



ADAPT Council Industry Newsletter

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Adapting to Changes in the Way We Do Business

PEI ADAPT Council Annual General Meeting

Monday March 13 - 14, 2006

Confederation Arts Centre

Charlottetown, Prince Edward Island

8:30 - 10:00 a.m. Annual General Meeting
10:00 - 4:30 p.m. National Issues and Opportunities Meeting
6:00 - 9:00 p.m. Reception and Project Showcase

ADAPT provides funding, to the agriculture and agri-food industry designed to foster solutions to emerging issues, capturing market opportunities, and policy development. If you have an idea to share or a project proposal to explore then come to this event.

REGISTRATION IS FREE and is open to anyone with an interest in the future of the Island's agriculture and agri-food production. However, space is limited. To register call: 368-2005.

Monday March 13

8:30 - 10:00 a.m.

PEI ADAPT AGM :

ACAAF Executive Directors, Chairs and Board Members

10:00 a.m - 10:30 a.m.

Issues and Opportunities Registration

10:30 a.m. - 12:00 noon.

**Production and Marketing Issues and Opportunities -
'Strategies for a Sustainable Future'**

Fred Kirschenmann, Leopold Center for Sustainable Agriculture
Tom Henry, editor Small Farm Canada magazine; 'Farm
Marketing: What Works Isn't Always What Feels Right'
Q&A/Discussion

12:00 - 1:30 p.m.

Lunch

'Challenges of Developing On-farm Value Added Products'

Speaker: Matt Hardy, Maritime Soycraft & Farmer

1:30 - 2:30 p.m.

Food Policy Issues and Opportunities - 'What's in Store'

Jeannie Cruikshank, Canadian Council of Grocery Distributors
Dr. Carolanne Nelson, UPEI Research, & Bio-Alliance Network
Q&A/Discussion

2:30 - 2:45

Nutrition Break

2:45 - 3:15

'The Agri-Food Revolution in China'

Atlantic Agriculture Leadership Program

3:15 - 4:30 p.m.

**Issues and Opportunities for Young and New Farmers in a
Sustainable Food System**

Speakers Panel: Fred Kirschenmann, Tom Henry, Matt Hardy

6:00 - 9:00 pm

Reception PEI ADAPT Project Showcase

7:00 - 9:00 pm

Entertainment

Scott Parsons Jazz Trio

Tuesday March 14

9:00 - 12:00

ACAAF COUNCIL MEMBERS ONLY

ACAAF Program Issues and Opportunities

1:00 - 5:00 p.m

ADAPT Project Tours

Small Farm Canada Magazine Editor To Focus on Niche Marketing at PEI ADAPT

Meeting March 13, 2006 By Andy Walker

While the conventional wisdom for many years was farmers had to "go big" in order to survive, Tom Henry is seeing signs that line of thinking is disappearing.

Henry, a British Columbia based family farm, is also the editor of Small Farm Canada. He will be one of the keynote speakers at the national issues and opportunities conference being staged by the P.E.I. ADAPT Council March 13 at Confederation Centre of the Arts.

His address to the conference will focus on how small producers can develop niche markets.

Henry said while organic producers have been especially efficient at capturing such markets, he said the concept applies can apply equally well to conventionally grown crops.

The key, he said, is having a specialized products. Henry said the marketplace will pay more for such products. Henry knows about the conversion to speciality marketing first hand— he grew up on a grain farm in northern British Columbia, and he eventually took over the operation.

However, he said he eventually found his operation at a crossroads— he had to make a significant expansion or get out of the grain business. He chose to diversify into market lambs.

Henry said one lesson producers have to learn well is to offer a product the marketplace wants— not necessarily what is easiest to produce.

Small Farm Canada is now celebrating its second year. He explained the driving force for the magazine was to fill a niche in the marketplace. While there were publications dealing with the organic industry and various commodities, there was nothing geared specifically to small farms.

Now, the magazine has subscribers in every province including close to 300 in P.E.I.

Small farms are in fact the majority in the country. In fact, 53 per cent of the country's farms have an income of less than \$55,000 and a further 14 per cent have an income of between \$56,000 and \$100,000.

