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AGRI-FOOD SECTOR IN THE POST-PANDEMIC ERA

Final Report:

Investigating the emerging economic impacts on Algoma's agri-food sector in the post-pandemic era

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The purpose of the proposed research was to uncover emergent trends in rural/agricultural real estate and migration within the Algoma region since the beginning of the COVID-19 pandemic and determine what types of impacts these will have on different facets of the local agri-food sector. It was hypothesized that a combination of factors such as labour shortages, heightened real estate prices, and a sudden increase in demand for local food has been putting unforeseen pressures on the agri-food sector which could create conditions less conducive to capital investment and business expansion. Perspectives from a variety of stakeholders, including those from the Anabaptist farming community, commodity growers (e.g. cash crops, cattle), food processors, planners from local municipalities and townships, as well as small farms that provide for specialty/niche markets were taken into consideration.

Benefits of this study could include increased network power related to outreach, increased knowledge from the research undertaken, and financial benefit for the student research assistant who has been hired to support this work. Benefits will also include greater ability for the Rural-Agri Innovation Network (RAIN), municipalities and organizations to prioritize objectives/goals and plan their activities in light of changes in the agri-food sector.

By engaging in the research study, participants were providing valuable information around local trends in real estate and agricultural commodity markets that can help the RAIN better serve rural and agricultural communities through support and programming tailored to local needs. The information provided will be discussed below related to current and future trends in agricultural real estate, potential labour shortages, and demand for agricultural commodities. It will also help to gain a more in depth understanding about how sudden significant disturbances such as the COVID-19 pandemic can affect the local agri-food sector from a mid to long term lens.

Method

Participants

Participants for this study were recruited through a local farmer contact list that RAIN had, information outreach events at local markets, as well as snowball sampling. Participants included larger commodity farmers, niche growers, food processors, maple producers, and representatives from local city/townships. The aim was to include multiple actors from different types of farm businesses to capture a representative sample.

Assessments and Measures

Research questions were suggested by RAIN's advisory committee which is made up of local agri-sector stakeholders. Data collection questions used a combination of yes/no and open-ended questions with participants having a choice of virtual individual interviews, small focus group virtual interviews, or hard copy survey questions with return envelopes. The variety of methods for data collection was due in part from the demographics of farmers involved, including some from local Anabaptist (i.e. Mennonite and Amish) communities, who did not use technology for virtual meetings, to complications with focus groups meetings related to COVID restrictions and repeated lockdowns. Although there were extra logistics due to COVID-19, RAIN was uniquely positioned to reach out to food system actors for interviews due to their local mandate:

The Rural Agri-Innovation Network (RAIN) is dedicated to the needs of agricultural organizations, producers, suppliers and agri-entrepreneurs in Northern Ontario; to enhance the industry by providing a collaborative infrastructure and network that enhances stakeholder capabilities and business growth (rain.algoma.ca).

Although not all questions were answered by every participant, for example planners did not always answer questions #1, 3, 5, 6 etc., interview questions for virtual individual and virtual small focus groups included:

1. What do you produce (crops/livestock) and how many acres do you manage (cleared/woodlot)?
2. What types of trends around Algoma farmland are you seeing from a real estate perspective?
3. If you were to expand your farming operation, would you be more likely to clear/convert land or to purchase/rent land already cleared?
4. What is your perspective on available farmland for expansion in Algoma?
5. Have you had difficulty securing land due to changes in ownership or terms?
6. Have you been renting any land to other farmers? What type of farming are they doing?
7. Do you feel there are opportunities for new farmers to enter the industry to expand, or not?
8. Do you feel that there are growing market opportunities for commodity growers from Algoma?

9. Did you have plans for expansion that were changed due to circumstances beyond your control within the last year?
10. If finding available land or resources will be a challenge, what are your strategies to move your farm business forward?
11. Can you describe any further challenges you're facing in light of the present economic impacts?
12. What do you believe is an important objective that the local agri-food sector should have for long-term planning?
13. Through the COVID pandemic, there were several special funding and financing programs to support producers and processors in the industry. Do you have any suggestions for how agencies could offer support going forward?

