Focus On The Future

FOCUS ON THE FUTURE:
DEVELOPING THE AGRI-FOOD INDUSTRY IN BRITISH COLUMBIA

Executive Summary from Final Report
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Prepared By:
Ference Weicker & Company Ltd.
550-475 West Georgia Street
Vancouver, BC
V6B 4M9
604-688-2424

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EXECUTIVE SUMMARY

THE FOCUS ON THE FUTURE PROJECT

The agri-food industry is highly valued by British Columbians because of its impact on our economy, our food-security, and our physical environment. While we remain a net food importer, the industry serves as a very important source of food products and employment for British Columbians. As concerns about food safety increase so to does the importance we place on having a strong domestic industry that provides a measure of food security. We highly value agriculture land because it benefits the environment and protects significant areas of our green space from further urban development.

The agri-food industry is undergoing a period of unprecedented change. BC producers face increasing pressure from low-cost competitors at a time when the costs of many of our key inputs are increasing. Consumers are becoming more demanding, product life cycles are shortening, and the level of market segmentation is increasing. Consolidation is occurring at all levels of the food chain. Unemployment rates in BC have declined to a generational low, making it hard to attract and keep the workers we need. Environmental pressures and incidence of urban/rural conflicts are increasing. Technology is changing how we develop, produce and market our products.

How well we react to these changes will determine the future of the agri-food industry in BC. With this in mind, the Investment Agriculture Foundation of British Columbia, the BC Agriculture Council, the BC Food Processors Association and other organizations came together recently to commission the Focus on the Future project. Specifically, the project is designed to:

- **Identify and assess key issues** that are strategically important to the overall long-term success of the BC agri-food industry.
- **Identify specific strategies and meaningful actions that industry, government and the Investment Agriculture Foundation of BC can pursue** to assist industry to expand, diversify and enhance its competitive position and build a stronger industry future.

The project was undertaken in four phases.

- In *Phase I*, we undertook an environmental scan that consisted of reviewing more than 150 documents including strategic plans, SWOT analyses and industry profiles covering virtually all sectors and product groups within the industry. Based on this information, we developed a profile of the agri-food industry in BC and identified over 100 key issues highlighted as strategically important by various commodity and product groups. We then grouped and prioritized these issues, using criteria such as actionability, potential significance to the industry, and the extent to which these issues are shared across the industry.
- In *Phase II,* we first conducted a competitive analysis, comparing the characteristics of the agri-food industry in BC to the characteristics of other jurisdictions, most notably Alberta, Saskatchewan, Manitoba, Ontario, Washington State, and Oregon. We used the results of the competitive analysis, combined with a detailed literature review, to identify the major strengths, weaknesses, opportunities and threats facing the agri-food industry in BC. We also conducted an analysis of high priority issues facing the industry, reviewing the current situation in BC and identifying strategies and actions that have been employed elsewhere to take advantage of opportunities or address challenges.

- In *Phase III*, we staged a series of workshops throughout the province in order to build awareness of Focus on the Future, confirm the key opportunities and challenges that we had identified, and obtain input regarding potential strategies and actions that could be taken to address these issues. Approximately 300 people participated in the workshops.

- In Phase IV, we analyzed the results of the consultation process, compared the results to the previous research undertaken, developed a series of recommended strategies and actions, and prepared this draft report. We met with the Steering Committee and Advisory Committee in January to review the results of the research and obtain input regarding the priority strategies and actions.

The following sections of the Executive Summary provide a brief overview of the agri-food industry in BC, review our relative competitive position, highlight opportunities and challenges facing the industry in BC, and outline a series of the recommended strategies and actions.

PROFILE OF THE AGRI-FOOD INDUSTRY IN BRITISH COLUMBIA

- **The agri-food industry serves as the foundation for the agriculture & food cluster in British Columbia**. The production, processing, distribution and sale of food employed nearly 290,000 people in BC in 2003, representing about 14% of the provincial work force, and generated about $35 billion in revenues.

- **The agriculture and the food & beverage processing sectors generate over $8 billion in revenues annually and employ over 60,000 people**. Together, they account for about 2.3% of the provincial GDP and about 3.3% of provincial employment (one out of every 30 jobs). There are more than 20,000 farms and 1,000 food & beverage processors in BC. The agri-food industry is characterized by its diversity, with the agriculture and the food & beverage sectors each producing a very broad range of products targeted at a range of markets.

