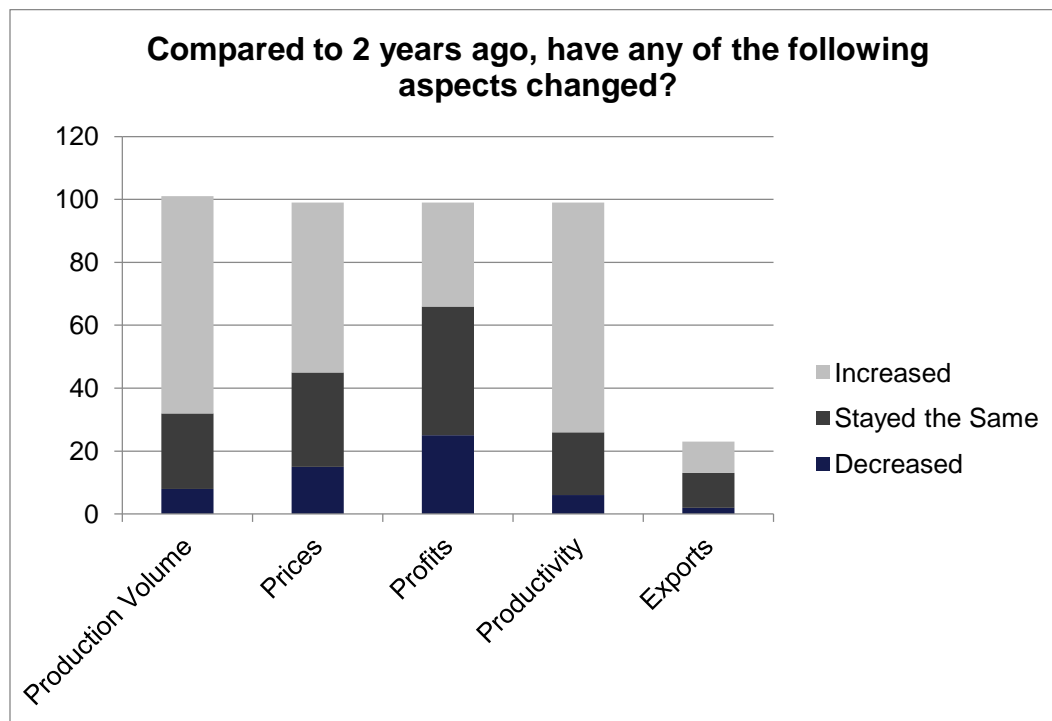
Proving knowledge of available local labour:

- Website to promote local agricultural related jobs in the region

3.8 Manufacturing

Seven questions from the OMAFRA BR+E Manufacturing Survey present key findings in this BR+E relating to agri-food processing. There were 53 agri-food processors interviewed in the study.

MF1. Compared To 2 Years Ago, Have Any Of The Following Aspects Changed?



The above graph given the number of businesses along the y axis responding to 5 manufacturing aspects and if these had changed for them when compared to 2 years ago. "Production volume" and "productivity" were identified as the top aspects having increased over the past 2 years for the businesses. "Profits" had decreased compared to 2 years ago, although a greater proportion of businesses indicated profits had stayed the same or even increased, suggesting the "profit" was a mixed situation for the businesses in this BR+E. The ag inputs and services businesses were more likely to have reported than any other type of business interviewed that their profits had decreased in comparison to 2 years ago.

MF4. Last Time Company Introduced A New Product To The Market?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
New Product in development	18	12	13	25		17	17
This year	44	88	33	56	67	67	50
1-3 years ago	8		10	9	33	0	17
3+ years ago	29		45	9		17	17

Over sixty percent of businesses interviewed either had a new product in development or had introduced a new product this year. The exception to this high percentage was amongst primary producers. Primary producers had only introduced a new product this year or had one in development at 46%. The need to keep current and responsive to local food demand and trends may account for the currency of introducing new products to the market by the businesses involved.

MF6. Is there a new technology emerging that will change your primary product or how it is produced?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	100	100	47	100	n/a	21	100%
No			53	0		79	0

New technology emerging that will change production was found to be significant for the ag inputs and services, agri-food processors and consumption businesses. The impact of new technology was split for primary producers. Whereas for retailers it was not a factor. The new technologies identified included: Robotics and automation (computer feeding, robotic milkers), GPS/self-driving tractors (including produce self-pickers), and new genetic and chemical research (animal DNA for breeding, disease resist crops and seed development).

