Food Glorious Food

Previous Martin Prosperity Institute Insights have shed light on some of the issues intrinsically facing rural and small communities in Ontario. Many of these small towns are facing challenges adapting to a knowledge based economy, as their local economies are becoming primarily based upon service class, health and educational occupations. In a recent Martin Prosperity Institute report on Ontario’s rural creative economy, it was discussed how economic challenges relating to lower education rates, lower visible minority populations and lower average incomes are hurting many small towns, making it difficult to attract highly skilled creative workers and occupations. However, economic opportunities exist for these communities as well, with unique strengths which can be leveraged in the creative economy. The growing financial and professional sector related to the mining industry in Dryden Ontario, is an example of a burgeoning creative economy in rural Ontario. A new report by Anne Lee (a doctoral student at the University of Waterloo), Food Clusters: Towards a Creative Rural Economy provides a key look into another one of the ways in which rural communities can succeed in the Creative Economy.

Anne demonstrates in her paper that rural food clusters have emerged as part of a place-based creative economic development that can transform a region’s ‘comparative advantage’ into a ‘competitive advantage’. By enhancing the connection between local food production and consumption, new opportunities have emerged for small and rural communities. While the focus is usually on the 3 T's identified by Richard Florida as key determinants of economic development, there is also a fourth T that is often overlooked. Territorial assets heavily influence cities in the place based creative economy, as local theatre, bars/restaurants and recreation facilities play a role in attracting highly talented residents. Through highly creative activities and creative brand management, a rural or small town can use its assets such as food production as a competitive advantage. The creation of a food cluster is especially advantageous for small towns because it is a two pronged approach. Firstly, a food cluster supports creative occupations through innovation and entrepreneurship, while increasing the amount of higher income jobs. Secondly, a food cluster would increase ‘place identity’ and pride through the development of the local territorial assets, while creating a positive cultural identity. The mix of a highly talented and innovative process of food development along with creative brand marketing of these local territorial assets could enhance the identity of rural towns, in turn stimulating their local economy.

The formation of a food cluster

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Adapted from: Anne Lee’s Food Clusters: Towards a Creative Rural Economy
The graphic above displays what Anne Lee explains throughout her report are the necessary steps in the creation of a food cluster.

In her report, Lee studied the two food clusters of Stratford and Muskoka. For rural areas like these to succeed in the Creative Economy as food clusters, they generally need to be situated close to a large, urban market to support the agricultural and service sectors of the cluster. Agricultural production and consumption also need a highly creative process that creates institutional arrangements that drive the creative development of food clusters. This is necessary, as production alone no longer guarantees consumption. Consumers in Creative urban areas are interested in a conscious consumption of food. Food that is locally produced, environmentally safe and that is healthy has become more important to consumers. Innovation in regards to environmentally safe production, safe transport and nutrient rich foods have been key factors to the creation of successful food clusters in parts of Ontario. A previous Martin Prosperity Institute report displayed that there is a unique demand for local, sustainable and healthy food. Ontario’s food sector grew 2-3% a year over the past ten years, but the creative food economy (local, organic, specialty or ethnic foods) grew around 15%-25% per year. Communication must take place in order to display to consumers what these local food clusters are offering. Leadership and social intelligence is a final key contributor to the success of a food cluster. This is important as government departments, livestock and produce farmers, biodynamic farmers, soil scientists, marketers, chefs and others must collaborate creatively to establish a food cluster that can succeed economically.

The competitive advantage of creating food clusters is no more appealing than throughout the province of Ontario. As we see from Exhibit 2, there is a comparative advantage of produce in Ontario. Ontario has the largest amount of total vegetables produced and the largest amount of vegetable production acres of any province in Canada. Ontario’s vegetable production takes up more acres than every other province combined and the share in Ontario is around 10 times more than every other individual province except Quebec. Looking at figure 2, the province of Ontario has many acres currently allocated for the production of fruit, berries and nuts. Quebec is the only province with larger production. Ontario in return, thanks to the province’s diverse food economy exports $8.5 billion worth of commodities annually, which is 28% of Canada’s total agri-food exports. The food economy provides a great opportunity for smaller towns as the sheer size is quite large and the food and beverage processing sector is the second largest manufacturing sector in the province. With this advantage, as displayed in the MPI’s “from Kraft to Craft” report, creative food enterprises and companies can help reverse rural decline, while improving the health of Ontarians and Ontario land. One example of this is the development and eventual growth of Dare food’s peanut free manufacturing facilities (Kitchener) that has led the company to grow in sales due to its peanut-free innovations.

Creating an integrated food cluster is a way of creating local assets, pride of place and a cultural identity for small and rural areas. Creating a food cluster can also turn a community’s comparative advantage into a competitive advantage through the creation of new cultural products. Increased investment into the development of research and innovative production within local food clusters would help facilitate rural development. A great example of the development within agricultural production in creating a local identity can be found within the city of Guelph and the agricultural research and development centres in conjunction with the university or within the peach and wine development in the Niagara region. Ontario and some of its rural communities would be well-serviced by the creative food economy if they developed food clusters amongst their already high amounts of food production. Through brand management and innovative initiatives with food production and research and development, many rural areas could tap into the urban creative economy by creating a food cluster. The sustainable development and innovation of soil friendly, nutrient rich/healthy and local foods is a distinct advantage that the province of Ontario holds, that could
reshape a town’s social, environmental and economic identity. With a cohesive relationship between a diverse set of people within the process of food production, many rural communities could develop and grow within a place-based creative economy.

For further reading regarding this topic, feel free to follow the links below:

- Food Clusters: Towards a Creative Rural Economy
- From Kraft to Craft: innovation and creativity in Ontario’s Food Economy
- The Institute for Competiveness and Prosperity: Improving Productivity in Canada’s Food Processing Sector through Greater Scale
- The Ontario Table $10 Challenge: A Year of Eating Local
- Cities in the Experience Economy

The Martin Prosperity Institute at the University of Toronto’s Rotman School of Management is the world’s leadingthink-tank on the role of sub-national factors—location, place and city-regions—in global economic prosperity. We take an integrated view of prosperity, looking beyond economic measures to include the importance of quality of place and the development of people’s creative potential.