



ADAPT Council Industry Newsletter



Vol. V; No. 8

March 22, 2006

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Report on: Issues and Opportunities Meeting: ‘Adapting to Changes in the Way We Do Business’ Charlottetown Confederation Centre, March 13, 2006

The 2006 ADAPT Council AGM and National Issues and Opportunities meeting attracted ACAAF representatives from every region of the country as well as industry participants from all sectors of the value chain including producers, retailers, chefs, processors, marketers, researchers plus interested consumers provincial government representatives and staff from Agriculture and Agri-Food Canada in both Ottawa and Charlottetown. Over 130 participants congregated at the Charlottetown Confederation Centre on Monday March 13, 2006 to hear an array of interesting speakers offer advice on how to “Adapt to Changes in the Way We Do Business,” and to celebrate the many successful initiatives to which the PEI ADAPT Council contributed with funding from the Agriculture and Agri-Food Canada, ACAAF Program. It was the best attended meeting the Council ever hosted.

Fred Kirschenmann, Farmer and Distinguished Fellow at the Aldo Leopold Centre for

Sustainable Agriculture led off the day with a message, “If you want to, you can still farm.” However, his message was framed in the context of threats, opportunities and challenges that new and existing farmers must recognize.

For agriculture to be sustainable four types of capital are required:

1. Ecological capital. (land must be used well— ecological health)
2. Human capital. (people who use the land must know it well)
3. Social capital. (must be highly motivated to use it well)
4. Financial capital. (must be able to afford to use it well)

He categorized four types of capital that are limiting people from farming “well.” First among these mentioned are ecological threats to human and environmental health and he advised us not to be misled into believing that an easy solution lay in adopting alternative forms of energy without first adopting the highest forms of energy conservation and stewardship.

What does it take to “maintain” productivity?

“... If agriculture is to remain productive it must preserve the land, and the fertility and ecological health of the land; the land, that is, must be used *well*. A further requirement, therefore, is that if the land is to be used well, the people who use it must know it well, must be highly motivated to use it well, must know how to use it well, must have time to use it well, and must be able to afford to use it well.”

—Wendell Berry, “Nature as Measure” 1990

The second form of capital Kirschenmann outlined was human impact caused by the lack of knowledge, awareness and political will to implement the progressive changes that are necessary to allay further catastrophe.

United Nations “Millennium Ecosystem Assessment Synthesis Report, 2005”

Developed by 1,360 leading scientists from 95 countries.

Core Finding: Over the last half century, humans have polluted or over-exploited two-thirds of the earth’s ecological systems on which life depends, dramatically increasing the potential for unprecedented and abrupt ecological collapses. Approximately 60% of the ecosystem services evaluated are being degraded or used unsustainably. Most ecosystem changes were the direct or indirect result of changes made to meet growing demands for ecosystem services — in particular the growing demands for food, water, timber, fiber and fuel.

The third, Social Capital is a limitation caused by social decay, the loss of community and sense

of belonging to a place; a need which our ancestors recognized as vitally important.

“The real question, for anyone truly concerned about our future, is not *whether* change is going to come, but whether the shift will be peaceful and orderly or chaotic and violent because we waited too long to begin planning for it.”

— Paul Roberts, 2004. *The End of Oil*

The fourth area of concern was the shifting economic capital, changing values and the overwhelming realization that the status quo was not sustainable. Here he recommended that everyone read the new book by John Thackara, titled: *In the Bubble*, MIT Press, 2006.

How Shall We Now Approach the Future?

“Is it possible to replace current technologies based on fossil energy with proper interactions operating between crop/livestock and other organisms to enhance agricultural production?”

If the answer is yes, then modern agriculture, which uses only the simplest biotic responses, can be transformed into an alternative system of agriculture, in which the use of complex biotic interactions becomes the key technology.”

