Food Clusters: Towards a Creative Rural Economy

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Abstract

The purpose of this paper is to present a conceptual model that outlines the formation of a food cluster as part of place-based creative economy development, which can transform places’ ‘comparative advantages’ into ‘competitive advantages’ by emphasizing the enhancement of a local food production and consumption nexus. The conceptual model is descriptive in that it summarizes and generalizes some of the findings of empirical work undertaken in southern Ontario (Stratford and Muskoka), and, at the same time, it is procedural and policy-relevant in that it highlights the resources that are required to establish a creative economy by forming food clusters. Emphasis is given to what needs to be done: i.e., the highly talented creative activity (innovation process) that should be taken to create a food cluster. The conceptual model informs the establishment of a creative food economy that will enhance the attractiveness of a place by strengthening or creating a place identity and image, and stimulate the development of a creative economy.

Keywords: creative rural economy; food clusters; place branding; comparative advantage; competitive advantage
**Introduction**

Drawing from Florida’s (2003) ‘Creative Class’ theory, ‘creativity’ is increasingly being promoted as being a fundamental driver of vibrant economies (Stolarick et al., 2010; and Shyllit and Spencer, 2011). However, most of this discourse has focused on cities in the western world and there is a need to extend these ideas and evaluate their relevance in other settings. In this paper, food clusters are viewed as being a form of creative economy that is particularly suited to place-based development in small towns and rural areas, although not all such places have the same potential and food clusters need not be restricted to such places. Food clusters are playing a vital role in place-based creative economies because a food cluster, itself, is a product within the creative economy. For example, food clusters might be developed in coastal areas based in part on the availability of seafood or in cities drawing upon authentic ethnic cuisines (e.g., ethnic areas in Toronto). However, this paper will focus upon the rural area and small town context although we believe that our ideas have wider applicability.

**Context: Towards a Creative Rural Economy**

In a globalizing world, some argue that places are becoming more and more similar. Paradoxically, however, this is not the case (Florida, 2008) and even small differences are becoming increasingly significant in the development of place-based creative economies. Places that are interested in benefitting from ‘Territorial Assets’ (one of 4 T’s of economic development: Technology; Talent; Tolerance; and Territorial Assets), such as authentic local cuisine, commonly try to find distinctive natural and cultural attributes, which they possess, that can be harnessed to attract new residents, talented entrepreneurs and visitors (Stolarick et al., 2010). Thus, they look for comparative advantages that can be turned into competitive advantages (Ritchie and Crouch, 2003), often through the adoption of a place branding strategy that involves highly creative activities as the innovation process is much more than the creation of a
catchy logo or slogan, but embraces many aspects of product development and marketing (Kotler et al., 1993).

Table 1: The Formation of a Food Cluster

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Facilitators</th>
<th>Outputs I</th>
<th>Outputs II</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural sector</td>
<td>Environmentally friendly strategy</td>
<td>Food products</td>
<td>Development of a food cluster</td>
<td>Creative economy development</td>
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<tr>
<td>(creative industry)</td>
<td>Leadership</td>
<td>Other cultural products</td>
<td>Place marketing and branding</td>
<td>Enhanced attractiveness (place identity &amp; image)</td>
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<td>Primary sector</td>
<td>Stakeholder collaboration</td>
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<tr>
<td>(agriculture)</td>
<td>Communication and information flows</td>
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<td>Tertiary sector</td>
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<td>(service industry)</td>
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Many rural areas and small towns are struggling to arrest population decline and economic malaise through re-invigorating their economies in ways that respect their cultural and artistic atmosphere, are compatible with existing economic activities and do not undermine the ambience that is one of their major assets (Stolarick et al., 2010). The development of a food cluster may be one way of addressing such challenges. Thus, the creation of a food cluster is viewed as being a means of addressing such issues rather an end in itself. Therefore, the food cluster is seen as making a positive contribution to place-based creative economy development in rural area and small town contexts by supporting creative jobs (e.g., entrepreneurship) and incomes, both existing and new, and increasing place identity and pride in place by harnessing ‘Territorial Assets’, including cultural assets that are predominantly available locally.

The conceptual model informs the establishment of a creative food economy that will enhance the attractiveness of a place by creating a place identity and image, and stimulate the creative economy. Emphasis is given to what needs to be done: i.e., the creative activity (innovation process) that is required to create a food cluster (Table 1).
Methods

This research began with the undertaking of thorough literature reviews on economic geography, rural development and place branding. These reviews led to the identification of key factors relevant to the creation of food clusters. The conceptual model was used to guide data collection, interpretation and analysis in a comparative case study of two food clusters in southern Ontario (Savour Stratford and SAVOUR Muskoka). Fieldwork was conducted in Stratford and Muskoka in summer 2011 using a mixed methods approach. Published and unpublished documents were collected and analyzed, official websites were accessed and examined, in-depth interviews with key players were undertaken and field observation occurred through visiting relevant establishments and cultural events, including food events.

Key considerations identified from the research that are important in the development of food clusters will be presented and discussed in the following sections. They reveal the resources, conditions and innovation process that are required for the formation of a food cluster and, therefore, for the establishment and operation of such a creative economy as a form of rural and small town development.

