



ADAPT Council Industry Newsletter

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ADAPT Hosts Industry Consultation on ACAA Program

On January 21, 2005 ADAPT hosted an industry consultation providing information to groups so that they can better understand the new ACAA program and come back to Council with sound project ideas; determining how ACAA might assist a group in advancing a particular aspect of their strategic plan; and to get groups thinking about opportunities for cross-sectoral collaboration or inter-provincial linkages.

This session provided a valuable opportunity for discussion and was relevant for gaining a sense of some of the priorities facing the sector. However, stakeholders can be assured that ADAPT does not intend to limit the scope of eligible funding to priorities facing the industry that were addressed on this day.

PRINCE EDWARD ISLAND ADAPT COUNCIL

REPORT ON INDUSTRY CONSULTATIONS JANUARY 21, 2005 - FARM CENTRE

DISCUSSION PERIOD

The discussion was organized around the three ACAA Pillars: **Industry-Led Solutions to Emerging Issues, Capturing Market Opportunities by Advancing Research Results, and Sharing Information to Advance the Sector.** The PEI Potato Board provided a written submission to Council outlining a number of priority areas, though these were not aligned strictly according to the three program areas.

The following lists ideas put forward as sector priorities; they appear in the order in which they were presented.

PILLAR I - EMERGING ISSUES

Potato Board

- reference was made to a number of emerging regulatory requirements which may soon become mandatory, either by legislation or because of market demands, for example, HACCP training, on-farm food safety audits, traceability of seed

Cattlemens' Association

- deadstock removal; tracing system for retail beef products installed at the Albany processing plant; on-farm food safety audits to support brand identity

Grains and Protein Council

- need to develop more value-added products because of low commodity prices; opportunities in bio-fuels given provincial policy on alternate energy; opportunities in the area of food-grade oils because of changing market demands in the area of food safety

FoodTrust

- the retail food market is demanding more convenience foods, for example, fresh-cut fruits and vegetables, and PEI cannot respond to the demand because it lacks processing and transportation infrastructure

Garden Province Meats

- new pork products must be developed so that PEI can move away from “commodity” production

FIIC (Ronda Bellefontaine)

- increasing importance of on-farm food safety measures, and need to respond to increasing demands from the marketplace for better quality

Horticulture Council

- increasing competition from multi-national suppliers in fruits and vegetables; it is getting harder for local producers to secure markets since the larger retail chains demand such high volumes and impossible delivery schedules

Holsteins Breeders

- Johnes' disease has the potential to become as serious a public health issue as Creutzfeldt-Jacob Disease (CJD); it has been linked to Crohns'; presently, PEI Holstein herds have a combined infection level of 16%; reducing this level could have a positive \$\$ impact on PEI Holstein breeders generally

Wade Caseley

- PEI is at a disadvantage because of its small size; we don't usually benefit from "national" programs and ideas; the challenge under ACAAF will be for Council to direct the funds in such a way as to better position PEI producers

PILLAR II - MARKET OPPORTUNITIES

Amalgamated Dairies Ltd.

- opportunities in the market for more consumer-convenient value-added products

Garden Province Meats

- need to explore market to identify new opportunities for PEI product differentiation

Holstein Breeders

- opportunity to utilize PEI's superior herd health status to tap into new markets

Young Farmers

- presented a series of ideas that might be funded under ACAAF, not all of them related to Pillar II: investigative travel; searching for niche markets; product marketing; "new farmer" training and technical education; and financial incentives to attract new farmers

FoodTrust

- there is a need to encourage new small-scale processing ventures through support in the form of incubation, so that PEI can take better advantage of niche product markets

Potato Board

- opportunities in the area of sustainability initiatives generally, for example, better nitrate management through new timed-release fertilizers
- ACAAF should encourage the testing of engineering prototypes through subsidies to

cover a portion of the leasing cost so that the producer's risk is reduced

PILLAR III - SHARING INFORMATION

A number of ideas were put forward for consideration although, at this point in the session, several people had left because of the deteriorating weather:

- Johnes' disease
- improving operational efficiency
- alternate energy initiatives
- policy development
- young farmer initiatives
- possible hiring of a field extension worker by a commodity sector to advise producers on a specific problem
- investigative travel

GENERAL THEMES

It was also mentioned several times by a number of sector representatives that the ADAPT Council should do some advance planning and provide information to potential applicants on program guidelines, what portion of the budget will be allocated to each pillar or program area, what and who are not eligible, whether there will be an upper ACAAF contribution limit on projects, etc. It was felt that more dialogue is required and several groups expressed the opinion that Council should hold periodic meetings to report on progress and to seek input.