--Masae Shiyomi and Hiroshi Koizumi, *Structure and Function in Agroecosystem Design and Management*. 2001

When, Kirschenmann returned in the afternoon he spoke with a message of hope and optimism. He provided numerous examples of farmers who are forming networks and empowering themselves with shared values and new market opportunities. Rather than selling a commodity these new and “renewed” farmers are selling a story about themselves and their crops. They offer a romantic ideal and a sense of personal trust which reconnects the consumer to the producer of their food.

Flanking Kirschenmann in both the morning and afternoon was the editor of Small Farm Canada Magazine, and sheep farmer, Tom Henry. Tom caught the attention of the audience by presenting a series of products and facts that are contributing to the #1 health issue in Canada today, obesity. The average North American walks only 300 metres per day and since the mid 1970's, the consumption of pop has exceeded milk. If trends like this continue, according to Henry, health care costs will consume the entire federal budget within the next decade.

Tom Henry sees opportunity in the face of these health issues. He says that farmers are starting to make new advances into health care facilities, schools and public institutions with local, fresh and healthy alternatives to what had become the bedrock of highly refined processed “fast” food.

Member of Parliament of Canada, the Honourable Wayne Easter, welcomed our guests to PEI

during a mid day meal of nutritious Island grown and prepared foods. His message was to encourage farm leaders to work on assisting government to develop new policies and strategies for empowering the producers position in the marketplace and for developing a global standard for food safety and quality.

PEI farmer, Matt Hardy, was introduced immediately after dinner. His family grows soybeans and produces value added products including tofu and soy nuts. He explained that there are difficult challenges in developing new products, finding markets and financing new ventures in value-added processing. However, the rewards are that the farm is empowering itself with greater control over pricing, helping the community and creating a new viable business that employs both family members and neighbours.

Jeanne Cruikshank, V.P. Canadian Council of Grocery Distributors (CCGD), led a discussion that identified the trends that her association's members are experiencing, at the retail level. The marketplace for CCGD consists of consumers whom demand products that are cheap, convenient and fast. While the stores often want to promote "local" (defined as foods grown within 50 Kms of where it is sold), Jeanne explained that this is often difficult with a clientele that expects a wide variety and constant supply of goods 12 months of the year. Rather than trying to compete with the multi-national suppliers which provide what the retailers need, Cruikshank suggested that other, non traditional products might offer opportunity to smaller producers. One opportunity she identified was the growing trend in high end pet foods.

Carolanne Nelson, a research scientist from the University of Prince Edward Island also presented new opportunities that growers might have by working with scientists in the emerging field of nutraceuticals (extracts from foods which can be manufactured into numerous health products) and "functional foods" (natural products with additives that provide enhanced nutrition and/or health benefits). Her department's specific research is looking at new products from rosehips, cranberries and blueberries.

Also on hand were two participants of the Atlantic Agriculture Leadership Development Program, Lorraine MacKinnon and Gerard Mol. Their group recently returned from a investigative tour of agriculture in China. During their presentation, Lorraine and Gerard, explained that China is currently Canada's 2nd most important trading partner. Within the next 10 - 20 years economists expect China to be the world's leading economic trading partner. To attain this status China is attempting to pace its rapid growth while monitoring its supplies, replenishing its reserves, stabilizing prices and retaining agricultural self-reliance. When responding to the question of whether China should be perceived as a threat or an opportunity the speakers pointed out that with nearly one third of the world population, China will continue to be a region of rising standards of living and its people will be looking to import more food and value added products each year. However, they also cautioned that many ecological, human, social and global economic threats (similar to those outlined earlier by Fred Kirschenman) make China an uncertain and risky market opportunity for anyone not already well experienced with international and particularly Asian trade.