- **The sectors have been growing at a rate consistent with the overall economy**. Over the past four years, the agriculture sector has been growing at the rate of 2.0% per annum (in terms of farm gate receipts) while the food & beverage processing sector has been growing at the rate of 4.3%.

- **Both the agriculture and the food & beverage processing sectors are, on a per capita basis, smaller than their counterparts in other regions of Canada**. While BC accounts for about 13% of the Canadian population, it accounts for about 3.5% of farmland, 7% of farm gate receipts, 8% of farms, 8% of food & beverage manufacturing shipments, and 11% of agriculture and food & beverage processing employment in Canada.

Within Canada, BC accounts for:

- 13% of the population
- 7% of farm gate receipts
- 8% of food & beverage manufacturing shipments

- **The agri-food industry is an important contributor to regional economies throughout BC.** According to the latest data available, the Lower Mainland accounted for about 62% of the farm gate receipts in BC, the Thompson-Okanagan accounted for about 17%, and Vancouver Island/Coast region accounted for about 6%. While data is not available on the value of manufacturing shipments by economic region, we obtained an indication of the distribution of the food & beverage processing sector by analyzing an industry directory and determining that 48% of the processors listed are located in the Lower Mainland, 17% are located in the Thompson-Okanagan, 13% are located in the Vancouver Island/Coast region, and 8% are located in each the Cariboo and Kootenays. Because firms located in the Lower Mainland tend to be larger than those located in other regions, the Lower Mainland accounts for the majority of industry shipments.

- **BC is a net importer of agriculture and food products.** Our exports, imports and the trade balance have each increased steadily over the past decade with the trade deficit rising from about $400 million in 1992 and $600 million in 1996 to $800 million in 2000 and over $900 million in 2004. In 2004, BC operated with a $144 million trade deficit in agriculture products (with deficits in fruit and potatoes & vegetables offsetting trade surpluses in floriculture & nursery and greenhouse vegetables) and an $829 million trade deficit in processed food and beverage products (excluding seafood), with significant trade deficits in fruit & vegetables, beverages, and other food products.

COMPARISON TO OTHER JURISDICTIONS

To gain further perspective regarding the agri-food industry in BC, we reviewed the characteristics of the industries in other jurisdictions such as Alberta, Saskatchewan, Manitoba, Ontario, Washington State and Oregon. The results regarding the size of the industry, access to skilled workers, costs of production, strength of the innovation support systems, access to financing, and access to markets are summarized in the table below.

COMPETITIVE POSITION OF THE BC AGRI-FOOD INDUSTRY RELATIVE TO OTHER SELECT JURISDICTIONS

Component	Relative Competitive Position of British Columbia
Size of the Industry	• BC's agriculture sector is the smallest of the seven jurisdictions in terms of both total and per capita farm cash receipts. • While the value of our food and beverage manufacturing shipments is the smallest on a per capita basis (and the total value of manufacturing shipments in BC is greater only than that in Saskatchewan and Manitoba), BC has grown at a faster rate than the other jurisdictions over the past five years. • Ontario and BC are the only jurisdictions for which employment in food and beverage processing is greater than employment in the agriculture sector.
Access to Labour and Management Skills	• BC benefits from a very well educated population. The percentage of the population in BC, aged 25 to 54 years, with a university degree is higher than in the prairie provinces or in Quebec. BC has more farm operators with university educations than other Canadian provinces. BC also has the largest proportion of farm operators engaged in off-farm employment. • Labour productivity in the agri-food industry tends to be lower in BC than in other jurisdictions (as defined by agri-food GDP per employee), which increases requirements for labour. • Unemployment rates have declined significantly in most regions, which has tightened the supply of skilled and unskilled labour.