Organic Dairy Being Explored For Province

Organic dairy products have moved beyond the health store market. The major grocery chains are now finding a steady market that is right now being served largely by producers from Quebec, Ontario and the United States. However, a project sponsored by Purity Dairy Limited in Charlottetown is hoping to change that.

With funding help from the P.E.I. ADAPT Council (which administers the Canadian Adaptation and Rural Development fund in the province for Agriculture and Agri-Food Canada), Purity is working with the Ontario BioOrganic Farmer's Co-operative to look at the possibility of establishing an organic dairy processing facility in the province. The two companies have hired Roger Henry as program co-ordinator.

Henry has begun the job of meeting with producers to determine the interest in the idea. He said there is virtually no organic milk production in the Maritime provinces and P.E.I. is a major step ahead of its sister jurisdictions in the fact they have a major dairy willing to explore the idea.

He is happy with the feedback he has gotten from producers, although the process of going organic represents a three year commitment. Henry explained "I am trying to get grocers to agree now and we can get the process started- if the producers put chemicals on their crop this spring,

that sets the process back another year."

Roger said he is hoping to have a symposium this spring, with some members from the Ontario BioOrganic Farmer's Co-operative as guest speakers. He added "certainly if producers hear first hand about the success in Ontario hopefully they will be a little easier to convince."

While the move to organic does mean some short term losses, it does pay dividends down the road. In Ontario, for example, organic dairy producers receive 15 per cent more for their product than conventional producers.

'We would be using the Ontario model as a guide,' he explained. "We would have to determine what it would cost people to make the conversion- it may be the premium here would have to be a little higher."

In the short term, he is hoping for 10-12 producers who will set up field demonstrations of organic cereal and forage production systems. He explained the idea fits in with current trends in food production on a number of fronts.-- he said putting fields to pasture helps put vital nutrients back into the soil, as well as lower the carbon dioxide levels. The latter development means less greenhouse gases going into the atmosphere, thereby helping Canada meet reduce its greenhouse gas emissions as required by the Kyoto Protocol.

"We have the potential here to service not only P.E.I. but the entire Atlantic region," Henry said. "No other area in the region is as far along in the process as we are."

Eg-Guard helping To Cut Down on Cracked Eggs

For the province's 19 egg producers, a cracked egg means lost dollars. That's why Kool Breeze Farms in Summerside is testing out a high tech piece of equipment known as the Eg-Guard that is designed to keep cracked eggs to a minimum. The P.E.I. ADAPT Council (which administers the Canadian Adaptation and Rural Development Fund in the province for Agriculture and Agri-Food Canada) is providing final assistance to the project.

The technology looks simple enough. Kool-Breeze owner Ian Simmons explains a plastic translucent strip with a clip that is hooked to a timer to control the belt collecting the eggs. The technology was developed by an Ontario producer and Simmons was one of the first to use the system in the province. In addition to it's egg operation, Kool Breeze farms is also involved in hog farming and operates a seasonal greenhouse.

During the first full year of operation, Simmons said there was a reduction in the number of eggs cracked by 2.13 per bird. Since a cracked egg was worth four cents prior to a recent price increase and a Grade a large egg was worth 13 cents, the system has the capacity to return the producer's investment within a season or two.

"The system works reasonably well in helping to reduce cracks," Simmons said. "It has now become an everyday part of our operation."

However, he said the system has not been without its minor headaches. He said there have been situations where the plastic strip would come loose after being in place a period of time. As well, he added curious members of the flock often also investigate the shiny material.

"It is something you have to constantly monitor," Simmons said.

Simmons has kept his fellow producers up to date on the project through the industry group, the Egg Producers of P.E.I. it is one of a number of initiatives the board and individual producers are under taking in an attempt to cut down on damaged merchandise and improve the bottom line.

Simmons said the system is certainly not the be all and end all for egg producers. However, he said if it is used correctly and properly monitored, it can have a positive impact on an operation's bottom line.