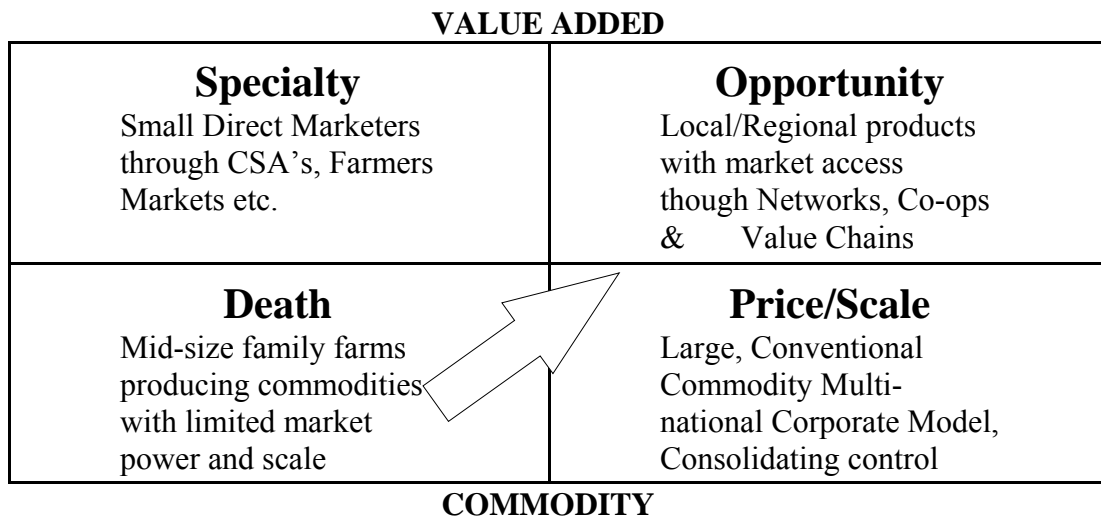
While each speaker provided a captivating and informative presentation. The buzz over coffee and informal discussions late into the night was on the information and perspectives that keynote

speaker, Fred Kirschenmann provided. During the morning session, he told the story of a Japanese rice farmer who practiced a traditional way of growing rice. By eliminating the use of pesticides he was able to reintroduce ducks, which ate the insects; and fish, which provided nutrients to the field. As a result his production costs went down. The quality and yield of the rice went up and rather than producing just one crop, the rice paddy also produced duck meat, eggs and fish; as well as fruit from trees which were able to be reintroduced around the perimeters of the rice paddies.

The point being made was not to grow rice but to understand the symbiotic relationships of the rice, duck and fish as a metaphor for systems that can work anywhere when you mimic nature. Kirschenmann was challenging us to use knowledge to enhance the beneficial relationships that occur in nature rather than attempt to dominate nature with artificial inputs.

In the afternoon, Kirschenmann defined what he calls the dying “Agriculture of the Middle;” a sector which makes up the majority of farmers. He identified them as being too big to take advantage of niche markets and direct sales to consumer, and too small to compete with global multinationals whom can consistently supply cheap products to markets anywhere in the world.

“Agriculture of the Middle” is a sector that is witnessing the demise of farming due to low returns in commodity pricing and the absence of market power. The solution for those who want to continue to farm, explained our guest speaker, was for mid size farmers to form networks, co-operatives and value chains which give them ownership and renewed power with value added products that can supply both regional and, when necessary, global markets. (See chart below



Principles to Guide Us Toward a Post-industrial Agriculture.

Farms of the future will need to:

1. be energy conserving,
2. feature both biological and genetic diversity,
3. be largely self-regulating and self-renewing,
4. be knowledge intensive,
5. operate on biological synergies,
6. employ adaptive management,
7. feature ecological restoration rather than choosing between extraction and preservation, and
8. achieve optimum productivity by featuring multi-product, synergistic production on limited acreage and nutrient density.

"It was inevitable and no doubt desirable that the tremendous momentum of industrialization should have spread to farm life. It is clear to me, however, that it has overshot the mark . . . it is generating new insecurities, economic and ecological, in place of those it was meant to abolish. In its extreme form, it is humanly desolate and economically unstable. These extremes will some day die of their own too-much, not because they are bad for wildlife, but because they are bad for the farmer."