Component	Relative Competitive Position of British Columbia
Costs of Production	• For food processing operations, BC locations tend to be less expensive than those on the US west coast in terms of the combined cost of labour, transportation, utilities, and taxes. However, other Canadian provinces tend to enjoy cost advantages vis-à-vis BC in areas such as land and labour costs. • Agriculture operations in BC can face some significant cost disadvantages. Wage costs and land costs have traditionally been higher in BC than in other Canadian provinces. In addition, historical data indicates that certain costs such as chemicals and fertilizers tended to be higher in BC than elsewhere. • When compared to Toronto, Calgary, Seattle and Portland, Vancouver has the highest average airfreight costs and the third highest road freight costs. • The cost competitiveness of BC and Canada is susceptible to the appreciation of the Canadian dollar, which has increased significantly against the US dollar over the past two years. All regions have been impacted by rising oil and natural gas prices.
Strength of the Innovation Support Systems	• Agri-food industry investment in R&D across all of the jurisdictions tends to be very low in comparison to the R&D expenditures of other economic sectors. Available data indicates that Canada is falling further behind the US with respect to investment in agri-food R&D. • Because of strong tax credit programs, after-tax R&D costs in BC are low compared to other Canadian provinces. Furthermore, R&D tax incentives in Canada are more attractive than those in the US.
Access to Financing	• In comparison to other jurisdictions, BC farms are more reliant on chartered banks as a source of financing. • Access to venture capital is lower in BC, particularly for companies in the agri-food industry. As a percentage of GDP, venture capital investment in BC is lower than in Ontario and Quebec and is much lower than in states such as Washington State and California.
Access to Markets	• BC enjoys a relatively strong local market, driven by the largest population amongst the western provinces and higher average annual food expenditures per household. • Ontario and the US states have the advantage of closer access to major markets (e.g. California and the US east coast). • BC is comparable to most other Canadian jurisdictions in terms of reliance on export sales. Unlike the prairie provinces and Ontario, BC has direct, year-round access to ports. The BC ports provide ready access to developing Asian markets.

OPPORTUNITIES FOR DEVELOPMENT

While recent changes in the agri-food industry are creating major challenges and some financial hardships for our companies, they are also creating significant opportunities to develop new products, develop new markets and do business in a new way. Three major opportunities that were identified through the consultation process and our research include opportunities to:

- **Expand our markets by adding greater value into our products and services.**

  BC producers are facing significant competition from other jurisdictions that may enjoy competitive advantages related to land and labour costs and other input costs as well as higher levels of government support. Strategies that have been used effectively to increase margins and overcome cost disadvantages include incorporating a higher value-added or premium component into products as well as developing products that are tailored to specific niche markets. A recent study indicates that about one-half of North American consumers are more concerned with quality and convenience than price.

  Incorporating greater value into our products and services will enable us to increase our sales, increase the profits we earn on those sales, and help overcome cost disadvantages. A recent survey by Statistics Canada found that food processing companies that introduce product innovations generate increased sales and report that the margins on their innovative products are higher than the margins on their traditional products. The premium or value-added nature of a product can be based on service, manufacturing processes, product characteristics such as quality of ingredients, taste appeal, formulation or product format (e.g. organic, low fat content, low in carbohydrates, functional benefits, etc.), presentation in terms of branding and/or packaging, origin, convenience, and point of sale. Having food safety and quality systems and informing the consumer about these systems through techniques such as certification, labelling and branding can also provide an important lever for achieving product differentiation.

- **Expand our share of the local market.**

  The food market in BC is strong, driven by a large and growing population, rising household incomes, and higher than average annual food expenditures per household. BC is a significant net importer of food products even though consumers tend to prefer local products because of a desire to support their own community and a perception that local products are safer, more nutritious and environmentally sensitive. Industry often earns a higher return on local sales because the value chain is shorter which means that producers can realize a higher proportion of the final selling price while incurring lower transportation costs.