CANADIAN AGRICULTURAL SKILLS SERVICE(CASS)

The CASS Program is designed to help farm families increase their income through skills development and training. The focus may be on either improving the farm business or preparing for other income options, or both. Canadian Agricultural Skills Service is one of the programs in the Renewal Element of the Agricultural Policy Framework (APF).
<http://www.gov.pe.ca/af/agweb/index.php3?number=1005963?=E>

INNOVATION AND OPPORTUNITIES DIGEST

The Innovation & Opportunity Digest is intended to stimulate discussion and facilitate the identification and capturing of new business opportunities in Nova Scotia's Agriculture, Aquaculture & Fisheries sectors. In February 2005 Edition: New Generation Cooperatives are a tool that can help agri-food producers capture new opportunities and achieve success. Building on the principles of the cooperative movement, New Generation Cooperatives build scale and critical mass through alliances, maximize participant ownership and investment, and increase profitability through value adding, vertical integration and participation in a greater portion of the value chain.
<http://www.gov.ns.ca/nsaf/bmed/digest/index.htm>

DIRECT MARKETING / AGRI-TOURISM THINK LIKE A CUSTOMER

You don't want your product to be a solution looking for a problem. There's not much profitability in that. You have to move from the inside looking out, to a position where the customers are-looking in. This article encourages you to open your eyes and ears and think like a customer.

[http://www1.agric.gov.ab.ca/\\$department/newslett.nsf/all/agpr6563](http://www1.agric.gov.ab.ca/$department/newslett.nsf/all/agpr6563)
Opportunity Hunting: Changing Perspective for Fresh Ideas
Issue #15, Winter 2005 - Ag Intersects

“If your only tool is a hammer, you tend to treat everything as if it were a nail” -Abraham Maslow

You don't want your product to be a solution looking for a problem. There's not much profitability in that. You have to move from the inside looking out, to a position where the customers are—looking in. What do I mean by that? Open your eyes and ears and think like a customer with a problem that needs solving. Now, sell them a solution not a product. Products have features (bigger, faster, better); solutions connect with emotions. Emotions make a product relevant to a consumer and that's why they buy!

Look at what's around you in a different light. To many people stinging nettle is just a weed. To others stinging nettle is a cleansing tonic, an ingredient in a very popular line of fresh juices and

a star soup on the menus of fine dining restaurants. They see value in stinging nettle and are willing to pay for it.

So how do you begin to “think different” and spot opportunities for your business? Start with your eyes and ears. The next time you’re in a store watch and listen to the shoppers. Look for needs that are not being met. Identify them. Do some research. Are they worth prototyping? Then act! Ideas without action are just ideas. Ideas combined with action are innovations!

Observation Opportunity for Solution

A shopper picks up a bunch of carrots and says, “I hate cleaning and peeling these, I just don’t have time” and puts the bunch down

Offer pre-washed and bagged “baby” carrots and salads

A shopper’s hands are full (they only have two) and they stop shopping early

Offer bags or baskets so shoppers can continue to add items to their order

A shopper complains about the granola they purchased going stale too quickly

Offer a re-sealable closure on packaging or smaller package sizes

A new user of a portable MP3 music player wishes out loud for the portability of their MP3 player in the car, but wearing headphones while driving is unsafe

Offer portable FM transmitters and cassette deck adaptors to play the music on the car stereo

A customer at the video store grumbles about having to pay late fees

Offer a subscription based movie rental system by mail. For a monthly fee the consumer has movies delivered (up to three at a time). They keep the movies as long as they like. New movies arrive as viewed movies are returned, and there are no late fees

Break out of your comfort zone!

You never know what you’ll find, until you find it!

1. Read magazines that you don’t normally read.
2. Talk with strangers. What do they like? What confuses them? What do they hate? What makes them tick?
3. Visit stores that you don’t normally visit. What needs are not addressed by current products/services?
4. Open your eyes and ears. Do you hear? Or do you listen? Invite someone new to lunch..

“Without a market, you don’t have a product”

-Robert McMath, author of:

What Were They Thinking?

Courses, Workshops and WWW-based Seminars

BUSINESS MANAGEMENT COURSES Strategic Agrimarketing -

February 21 - 25, 2005 Guelph, ON www.agribusiness.ca/sam.htm

AGRIWEBINARS Is Agri-Tourism for you?

Feb. 24/05

<http://www.farmcentre.com/english/agriwebinar/>

ADVANCED MEDIA TRAINING WORKSHOP

February 22, 6:30 - 9:30 p.m. Loyalist

Inn, Summerside

http://www.gov.pe.ca/af/agweb/events_calendar/displaylinks.php3?event_id=1108

INTRODUCTORY MEDIA TRAINING WORKSHOP -

March 14, 2005 - 6:30 - 9:30

p.m. Farm Centre, Charlottetown

http://www.gov.pe.ca/af/agweb/events_calendar/displaylinks.php3?event_id=1115