Hardcopy survey questions were similar to those of the virtual interviews but did vary slightly to reflect the demographic involved, and emerging themes from virtual interviews and included:

1. What do you produce (crops/livestock) and how many acres do you manage (cleared/woodlot)?
2. If you were to expand your farming operation, would you be more likely to clear/convert land you already own, or to purchase/rent land that is already cleared?
3. Have you shifted production/diversified the types of crops you produce to meet market demand?
4. What is your perspective on available farmland for expansion in Algoma?
5. Do you feel there are opportunities for new farmers to enter the industry and/or expand, or not?
6. If finding available land or resources will be a challenge, what are your strategies to move your farm business forward?
7. What do you believe is an important objective that the local agri-food sector should have for long-term planning?
8. The RAIN sees a regional need for processing of value-added products (preserves, sauces, soups, baked goods, etc.). Do you see where there could be ways that RAIN and producers can best collaborate to fill this gap in processing?

9. Would there be support in setting up a regional co-packer that would process your produce into value-added products (derived from fruits & vegetables)? What would be the right conditions for that to work?
10. Do you have any suggestions for how agencies like RAIN could offer support to farmers in your position?

Additional questions that were unique to interviews with local land use planners included the following:

1. Have there been any recent changes to the Official Plan / By-Laws that have been done to better align the planning area with the Provincial Policy Statement when it comes to agricultural land use?
2. What changes to the Official Plan / By-Laws would be under consideration given the trends in agricultural land use in Algoma/the Province in general?
3. Do farmers want changes to be made with current planning mechanisms in place or should they be further engaged with that process?

Results

There were five themes that were seen across all interviews and one additional theme that emerged based on the additional questions that were asked specifically in the hardcopy surveys.

Theme 1: Labour shortages

This theme was apparent across many individuals surveyed and included struggles to find and retain employees throughout the beginning of the pandemic, increased costs for PPE and difficulties adapting to social distancing protocols. Although this particular theme was seen across many sectors during the COVID-19 pandemic it was particularly important to note here as it increased pressure and demand on farming families to make up for the shortages they were experiencing. One participant expressed that programming which subsidizes farm worker wages could potentially increase their capacity to attract and retain employees, since they would then be able to pay them a living wage without impacting their bottom line. The ability to access parts and services for farm equipment in a timely way was also noted, is crucial, and was shown in multiple interviews to be severely hampering farmers' efforts. Setbacks due to inability to find replacement parts for farm equipment due to supply chain disruptions were commonplace among farmers throughout the pandemic, being able to quickly repair equipment when necessary is critical for larger commodity farmers who rely on tractors for planting, tilling, seeding, etc.

Theme 2: Increased land costs and access issues

This theme was apparent across many individuals surveyed as land costs are trending upwards similarly to other parts of Ontario, but still remain comparatively lower than Southern Ontario. Farm properties are often fragmented, and it is difficult to find larger parcels of land intact. Further to this, Severing houses from plots of land can be a difficult and drawn-out process as Municipalities can be slow to green light certain projects. Participants felt Townships have been slow to recognize agriculture as an important contributor to local economies and official plans and bylaws may be outdated. Planning boards for local townships and the bylaws that exist are generally not conducive to the situation that is specific to Northern Ontario as the guides they are following are often tailored to the realities of the larger scale, sometimes industrial farms that characterize Southern Ontario. During the Rural Ontario Municipality Association's (ROMA) *Teeny Tiny Summit: Renewed, Refreshed and the New Rural*, in partnership with OMAFRA, we heard similar concerns from Southern Ontario smaller rural farming participants that also do not fit the larger agricultural planning models and policies developed provincially ([Teeny Tiny Summit | Rural Ontario Municipal Association \(ROMA\)](#)).