MF7. Summary of responses on identifying challenges bringing new products to market:

- Getting into retail locations (Beer Store/LCBO regulations/limiting new products, listing fees, private label competition)
- Customer reception (how to develop a demand for the new products)
- Labeling and packaging requirements

MF10. When was the last time business made a major investment in equipment or machinery?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
0 to 2 years ago	81	82	86	80	100	67	80
2-4 years ago	12	12	9	3		17	20
4-6 years ago	3	6	4	6		0	0
6+ years	4		2	11		17	0

Businesses involved in manufacturing were very likely to have made a major investment in equipment or machinery within the past two years with over 80% across all categories, except the retailer category, which reported at 67%. To get over 80% for retailing businesses the time frame had to be extended to 4 years.

MF11. Number Of Businesses Reporting Their Facility Or Equipment Were: At Capacity; Underutilized; In Need Of Modernizing

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
At capacity	61	12	37	18	3	11	8
Underutilized	36	6	27	12	1	4	3
Needs modernizing	27	2	22	5		4	1

To get an idea of the utilization of existing facilities or equipment along the agri-food processing value chain knowing reporting on the number of businesses rather than percentages gives a good indication. Almost half of all reporting businesses were operating at capacity and this was found to be consistent across the value-chain. Of the underutilized businesses 63% (22 businesses) said they were not interested in cooperating with another business to bring facilities or equipment up to capacity. None of the distributors/wholesalers or consumption businesses interviewed were interested in cooperating with another business.

Twenty-seven businesses reported they needed modernizing. Of these 70% have plans to undertake the needed modernization.

MF12. Does Business Export?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	52	75	60	25	67	n/a	n/a
No	48	25	40	75	33		n/a

Overall the number of businesses interviewed involved in exporting was very small (only 27 businesses in total). The primary producers had the largest number of exporting businesses in the study with 60% of the 15 primary producers responding they were exporting. Thirty-eight percent (38%) of all reporting businesses export to the USA, 16% to Europe, 20% Asia, 11% Central and South American and the remaining percentage indicated their export destination to be other provinces. Inter-provincial trade of foods and beverages may be an area to investigate, especially related to barriers encountered and regulations to cross provincial boundaries.

Discovering local and regional markets are predominate balanced off that exporting plays a minor role in overall sales for the businesses interviewed.

Summary of the identified barriers to expanding globally:

- Cost (transportation and labour)
- International market knowledge and consumer demand
- Regulations and non-tariff barriers (lack of knowledge about the different regulations and non-tariff barriers that may be in place for potential export markets)

3.9 Tourism

OMAFRA BR+E Tourism Survey questions were selectively used in this BR+E. To begin the tourism part of the interview businesses were asked Simcoe Grey Bruce BR+E specific questions to establish if they considered themselves to be part of tourism or if they would be interested in attracting tourists. The reporting out of results begins with the findings on the Simcoe Grey Bruce BR+E specific questions. The results then turn to more traditional types of questions asked of tourism operators, such as seasonality, target markets, packaging and methods used to promote the business.

SGB17. Do You See Your Business Part Of Tourism?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	49	24	32	67	60	85	87
No	51	76	68	33	40	15	13

Retailing and consumption type businesses were most likely to see themselves involved in tourism which is not surprising as more traditional tourism sector businesses, restaurants, shops, bed & breakfasts (B&Bs), are included in these categories. Ag inputs and services were

the least likely to see themselves part of tourism. Further, those businesses not seeing themselves already part of tourism were asked if they'd be interested in attracting tourists as new customers to their business, 84% reported "no" they weren't interested. As many of the businesses interviewed in the BR+E aren't considered active in local tourism asking them why they saw or don't see their business as part of tourism was informative:

Why Do You See Yourself As Part Of The Tourism?

- Own a business that serves tourists:
 1. B&B / rentals
 2. Restaurant
 3. Specialty store / attraction
 4. Serving cottagers / location
 5. Retail/manufacturing for tourism
- "Forced" into it (farms that see tourists touring without permission & accommodations were made)

Why Don't You See Yourself As Part Of The Tourism?