-Aldo Leopold, "The Outlook for Farm Wildlife," 1945

In the Bubble: Designing in a Complex World, by John Thackara; MIT Press
(Recommended reading by Fred Kirschenmann)

Review:

We're filling up the world with technology and devices, but we've lost sight of an important question: What is this stuff for? What value does it add to our lives? So asks author John Thackara in his new book, *In the Bubble: Designing for a Complex World*.

These are tough questions for the pushers of technology to answer. Our economic system is centered on technology, so it would be no small matter if "tech" ceased to be an end-in-itself in our daily lives.

Technology is not going to go away, but the time to discuss the end it will serve is before we deploy it, not after. We need to ask what purpose will be served by the broadband communications, smart materials, wearable computing, and connected appliances that we're unleashing upon the world. We need to ask what impact all this stuff will have on our daily lives. Who will look after it, and how?

John Thackara, described as a "design guru, critic and business provocateur" by Fast Company, is the Director of Doors of Perception, a design futures network based in Amsterdam and Bangalore. He is the author of *Design after Modernism*, *Lost in Space: A Traveler's Tale*, *Winners! How Successful Companies Innovate by Design*, and other books.-- Fast Company

This Is Hospital Food? Hospitals starting to follow their own advice on healthy eating.
Excerpted from: Leslie Cole, *The Oregonian*

Hospitals are starting to follow their own advice: In order to be healthy, your food and environment should be that way, too.

Food-service managers are tweaking cafeterias to look more like restaurants, pushing recyclables and trimming kitchen waste. They're serving patient meals in the style of hotel room service, and looking for ways to get locally grown foods and hormone- and antibiotic-free milk and meat on their menus. Some are even rethinking the contents of the hallowed hospital vending machine.

"What I'm hearing is, they are increasingly seeing food as a treatment issue and not necessarily as a cost center," says Scott Exo, executive director of Food Alliance, a nonprofit organization that's working with hospitals to get more local, sustainably grown food into their supply chains.

Purchasing plans call for buying more local products, steering clear of pesticides and antibiotics, and reducing or eliminating waste. Some food service-directors are thinking more like restaurateurs.

At Hermiston's Good Shepherd Medical Center, patients order meals room-service-style, and all the cooking is done from scratch, with fresh, organic and sustainably grown meats and produce.

Nancy Gummer, the hospital's nutrition services director says, "Staff stays busy from 7 a.m. to midnight, trimming broccoli for stir-fries, dicing tomatoes for fresh salsa, mashing avocados for guacamole. They're grilling fajitas when orders come in, toasting and grinding flax seed for the salad bar, making pots of chili from scratch."

The registered dietitian says she makes her decisions by asking a few simple questions: "What's the healthiest food I can feed these patients? How can the food we buy contribute to the health of the environment we're living in?"

She's serving more meals now, around 15 percent more. Patients ask for recipes, and nonpatients can, and do, eat here as well, calling in orders and swinging by the hospital to pick them up. Her 26 employees are busier, but happier, she says.

However attractive buying from a local farmer might seem, it's not always realistic for big institutions.

"We're very much at the beginning of this conversation," says Suzanne Briggs, a Portland consultant hired by Kaiser to help with local-food purchasing. "Part of it is, how do we buy from local farmers? How do we get the distributors to support local farmers? How do they design their menus to take advantage of the local produce?"

Even if they could get fresh broccoli and spinach from the farmer down the road, many hospital kitchens -- designed for reheating, not cooking -- aren't set up to handle it. They need refrigerated space to store it, sinks to clean it, counters to chop it and staff to do the work.

New Opportunities In Out-of Home Food and Drinks Consumption

Consumer eating habits continue to evolve away from three core meals per day consumed within traditional windows. In 2005, the Out-Of-Home food and drink market was worth US\$706 bn in Europe and US\$515 bn in the US. Time constraints are universal across all OOH occasions, but marketers must understand that health, taste and variety are becoming equally important.