Theme 3: Need for increased development of Algoma's physical infrastructure

This theme was apparent across many individuals surveyed and largely was broken into three sub themes:

1. **Processing:** Equipment is needed to preserve and process food in large batches, making the creation of value added products more accessible, increasing the length of time that perishable goods can be stored. Examples included equipment for flash freezing, freeze drying, dehydrating, canning on an industrial scale. This theme led to the addition of the question related to co-packing facilities in the hard copy surveys to better reflect if this need was seen across various producer groups.
2. **Storage:** Accessible spaces are needed to store food products before bringing them to market. This includes silos for grains, refrigeration, and other cold storage options and in terms of value-added products, relates heavily to theme #1 above. If the Algoma region is going to increase its capacity to create these types of products then the necessary next step is ensuring the capacity to store it until it's able to be brought to market.

Theme 4: Need for increased farm to table networks (farmer to consumer linkages)

This theme was apparent across many individuals surveyed. Although originally linked thematically under infrastructure needs, as all other infrastructure notes were more physical in

nature, individual attention to the social capital related to needing further networks to consumers caused us to relocate this to its own specific theme. Although ‘buy local’ strategies do exist in the Algoma area like RAIN’s Buy Algoma, Buy Local initiative (rainalgoma.ca), we still heard that getting products from the farm to local community members was a struggle from many farmers in the study. Some participants felt that outside of the farmers market model, we need to be finding creative ways to ensure that local products are available and easily accessible to individuals within the community on a regular basis. Further research would be needed to ensure this is not an education outreach issue in which those farmers simply do not know what resources are currently available that they could be utilizing, or if they are using the current approaches but think more or different strategies are needed. There also may need to be educational workshops for some farmers to access newly emerging co-op software platforms and/or to use these technologies to build platforms locally ([Platform Cooperativism Consortium | A hub that helps you start, grow, or convert to platform co-ops.](#)), as well as for other emerging digital platforms to facilitate networking with consumers like Local Line ([Local Line | Start Selling Direct From Farm to Table](#)).

Theme 5: Increasing profits and expansion

This theme was apparent across many individuals surveyed. Consumer interest in local food has grown over the pandemic. This was further discussed as relating to consumer interest in local products as supply chain disruption caused both consumers and retailers to buy from local farmers. This theme does seem to contradict theme #4 above to some degree, but both themes were heard clearly by multiple participants, and again may highlight the need for further educational outreach around resources that are available to bridge to consumers. Expansions have been/are being pursued to match demand but the increasing costs of materials have made this a more expensive undertaking in some cases. Diversification of products offered, and on-farm value added processes were important elements in increasing profits overall. Multiple participants had expansion projects in the works, and some had accessed RAIN’s existing grant programs to fund them. Increasing costs of materials had made these more expensive to complete during the pandemic and diversity in local value-added products is increasing as farmers look to keep up with demand and find new ways to use what they’re growing/harvesting.

Theme 6: Need for increased development of a ‘keep it local’ meat strategy

This theme emerged in relation to the additional questions asked in the hardcopy survey and the particular farming demographic that utilized the hardcopy surveys. The need for improved abattoir services & processing locally was noted. Although a part of the infrastructure theme above, this was also specifically noted related to custom butchering, better cuts of meat generally, and local marketing strategies for meat and lamb specifically as most livestock is being sent to Southern Ontario and meat is then largely imported to the local market. Steps are

being made towards increasing local processing capacity for livestock, such as the establishment of a new abattoir. However, it should be noted that marketing for the finished product is planned to be marketed towards high-end restaurants and butcher shops outside of the north as the farmers investing in this project have realized a different marketing strategy as opposed to selling into the traditional retail sector. RAIN does currently run the The Responsive Advancement for Meat Processing (RAMP) Program (rainalgoma.ca) which will hopefully help with this theme to some degree, but it does need further attention as well.