- Customers are only regulars – 7
- New business so not trying to attract from greater area yet / need right space – 9
- Not in the tourism business / not offering "tourist products" (Primary producers) – 57
- Worried about repercussions of opening farm to tourists (theft, spreading viruses/bio-security, cost of insurance/liability, etc.) - 7

SGB18. In what ways could local/regional organizations and municipalities assist you with positioning your business to attract tourists?

- FAM workshops/tours
- Directional signage (bylaw updates to allow) and parking signage
- Development to make downtown walkable (patios by-law updates)
- Promotion of businesses including tourism maps/activity guides
- Cross promotion (with other businesses)
- Festivals/attractions/farmers markets including winter
- Funding information/advice/consultations on how to improve business for tourists

T3. Potential to expand season

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	29	n/a	21	36	n/a	39	31
No	71		71	64		61	69

Of those businesses active in tourism 79% were open year round. Of the others not open year round their seasonal operations run in the spring, summer and fall. Of those not already open

year round a majority of them did not feel there was a potential to expand the length of their tourism season. Agritourism is highly dependent on its seasonality with the late summer and fall being reported as the busy, core, times of the year for operators of agritourism farms. In fact looking to extend the agritourism season may negatively impact the experience sought by visitors and put undue stress on operators who typically use downtime when their operations are closed to visitors/customers to work on their business, for example planning and developing new products and services.

T4a). What Are The Advantages To Operating A Tourism Business In This Area?

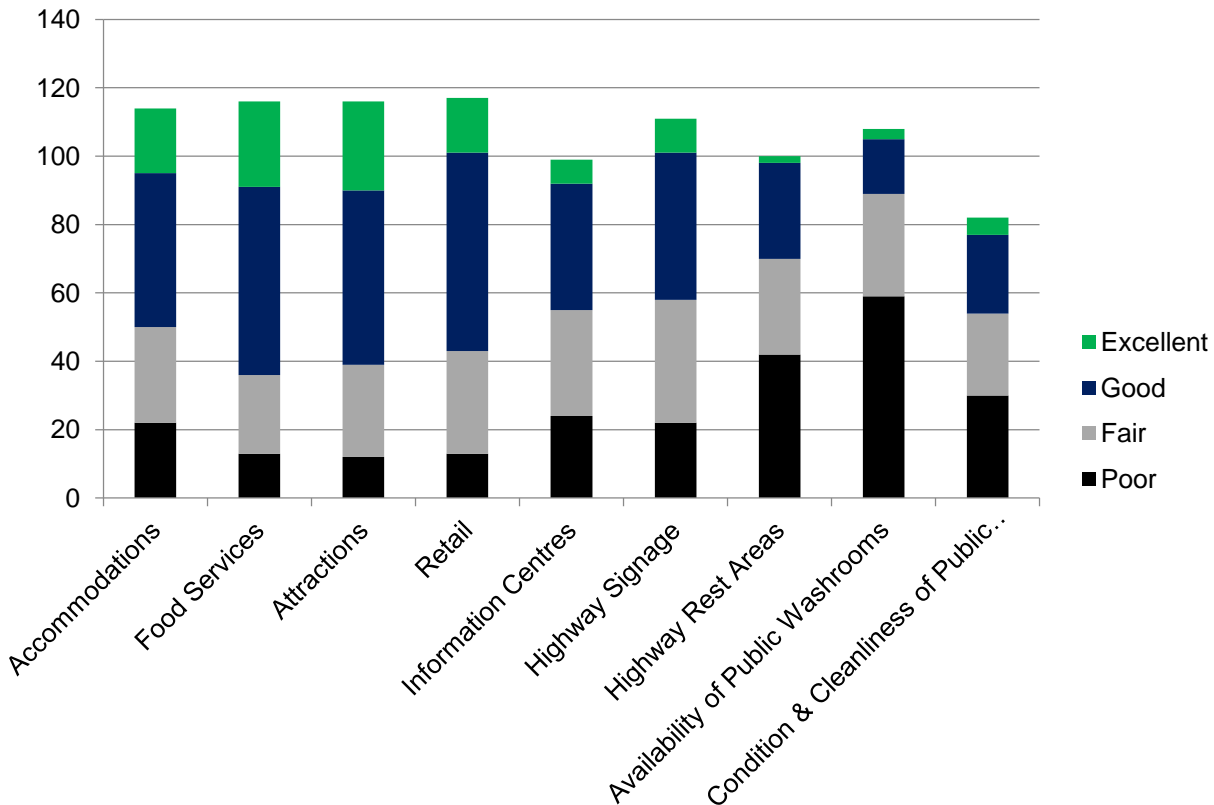
- More people who spend money
 - High seasonal sales (support businesses throughout the rest of the year)
 - Equates to diverse products/services offered locally
 - Brings in new traffic
- Tourism assets provide larger promotion/marketing platform (local support for these activities)
- Offers activities (year-round) / good quality of life – 9
- Proximity to large population in the Greater Toronto Area.
- Already heavily populated tourist area with natural assets/cottage area