Findings

Inputs. Food clusters are built through the combination of primary sector (agriculture) and service sector (experience economy) activities with strong links to the on cultural sector (creative industry). Ideally, this occurs in an attractive setting (Territorial Asset) that is in proximity to a substantial, usually urban, potential market (e.g., Stratford, Muskoka, Niagara-on-the-Lake, and Prince Edward County, Ontario). Food stuffs and other agricultural products are grown and processed creatively in many rural areas. Sometimes, they may particularly be associated with a place or, as a minimum, they can provide fresh ingredients for the creation of food-based cultural products. In some cases, the local product may be sufficient to form the basis of a substantial creative food economy, as in many winery areas throughout the world, for example, and the case of whiskey distilleries in Scotland (McBoyle, 1996; McBoyle
and McBoyle, 2007). Also, as in the Stratford and Muskoka cases, where substantial creative and experience economies already existed (i.e., cultural clusters through theatrical performing arts in Stratford, and resorts and cottages in Muskoka), food clusters may be developed to complement existing cultural/artistic products in places where local agriculture may not be particularly remarkable (e.g., Muskoka).

Unfortunately, both the primary sector (agriculture) and service sector (experience economy) are seasonal activities, especially in middle latitudes such as Ontario. However, peak seasons for both occur in the summer although they seldom compete for the same labour and blossom leisure activities in the spring and harvest festivals in the autumn may help to support the experience economy in the shoulder seasons. Both residents and visitors constitute a market for local produce, reducing transportation costs for producers, reducing leakages through local purchases, and providing the fresh ingredients for high quality, authentic food products that are compatible with other cultural offerings (creative industries).

**Facilitation as a Creative Process.** The juxtaposition of food production and consumption does not guarantee the creation of a successful food cluster. Rather, a creative process has to be initiated to create the synergistic relationships that are desired. The conceptual model identifies four ‘facilitators’ that underpin the creation of a food cluster: ‘an environmentally friendly strategy’, ‘leadership’, ‘stakeholder collaboration’ and ‘communication and information flows’. Together, they constitute the institutional arrangements that drive the development of creative food clusters. The formation of these relationships and the initiatives that result from them constitute the creativity that stimulates the generation of new linkages, ideas and, indeed, research and development (R&D) and, ultimately, new products. The result is a new chain of supply and production that must be matched with discerning markets to form a creative food economy.

More and more consumers are interested in eating food that is locally grown, of high quality and is produced by responsible farming in ways that respect the environment. The growing interest on organic food and slow food movements
confirm this (Petrini, 2007; Pollan, 2006, 2008; Donald, 2009). Also, residents and visitors are attracted to high quality environments (Croce and Perri, 2010). Thus, environmental friendliness is in line with current cultural trends and unites the interests of certain types of producers and consumers.

Leadership is important in facilitating stakeholder collaboration and ensuring that communication and information flows occur between participants in the cluster. Leadership can come from a variety of sources: government departments at a variety of levels, place brand management organizations and creative individuals such as prominent chefs and entrepreneurs (e.g., ‘Talent’ of the 4 T’s of). Stakeholders include producers such as farmers and those in animal husbandry, service providers such as hoteliers, as well as creative workers such as marketers, prominent chefs, artisans and other entrepreneurs. Communication and information flows among stakeholders can take many forms (e.g., websites, blogs, facebook, twitter, e-newsletters, forums, workshops, meetings and training sessions). Thus, ‘Technology’, another of the 4 T’s, is of great important in this regard. Hence, it can be argued that food clusters are developed by stakeholders, based on communication facilitated by innovations in information technology, who create new products, often as part of a place branding strategy, under energetic leadership that may differ in form from case to case.

**Outputs.** The first-level outputs are new cultural products: specialized restaurants, new menus, and creative farms, farmers markets, ‘pick-your-own’ opportunities, farm-gate sales, food trails, annual food tasting events and so on. However, such products are not confined to those with an obvious food focus for they may be creatively packaged in ways that combine food with the broader cultural sector (e.g., the performing arts) or accommodation sector. This may occur within the same establishment or between different co-operating establishments in new vertical and/or horizontal relationships. Examples include craft shops that also sell creatively processed foods made by local artisans from locally-grown materials, as well as cultural businesses such as art galleries and antique outlets that draw residents and
visitors who want to eat local food and enjoy high quality cultural/artistic products. Such initiatives stimulate the local economy and also contribute to community well-being more broadly conceived.

The creation of a critical mass of local food and other cultural products is commonly associated with the establishment of a formal organization, such as ‘Savour Stratford Perth County’ and ‘SAVOUR Muskoka’. Hence, informal arrangements are likely to be replaced by more formal arrangements (commonly locally-based, often not-for-profit, small-scale organizations) for membership, programming, place marketing and branding: i.e., the coordination of knowledge and skill-based creative activities. Ideally, this results in greater visibility of the cluster, leading to the outcomes of strengthened place identity, both internally and externally, and enhanced economy.

Conclusions
It has been argued that creative food economy provides some rural areas and small towns with the opportunity to improve their identities and economies through the development of food clusters that involve the forging of synergistic relationships between a primary sector (agriculture) and a tertiary sector (the experience economy) that are linked with and contribute to a vibrant cultural sector (creative economy). The establishment of a place marketing and branding strategy in support of the creative food economy does not necessarily require direct investment in a primary or tertiary sector. Rather, creative initiatives must be facilitated that will result in the creation of new cultural products (food cluster) as part of a place branding process. The innovation process involves talent and creativity in the initiation and management of diverse relationships among many stakeholders resulting in the offering of new cultural products, leading to the formation of a food cluster as a place brand. A conceptual model has been presented that describes the innovation process that underpins the development of a place-based creative economy and, in doing so, acts as a guide for those interested in initiating a creative food economy as a contribution to rural development.
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