Henry said the magazine is designed to give small farmers a chance to share their successes and challenges. In a recent survey done by the magazine, 44 per cent of its readers identified themselves as conventional farmers with only seven per cent certified organic. A further 29 per cent were classified as "non-certified organic."

While he has been in the Maritimes before, this will be his first trip to the province and he is looking forward to the conference. He added "it will provide an opportunity for an exchange of ideas and I look forward to the discussions.

AgraPoint Further Builds Food Safety/Quality Assurance Team

Kentville, Nova Scotia and Souris, PEI - AgraPoint has significantly enhanced its ability to offer leading edge professional food safety and quality assurance services with the appointment two new team members.

Rich Simmons of Rubun Technologies Consulting has joined AgraPoint as Director of Quality and Food Safety with Kendra Heffel undertaking the role of Food Safety and Quality Assurance Specialist.

Mr. Simmons will head up AgraPoint's new Quality and Food Safety Division and Kendra will work from a new AgraPoint office located in Prince Edward Island. The appointments are effective immediately. They are joining Niki Petrie, AgraPoint's Food Safety Specialist, to build the most comprehensive food safety and quality assurance team in Atlantic Canada.

We are pleased and lucky to have professionals of Rich, Kendra and Niki's calibre to build this very important division,² said AgraPoint CEO Dale Kelly. ³These two new additions to our team and the development of this new division will mean AgraPoint is a key player in providing food safety services on the farm and post farm-gate. It is our goal to be one of the dominant consulting firms with this skill set in Atlantic Canada.²

The food industry is being asked to do more than ever in the area of food safety and HACCP because the industry is demanding it,² said Simmons. ³These programs are large in scope and affect all areas of a farm or company, whether a small fruit packer or a global corporate giant. At AgraPoint Kendra and I are very much looking forward to providing the industry with training, plan development and auditing services that will help clients move forward with their food safety and quality assurance programs.²

Simmons brings a wealth of knowledge from his 24 years in the food industry, having worked on over 25 HACCP system plans for companies across all sectors including red meat, beverages, fruit and vegetable packing, and food processing industries. For the past three years, he has been a Food Safety and Quality Systems Auditor for the Guelph Food Technology Centre (GFTC) where he performed over 100 audits for major retailers and the GFTC/AIB HACCP Accreditation Program. Simmons has also delivered GFTC training in the areas of HACCP for Managers, HACCP for Supervisors, HACCP I, II, IV and V both publicly and privately.

Simmons will work from AgraPoint's Kentville office and Heffel will work from Souris, PEI.

Make Money Producing Milk

That title pretty much sums up the purpose of a series of three workshops being planned for mid-March by the Dairy Industry Participants Committee. The committee has received \$3,450 from the P.E.I. ADAPT Council (which administers the Advancing Canadian Agriculture and Agri-Food program in the province for Agriculture and Agri-Food Canada.

Committee spokesman Fred VanderKloet is promising participants a session that will have direct impact on their own farms. That's because participants will be using production data from their own farms and seeing how those production numbers can change if certain practices are followed.

VanderKloet said the concept has already been used for several years by the Quebec dairy industry with very positive results. He said the sessions will be facilitated by a dairy specialist from that province.

"All too often if a producer goes to a workshop, they often hear something abstract they must then apply to their own operation— just because it worked somewhere else doesn't mean it will work in P.E.I.," he said. "This is very different— they will be working with the numbers from their own farm and they will have a chance to see how altering some production practices impacts the bottom line."

The first session is slated for March 14 at the Slemon Park Inn, and there will be similar workshops March 15 and 16 at the Dutch Inn in Cornwall. VanderKloet said the sessions will run from 9:30-3:30 p.m.

"There has been a fair amount of interest and producers are really excited," he said.