T4b). What are the challenges to operating a tourism business in this area?

- Shoulder season/seasonality of tourism in the area
 - Lack of labour or maintain labour costs during the shoulder season
- Insurance liability issues
- Lack of signage and marketing
- Weather challenges
- Lack of parking

T5. Rate Level of Satisfaction With The Tourism Facilities In This Area

Rate your level of satisfaction with tourism facilities in your area:



Businesses involved in tourism interviewed in the BR+E were asked to rate their level of satisfaction on 9 tourism facilities in the area. The above graph shows the number of responses given on each of the tourism facilities along the y axis. Reporting the frequency of responses rather than percentages allows the results to be compared to one another. Food services, attractions and retail facilities on offer were rated good and excellent. Public washrooms, their availability as well as condition and cleanliness, in the area for tourists were rated poor.

T6. Are There Assets Or Infrastructure That You Would Like To See Developed To Support Tourism? Summary of responses:

- More directional signage throughout the region
- More accommodations
- Year-round events, tours, unique attractions and activities and expand current offerings
- Downtown development (improve infrastructure/offerings, beautify)
- Coordinated marketing initiatives/promotion
- More public washrooms (all-season)/rest stops (with tourism maps at highlighting nearby assets)
- Free or more parking

- Water access (improve beach area/develop water access points)
- Cycling infrastructure including on major roads

T9. What Are Your Target Markets?

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Local, within 100kms	46	86	51	39	not reportable	48	49
other Canada/USA	48	14	44	57		43	43
International	6	0	5	4		9	8

About half of the businesses responding to the tourism questions in the BR+E indicated they relied heavily on visitors coming from within 100 kms. Day trippers were also more prevalent than overnight visitors.

Very few primary producers and a handful of businesses in the consumptive category identified offering accommodations as a business activity. The length of stay is 1-3 nights in the region.

Businesses who reported split ranges of day trippers to overnight visitors at their business were referring to customers coming to their business that are actually staying elsewhere at an accommodator most likely not included or interviewed in this BR+E (e.g., hotel, motel, resort, campground, or staying with friends or relatives).

T11. Involved with RTO

	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/ Wholesalers	Retailer	Consumption
Yes	30	n/a	28	21	n/a	32	42
No	67		70	76		60	58
Don't know	3		2	3		8	0

A greater percentage of businesses across all categories asked were not involved with RTO7. Some businesses didn't know about Regional Tourism Organizations (RTOs).

T13. Do You Offer Packages?