- **Further develop international markets.**

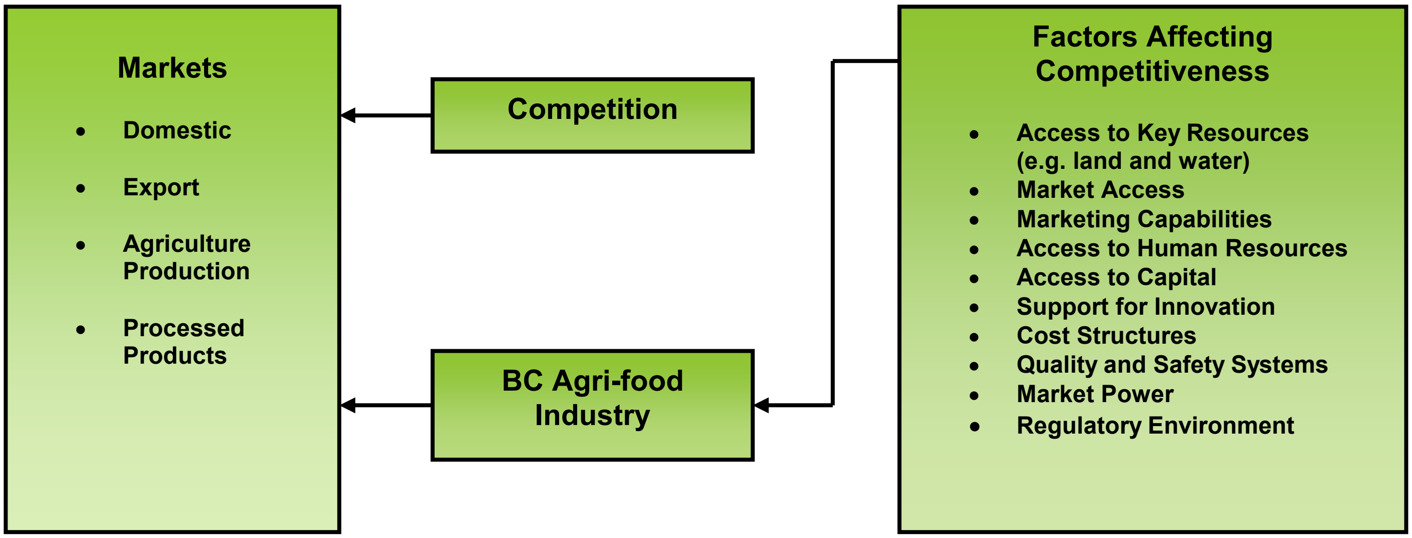
  While technological advances and trade liberalization has opened up the BC market and other traditional export markets to low-priced competitors, they also provide opportunities for BC to continue to develop offshore markets. In particular, our proximity to the US (the largest market in the world) and our historic marketing relationships with Asia-Pacific combined with our location on the Pacific Rim provide a strong foundation for further expanding export sales.

  Products differentiated on the basis of their added value will largely drive our future growth in export sales. Statistics indicate that exports of consumer-orientated food products have risen more than four-fold since 1990 and now account for one-half of agri-food exports from Canada. During that same period, our bulk exports actually declined in real dollar terms. The rising middle class of developing countries represents a significant potential market for our value-added food products.

MAJOR CHALLENGES

The challenge is to determine how we can better position ourselves to take advantage of these opportunities and changing industry conditions. As indicated in the chart below, the relative competitive position of our industry is a function of various factors including our cost structures, marketing capabilities, ability to develop and adopt new products and processes, quality and safety systems, regulatory environment, and access to key resources, markets, human resources, and capital.

FACTORS THAT DETERMINE BC's COMPETITIVE POSITION



The main body of the report highlights the many strengths that we have in these areas including our world-class food safety and quality control systems, strong associations and agencies, proximity to major markets, growing demand in both local and international markets, good growing conditions including a mild climate, ability to produce a wide range of high quality products, the level of industry and government commitment to the industry, and a long established research infrastructure. Some of the major issues and challenges that will need to be addressed as we move forward are summarized in the following table.

SUMMARY OF MAJOR ISSUES AND CHALLENGES

Issue	Discussion
Access to Physical Resources: Land and Water	The Agriculture Land Reserve represents only about 5% of the land area of the province. This limited amount of available farmland, combined with urban development and other land use activities, has put pressure on the land base and water supplies necessary for agriculture.
Market Access	BC is well positioned geographically in relation to the US and the Pacific Rim with easy transportation access to large markets. However, trade barriers (particularly non-tariff barriers) are becoming an increasingly important issue for producers as we shift more of our focus towards export markets.
Marketing Capabilities	Marketing is the issue most commonly identified as a weakness of the agri-food industry in BC. Marketing becomes even more important as suppliers continue to move away from a commodity focus and up the value-added/specialty product spectrum. The industry needs to recognize the importance of marketing, undertake market research and collect market intelligence, and have the resources, capabilities and focus needed to implement strong marketing and branding programs.