VanderKloet said the industry participant's committee is composed of three groups— P.E.I. Artificial Breeders Association, the Atlantic Dairy Livestock Improvement Group (which is the

group in the province that tracks milk production) and the P.E.I. Holstein Club. The committee has held several joint workshops in the past on topics of interest throughout the industry. The dairy specialist with the P.E.I. Department of Agriculture, Fisheries and Aquaculture said technology is rapidly changing the dairy industry and it is important producers receive the information they need to keep on top of those developments.

Canadian Organic Dairy Update

The following is an update of the status of the organic dairy industry in Canada as of Dec 2005. The gathering of this information was a part of an ADAPT funded project, where Purity Dairy and co sponsors received funding to increase the local dairy industry knowledge and awareness of the opportunities presented by organic dairy production.

Market Facts and Opportunities

- Sales of conventional dairy products sales are down, except cheese and yogurt
- Organic dairy sales up 30% (Organic Meadow does 75% of all sales nationally)
- Organic dairy sales are 3 % of total dairy sales in Can. (U.S. organic is 5% of the total)
- 4 litre jug of organic milk in Ontario sells for \$9.29, approx. twice the price of non organic
- Organic dairy prices vary with the product and the locality of sale, on average a 50 - 75% premium for the product at retail is common
- Metropolitan centers are very significant markets for organic dairy products
- Halifax has become such a market in the Maritime region
- Current production trends, industry predicts a significant shortfall of organic milk by 2007, this may actually occur in 2006
- Now new markets opening with no product to fill them
- Organic milk in Canada is largely produced in the middle and shipped east and west.
- There is no Maritime production.
- Europe has a general over production of organic milk and is positioning itself to supply the under supplied Canadian market
- Danishare investing in Canadian dairy companies with distribution capabilities
- Danes are presently importing organic dairy into Canada up to the allowed 5%, with the objective to ship more given Canada cannot meet local demand.
- Ontario has two processors, Harmonie and Organic Meadow
- Organic Meadow paying 18 % premium for milk, about 12 cents more per liter
- Dec 2005, organic producers received additional quota, no charge from DFO

- Quebec – several processors for organic milk. The Federation, as of Feb 06, is paying \$19/hectoliter or 19 cents/liter. Organic producers received additional quota (Feb 06)

The 3 main deterrents to developing a local organic dairy industry are:

1. Animal Health - The farmers are concerned they will not be able to maintain their herd health under organic production. The lack of support from the conventional veterinary industry to provide expertise in alternative type treatments is limiting growth.
2. Crop Production - Farmers are concerned they would not be able to grow their crops without herbicides and commercial fertilizer. This is changing as there is more support by the research community all the time.
3. Premium Paid – There is a minimum required before producers will convert. The recent increases to 18% premium and quota incentives have really reduced this factor.

Conclusions:

Organic dairy is a real opportunity of Maritime producers now. If the industry does not produce the milk locally, people from outside will fill the market and the opportunity will be lost.

Roger Henry Feb 06

Issues and Opportunities

Indian Government Sets up Committee to Investigate Incidences of Bird Flu

India's leading farmer organization Bharat Krishak Samaj is deeply concerned over the recent incidence of Bird Flu in 18 corporate and large poultry business firms in Navapur in Maharashtra and in adjoining Gujarat. This incidence of Bird Flu in large poultry business firms, if not controlled in time, may spread to nearby villages affecting farmers rearing poultry.

Bharat Krishak Samaj and All India Kisan Sabha (of C.P.I) supports the ongoing culling operations undertaken at the instance of the govt., in 18 affected poultry business firms. It also hails the govt. decision to set up a committee to enquire into the causes of the incidence of Bird Flu. But, Bharat Krishak Samaj would like to question as to why such incidence occurred only in large poultry business firms, rearing mostly exotic crossbreed poultry and not on indigenous poultry birds reared by the village folks. This, shows that indigenous birds are resistant to Bird Flu virus and hence its rearing should need more support and encouragement from the govt.

Bharat Krishak Samaj and All India Kisan Sabha (of C.P.I) would like to appoint that the incidence of Bird Flu in large poultry business firms is due to mismanagement and intensive farming. The farmers who are rearing poultry birds are now faced with the problem of likely infection of the virus on their

birds. The large poultry business firms has therefore, placed the farmers at a disadvantage. This incidence has brought to light the fallout of intensive poultry farming carried out without any hygienic control by the large poultry business firms.