Scope of this research:

- Quantitative data outlining current and future value of out-of-home food and drink consumption by country
- Data and analysis on mealtime occasions - core, light and missed - broken down by country
- Quantitative data covering eating habits such as location, meal preferences, and preparation

times

- Detailed action points offering practical strategies based on the trends and insights analyzed in the report

Rationale of this research:

- Understand the attitudes driving the consumption of food balanced against convenience
- Improve your marketing strategy by targeting the most profitable occasions and their accompanying need states
- View best practice examples of targeting time-starved consumers with practical products that go beyond a convenience positioning

Highlights:

Consumers feel like they have less leisure time due to work commitments and patterns of commuting. They seek products and services that give them time and social interaction.

Breakfast is a key Out-Of-Home occasion as the number of skipped breakfast continues to rise in Europe and US. Consumers can achieve many benefits from regular breakfasts but only recently have products become focused in their conception and targeting.

Light meals are an important trend to follow as core meals are becoming more fragmented due to lack of available time and snacking compensates by becoming more substantial and nutritious.

For a complete index of this report click on:

<http://www.researchandmarkets.com/reports/c/51ff6b/30cb/>

Biomass Furnace to Burn Round Bales

Atlantic Outdoor Hot Water Furnace Manufactured in Pictou, Nova Scotia may be the most fuel efficient and safest solid fuel burning appliance in the world. Biomass from grass is recognized as a relatively inexpensive, source of energy that renews itself every year.

The furnace burns large round bales of hay which the company claims will burn hay down to the last straw with every little smoke. 1-2 bales a week will heat the average size home for less than \$30 to \$40 a week, will heat shops, greenhouses, chicken barns, and hog barns etc.

Regular model heats up to 3000 sq. ft. Complete with automatic temperature control, pressure temperature gauges, circular pump and relief valve, the manufacturer offers a 10 year warranty.

These furnaces are not new technology. They have been operating for 27 years without a problem. However, with the recent increases in petroleum based fuels, the Bio-fuels are experiencing renewed interest.

For more information and brochure, Ph. (902) 485-9348 Gus Swanson, R.R.3 Pictou, N.S. Price of furnace, circulator pump, and all controls \$3,500.00; larger size \$5,500.00.

Soft Drink Sales Fall for First Time in 20 Years

Sales of carbonated soft fell last year for the first time in nearly twenty years; according to Beverage Digest, a industry journal which tracks consumer trends.

“The carbonated soft drink business has basic fundamental problems,” said John Sicher, editor of Beverage Digest. “This is the first generation of children that are going to grow up not viewing soft drinks as the ultimate treat. They’re growing up on things like sports drinks, water and noncarbonated drinks. As these little kids move into late teens and early adulthood, their drinking habits are going to be different than past generations.”

The rules for success in the soft-drink industry are changing; consumers are cutting back on sugar, drinking more water and watching calories; linking pop with obesity.

The Leadership Files #2

In today's environment agricultural leaders need to be sources of credible information. Their knowledge is urgently required by policy makers and citizens to develop sustainable policies and practices.

To effectively develop a consensus among their peers, build alliances, and move the industry ahead in the 21st century, leaders must continually hone their communications skills and management styles.

This section of the newsletter addresses the need for developing effective communications skills and management styles. It offers a suite of ideas and techniques to assist in developing skills and values that today's emerging leaders need. Each newsletter will address a new situation/issue which calls upon specific leadership qualities. Your feedback, submissions and/or suggestions are gratefully appreciated.

Coping with Difficult Situations

Colleagues will assume there is a problem if:

- meetings are postponed or cancelled without explanation,
- managers meet behind closed doors,
- the workload is reduced without explanation.

Hold information meetings and be honest and plainspoken in your communication.

Solicit ideas from employees. The greater the contribution the greater the buy-in.

Listen and respond to both words and body language of your co-workers.

Evaluate and Measure success by having clear expectations, goals and criteria.

Be the first to volunteer and to sacrifice time.

Be compassionate and empathetic. Treat people with dignity. Always leave a meeting, discussion and/or situation on a positive note.

Asking for and sharing information will lead to dependable plans and relationships.