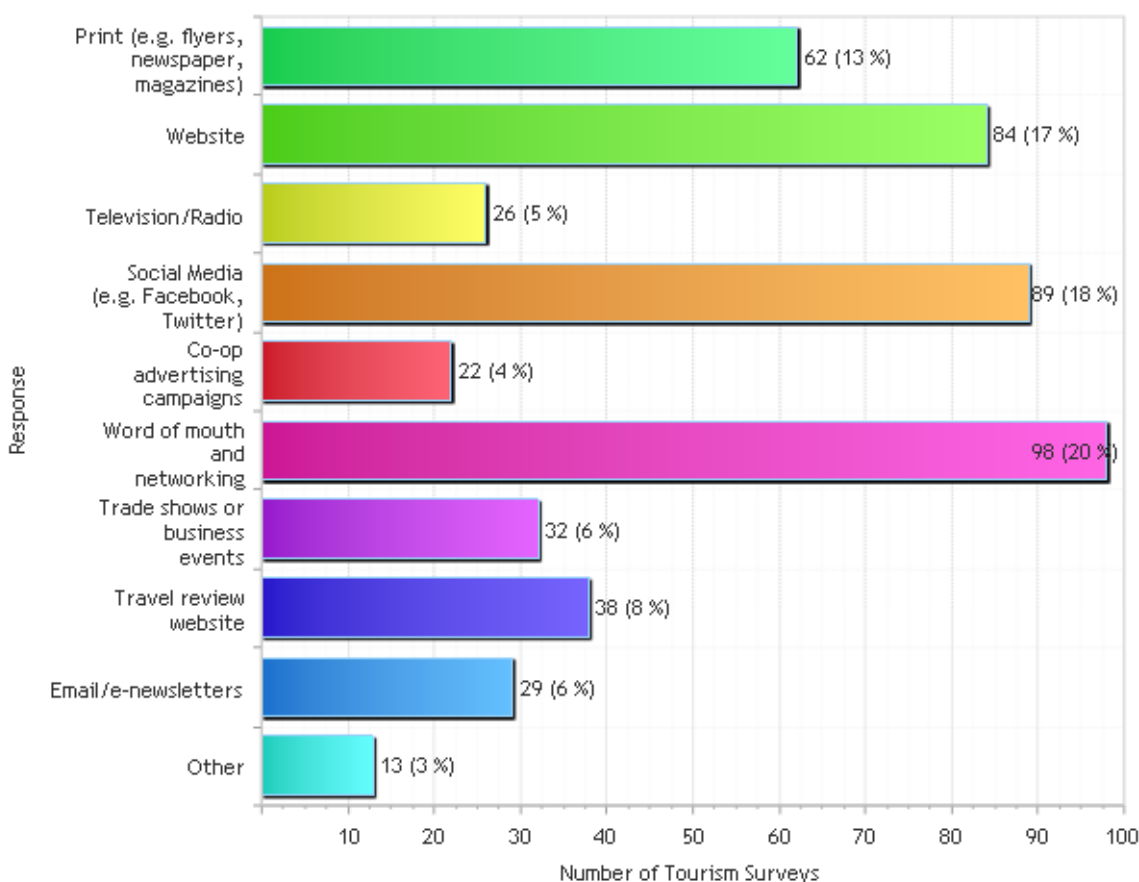
	ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors n=25	Distributors/ Wholesalers	Retailer	Consumption
Yes	17	33	8	20	n/a	8	28
No	83	67	92	80		92	72

Very few businesses (15 in total) offer packages to tourists. In the instances where packages are offered these usually only included services and/or products from the business offering it. In addition, individual businesses promote the package on their own in most situations.

SGB11. Number of Businesses Aware Of Grants and Government Incentives For Tourism Product Development

ALL	Ag Inputs & Service	Primary Producers	Agri-food Processors	Distributors/Wholesalers	Retailer	Consumption
29	2	14	8	1	8	16

Of the possible 276 businesses interviewed in this BR+E only 29 were aware of grants and government incentives for tourism product development.

T14. What methods are used to promote tourism businesses?

Source: Executive Pulse (Sept, 2018)

Almost 500 responses were provided on the methods businesses currently use to promote their tourism business. “Word of mouth and networking” and “ocial media” were found to be the most common and popular. “Website” was a close third method being used. The least likely to be used were “cooperative advertizing campaigns”. Not advertising cooperatively is in keeping with the limited involvement with RTO7 as well as not offering packages.

3.10 Grey County Agriminium Question

Only businesses interviewed in Grey County were asked the following question:

SGB24. Would you have any interest in joining a small-lot “agriminium” development that would include housing and provide access to shared agricultural land and processing facilities?

Responses	Number of Businesses	(%)
Yes	3	13.0%
No	20	87.0%
Total	23	100.0%

Within individual value-chain categories 2 primary producers and 1 agri-food processor stated they would be interested in joining this type of development in Grey County.