Dr. Krishan Bir Chaudhary Executive Chairman of Bharat Krishak Samaj and Atul Kumar Anjaan General Secretary of All India Kisan Sabha (of C.P.I), therefore want to suggest that the panel constituted for proving into the causes of the incidence of Bird Flu to consider the following points:-

1. There was a reported incidence of low Avian Flu in January, 2003 in Barwala & Gurgaon region in Haryana. Samples were tested in High Security Animal Disease Laboratory in Bhopal. Test proved the presence of H7N1 Virus which is less dangerous than H5N1 Virus which is prevalent in the country today. Though, the H7N1 Virus is low pathogenic in nature the laboratory and the govt. said it is non pathogenic in nature. This is an irresponsible behavior on the part of both the govt. and the laboratory. Further, no action was taken to contain the spread of the low pathogenic H7N1 Virus reported in January, 2003. There is a possibility that this H7N1 Virus might have mutated into the dangerous H5N1 Virus and caused the outbreak in Navapur and surrounding areas.
2. The Financial Express on February, 23rd 2006 quoting the New Scientist said, "That the dangerous Bird Flu of H5N1 Virus was circulating among poultry birds in south-east China for over a decade. This virus migrated to Turkey, Vietnam & Thailand. There is a possibility that this virus might have migrated to India also.
3. Navapur and adjoining areas which witness the recent outbreak of Bird Flu has no presence of migratory birds. There is no wildlife sanctuary nearby. From where the Bird Flu virus came from?
4. There is no effective checks for quarantine and sanitary and phytosanitary measures for imported food items, birds & animals and plants at the point of entry. Owing to this situation imported products carry different exotic pests & disease. There is a possibility of Bird Flu virus entering the country through such imports.
5. There are reported cases of Venkateswara Hatcheries supplying unlabeled vaccines to farmers and their farm workers for containing Ranikhet disease. These vaccines were not tested, labeled and supplied illegally. These vaccines might have been responsible for the present incident.

Starting a Farmers' Market the Right Way

For the farmers to come—and customers to be happy—start with a clear goal, a sound business plan and sharp people who know what they are doing.

By Andy King for New Farm Magazine (2/16/06)

You need both vendors and customers to make a market work. Make sure you don't neglect one for the other.

If you are trying to start or turn around a farmers' market, it's easy to get distracted by all the possibilities of signage and events and promotions. Before you order your banners, though, make sure you've mastered the basics. Each step should set the foundation for the next to make sure things unfold as planned on opening day—and finish strong at the closing.

The following are the basics to start or save your farmers' market:

1. Every business needs a business plan, and that includes your market. You should write your bylaws and vendor application as soon as your plan is complete. Review all three documents to make sure there are no conflicts. Remember the bylaws are the rules you use to achieve the goals set out in your business plan.
2. Find a minimum of eight qualified vendors (producers who can make a living selling their products).
3. Offer a broad spectrum of products (honey, baked goods, fruit, flowers, meat, eggs, milk, cheese and produce).
4. Try to balance the number of vendors with the anticipated number of customers. A good balance will keep both customers and vendors coming back.

Okay, you already had these four steps in mind. So when do you write your business plan? How do you find the qualified vendors with a broad spectrum of products? What is the right number of vendors for each type of product?

Market planning

At your first market meeting, you must decide what you are trying to accomplish. Your primary goal may be to supply fresh produce to inner-city residence or it may be to provide the freshest high-quality produce to suburban customers with more disposable income. Different distinct goals such as these will greatly shape your planning and recruiting.

Once planners agree on a goal or set of goals, it's time write your business plan. Make sure to set major milestones—determining the location of your market, minimum number of vendors—and the timeline to reach each.

Follow up by creating market bylaws—the set of governing rules that will assure the market operates in a way that will allow it to achieve its goals. The rules need

to enable vendors to be successful individually so that the market succeeds overall.