Theme 7: Provincial planning mechanisms at odds with Algoma agriculture

Within each of the interviews held with local land use planners, challenges between provincial planning mechanisms and regional realities were discussed at some point. One participant expressed that their impression of provincial land use planning is that generalizations are being made for the entire province, especially as it relates to agricultural land use. This feeling was reiterated in another interview, noting how Minimum Distance Separation (MDS) requirements (i.e. the distance required between a livestock facility and other uses, omafra.gov.on.ca) are tailored to and make sense for larger agricultural operations that characterize Southern Ontario farms rather than small or medium sized operations or hobby farms that are more common up north. Another perspective on MDS that was brought up was that farmers' ability to expand in rural areas should take precedence over expansion of residential development in such areas. All interviewees expressed that farmers being more engaged with local and provincial land use planning could be of benefit, however it was also acknowledged that practical and meaningful methods of consultation could be difficult to implement. The Ontario Federation of Agriculture (OFA) is one organization that recognizes the importance of land use policy advocates for the preservation of farmland with representative federations at the county/district level, representing an important avenue for promoting collaboration between policy makers and farmers.

Discussion & Recommendations

The COVID-19 pandemic has had unforeseen positive and negative impacts on Algoma's farming and agri-business community. The themes noted by participants all have foreseeable action steps that could be taken by different key stakeholders in the local agri-sector, including municipalities and other organizations.

Themes #1, 2, 3 & 7 show a need for local development offices, innovation centres and local planners to consider how they can support the local agri-food sector:

- New developments need to keep the agri-food sector in mind. Examples could include silos as a part of any new port / harbour developments, other storage applications at airports, and community level storage hubs, co-packing facilities

for local collective farming uses, more friendly bylaws and zoning processes that support the uniqueness of our local northern agri-food sector, etc.

- Establishing and promoting employment solutions that address gaps in agricultural labour and support farmers in attracting/retaining employees should be prioritized

Themes #3, 4 & 6 show the usefulness of funding and educational programs similar to those RAIN facilitates and also show a need for local development office, and innovation centres to consider how they can support the local agri-sector:

- Support programs offered through RAIN like SNAPP, Buy Algoma Buy Local, and The Responsive Advancement for Meat Processing (RAMP) Program as well as any future COVID-19 relief funding or other mitigation funding to provide participants with capital to expand and sustain their businesses. These types of programs should be continued and expanded.
- Many farmers are looking to lean into growing demand for local food by increasing capacity and diversifying their products which could also be related to further business planning, and educational awareness and educational workshops. This could support building farmers' capacities to use resources that exist and are emerging.
- Increasing support for cooperative ventures including: where farmers co-locate processing and/or packing, cooperative software platform development and/or other digital platform networks.

Theme #7 highlights the importance of advocating for land use planning that is considerate of local farming realities, and establishing provincial mechanisms for regional collaboration:

- The OFA, and more specifically the Algoma Federation of Agriculture (AFA) could work collaboratively with local and provincial planning bodies to ensure that unique regional needs are taken into consideration within the framework for provincial land use planning.
- One example of facilitating discussion between farmers and policy makers took place in Grey County and Bruce County through their respective county federations (CGFA, BCFA). An open meeting was held at the beginning of 2022 that brought together a variety of stakeholders including commodity groups, MPs, MPPS, conservation authorities, and local representatives to discuss pertinent issues (ofa.on.ca)

Closing remarks

The resilience of our local economy relies in part on understanding where leakages and gaps are occurring. This research study shows multiple areas that can be attended to to increase the localization of profits, to increase efficiencies in the local agri-food sector, and to thus increase the development and building of a stronger local economy that will also then be more sustainable. This work will also support the local individuals and farming families that are a part of our food ecosystem in more sustainable ways into the future.

Thank-you to everyone who participated in this study.

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