Finding the vendors

How are you going to locate the types and number of vendors you need? Not all farmers' markets are open on the same days, so pick some that are on different days than your market. (The USDA has a great website for locating farmers markets www.ams.usda.gov/farmersmarkets/map.htm in your area.) Take the time to go to those markets and talk to their vendors. Ask if they know of anyone looking for additional market days. Search the web for sites that list producers (try The New Farm Locator) and contact vendors in your area. Call the agricultural associations and extension agents in your state and ask them if they can help you locate possible vendors for your market. Run an advertisement in your local agricultural newspaper. Visit any agricultural colleges in your area to see if you can place a notice on their bulletin boards. Check with local stores that carry produce from the community and region.

Why vendors should chose your market

Just as customers are looking for a good selection of fresh local produce, potential vendors are looking for a constant flow of customers during market hours. You must convince producers that selling through your farmers market will offer them a greater opportunity than other forms of marketing.

Once the vendor is convinced that a farmers' market is the right place to sell their products, you must persuade them to choose your market.

Promise support—tell potential vendors what you are doing to attract customers, and be specific about how you plan to support your producers throughout the season in ways that other markets in the area have overlooked. While many farmers' markets have a market web site, your market's site could offer each vendor their own web page on its site. They could list their available products, pricing and availability on the page you provided them.

Show marketing plans—Let potential vendors know how you are going to promote the market so that it will attract a large number of customers each week. Show them the handouts you have for customers that address issues like buying local.

Build trust—Farmers need to know what makes your market different from the others markets in the area. They need reasons to believe that it may pay for them to invest time away from the farm and other markets to try your market. Give them a copy of your market rules and vendor application. Show them how the rules were set up to help each stand be as profitable as possible.

Open the process—Invite potential vendors to your next planning meeting to enable them to communicate with other vendors. When they come to your meeting, make sure you ask them for their ideas. You want potential vendors to know that you consider their input and ideas important.

Once they decide they want to join, request that they fill out an application that tells you everything you need to know to determine whether they fit the quality, product and character role of the market. Make the form just long enough to work, and allow them to express the individuality of their operation.

Which vendors should you choose

You found a number of possible vendors and you can convince them to choose your market. How do you select which ones you want?

Think about what your market needs to be successful in attracting and satisfying customers throughout your season. Give serious consideration to establishing your market as producer only; in other words, you can only be a vendor if you grew it or made it yourself. This model supports the local economy and offers customers a face-to-face relationship with the person who grew their food, two primary reasons more and more people are supporting farmers markets with their food dollars. Produce resellers, aka hucksters, tend to bring down the prices for the products they sell. Remember, your farmers need to make a profit if they are going to stay in business. And you can exercise better overall quality control when the producer of a product is the person selling that product at your market.

The following should help you to set up your criteria:

- Determine which products your market needs, so your customers feel they have the diverse selection they want.
- Estimate how many vendors it will take to provide the quantity of each product your market will need.
- Review the applications. If a vendor has a product you need, are they able to supply your market from the beginning to the end of your season? If so, can they meet your demand for quality and presentation?

Find out if the vendor is selling at any other markets and which ones. Ask people at the other markets if the vendor is dependable and cooperative. What's the quality of their products, and is it consistent? Farmers' market customers like to talk to vendors. Make sure the vendors you are considering are friendly and willing to engage your customers when conditions allow.

Once you've got the people with the products you need—willing to work creatively within the rules you set that will accomplish the market's goals—you're ready to launch the season and find out if you have a market that

works.

Atlantic Value Chain Conference – March 28 & 29, 2006 – Dartmouth, Nova Scotia

This one and a half day conference will introduce the value chain approach to the agriculture and agri-food industry in Atlantic Canada and will feature a number of national and international speakers who will share perspectives and experiences on value chain strategies. The program will present new ideas and thinking on trends and the role of value chains in the agriculture and agri-food sectors. Over 175 industry stakeholders are expected to attend. Registration fees are \$200.00 on or before March 06 and \$250.00 after (HST included). For more information and to register, contact Shawn Ingraham, Conference Coordinator, at 902-426-2548