Issue	Discussion
Access to Human Resources	As the agri-food industry grows and diversifies, the need for a broad range of management skills has also increased. Unemployment rates in BC are very low and competition from other industries for managers and skilled workers is very high. The industry's limited access to skilled workers and managers serves to constrain productivity and reduces the industry's ability to identify opportunities for improvement, implement change, and increase profitability.
Access to Capital	Access to capital is critical to the development of new products, the development of new markets, and making changes in how organizations operate. While the agri-food industry accounts for about 2.3% of provincial GDP, it accounts for only about 1.5% of new business investment. The inability to attract the required levels of capital, particularly patient capital, restricts our entry into new sectors and new products, creates a productivity lag, and ultimately reduces our competitiveness.
Support for Innovation	Given shifting markets, an increasing emphasis on value added products, and intense global competition, the extent to which the agri-food industry is able to effectively develop and use technology will largely determine its future successes. Despite the critical importance of innovation, the level of private and public sector investment in innovation in BC remains remarkably low.
Cost Structures	High input costs (notably land, labour, raw materials and fuel) not only reduce profits but also serve as an impediment to investment in the industry.
Market Power	The value chains are seeing significant consolidation, leading to more centralized, high volume buying operations that seek to make greater use of high technology and exercise market power to reduce costs. Small operators find it increasingly difficult to compete on price or produce sufficient volumes to be considered by the volume-based systems. Small operations may also lack the technology, marketing skills and capital needed to access these distribution channels. The average size of producers and processors in BC is significantly smaller than those in other jurisdictions, which can place us at a competitive disadvantage.
Local Processing Capacity	Availability of suitable processing capacity is a barrier in some regions of the province. Concerns were expressed in the workshops about the loss of local processing capabilities over time as well as the impact of processing regulations on the viability of small and on-farm processors.
Regulatory Environment	The regulatory environment is complex, resulting in significant costs for businesses while creating uncertainty that slows the rate of new investment and growth in the industry. Given the multiple levels of government with which the industry has to deal, workshop participants frequently reported instances of inconsistent and contradictory requirements as well as situations where significant regulatory changes were made but little guidance or support was provided regarding the implications for businesses, how they should respond, and what assistance is available to help them in making changes.
Environmental Sustainability	There is mounting pressure on farm operators to reduce the environmental impact of operations. The challenge is to find innovative ways to dispose of or reuse the by-products of agriculture production in an environmentally sustainable manner and reduce impacts on air and water.
Industry Cooperation and Coordination	Most industry organizations do not currently have the resources or capabilities needed to serve as strong champions or play a lead role in strategic initiatives. Given the shared nature of many of the constraints to development, combined with the small size of most of the organizations in the BC agri-food industry, it will be critically important for the various parties to work together in developing, resourcing and implementing initiatives to promote further development.

RECOMMENDED STRATEGIES AND ACTIONS

We need to take steps now to improve our competitive position, address the challenges and issues, improve the profitability of our producers and processors, and grow the industry. Towards this end, the report identifies five key strategic directions. These directions involve:

- Expanding our value-adding capabilities;
- Strengthening our competitive advantage in local markets;
- Building our ability to compete in international markets;
- Reducing costs and improving operations; and
- Enhancing the capacity of our industry organizations.

Each strategic direction is summarized in the table below and detailed in the main body of the report in terms of the intended objectives, the factors that will determine how successful we are, where we are currently falling short, and actions that can be taken to improve performance.

RECOMMENDED STRATEGIC DIRECTIONS AND ACTIONS

Strategy #1: Expand Our Value Adding Capabilities

Objective: **Enhance the market value of our existing products and develop opportunities for new products through innovation and differentiation, capitalizing on emerging and non-traditional market opportunities and enhancing value adding processing capacity across the province.**

Key Focus (Intended Outcomes):

- Increased access to relevant market research
- Increased government and industry investment in R&D
- Increased level of new business investment
- Greater utilization of resources available to promote innovation
- Differentiation through added-value

Recommended Actions:

- **Provide funding support to increase access to market research.** Market research will provide the basis for identifying market opportunities, assessing market potential, preparing business plans and marketing strategies, and determining research priorities. Recognizing that the benefits will be widespread, increased public funding support is recommended.
- **Establish a strategic innovation program for the agri-food industry.** The strategic innovation program should establish priorities under a broad strategy for innovation; promote further development of the research infrastructure (with a particular focus on research centres of excellence); facilitate technical analysis, feasibility studies, venture assessments, adaptive research and technology adoption, and prototype development; coordinate existing sources of funding for innovation in BC; and provide support to increase the share of funding obtained from major Federal Government innovation programs (e.g. CFI and NSERC).
- **Establish a virtual network of regional agri-food innovation clusters or centres**, incorporating a web portal and existing BC resources. The network can help businesses access technical information, assistance, research funding, advice regarding research tax credits, and other resources.
- **Strengthen the ties between industry and research capabilities & resources already existing in BC** to facilitate technology transfer and greater industry input in the determination of research priorities. Potential mechanisms to help strengthen ties include meetings, tours, seminars and other events that will bring researchers and technology experts together with industry stakeholders.
- **Assist the agri-food industry access the patient capital that it needs to be more innovative.** Patient capital is required to develop value-added products and establish, expand, modernize and restructure processing capacity in the industry. Actions could include establishing a venture capital program or other financing program, implementing an investment readiness program, and increasing awareness of opportunities to invest in the agri-food industry amongst sources of venture capital and angel investors.

Strategy #2: Strengthen Our Competitive Advantage in Local Markets

***Objective:* Increase the value of local products sold in local markets, taking advantage of key competitive advantages including the inherent consumer preference for local products through product branding, promotion and strengthening relationships within the value chain.**

Key Focus (Intended Outcomes):

- Increased awareness of local market opportunities
- Strengthened marketing capabilities vis-à-vis the local market
- Increased access to local value chains (mechanisms for linking suppliers with local buyers including retailers, food service organizations and consumers)
- Strengthened consumer preference for local products
- Expanded capacity to produce products for the local market
- Improved image of the industry amongst local consumers as well as among potential managers, workers, investors and operators

Recommended Actions:

- **Re-establish a BC Branding program** including retail, food service, regional and special purpose campaigns such as for the 2010 Winter Games. There is strong industry support for a Buy BC type program, which identified and branded BC grown and processed products.
- **Develop and implement market and sector specific marketing plans and initiatives**.
- **Promote local and direct marketing systems**. One approach is to support the formation of farmers markets and regional brokerage services that will link producers and buyers. Another element is the education of consumers, retailers, and food services about what is available locally.
- **Provide training, workshops and other support related to changes in the value chain**. Producers and processors need to be aware of the changes that are coming and receive assistance that will help them to respond accordingly.
- **Implement an investment and processor attraction strategy**. The objective is to expand local processing capacity by attracting new investment and encouraging the relocation or rationalization of facilities from other regions into BC.
- **Encourage the development of strategic alliances and other cooperative efforts**. Through unified marketing, producer and processing groups can better achieve the volumes required by current distributors and retailers.
- **Implement initiatives to improve the image of the industry**. Emphasis should be put on the importance of the industry to BC economically and socially as well as the sophistication of the industry, the business opportunities, and the potential for satisfying careers.

Strategy #3: Build our Ability to Compete in International Markets

***Objective:* Build world-class business capability through insightful competitive intelligence, leading edge response to market opportunities, and development of strategic alliances for creating and maintaining a positive BC market presence internationally.**

Key Focus (Intended Outcomes):

- Ready access to competitive intelligence
- More open access to key markets
- Increased utilization of resources available to assist exporters
- Increased resources and capabilities for international marketing

Recommended Actions:

- **Promote and coordinate industry cooperation and participation in the planning and implementation of key export market development strategies and programs**. Support can be provided by initiating market studies; providing access to strategic and timely customized intelligence, market information and knowledge; working with industry to increase awareness of the opportunities for exporting as well as the resources and programs that are available to assist; encouraging the development of strategic marketing alliances; showcasing BC producers and producers in target markets and building links with international buyers.
- **Continuing to push for greater market access**, address trade issues and seek to level the international playing field.

Strategy #4: Reduce Costs and Improve Operations

***Objective:* Improve the competitive position of the agri-food industry in BC through the reduction of key costs, addressing key operational issues, and amending regulatory processes to ensure that industry needs are addressed.**

Key Focus (Intended Outcomes):

- Increased access to key management skills and expertise
- Increased access to skilled and unskilled workers on a full-time, part-time and seasonal basis
- More effective and efficient regulatory processes
- Increase access to land and water resources that are needed for production
- Reduction in urban/rural conflicts

Recommended Actions:

- **Develop a management skills and labour market strategy**, which defines the skill gaps of managers and workers, determines training needs and requirements, and establishes skill requirements and standards.
- **Establish on-the-ground support to increase access to industry expertise**. A major constraint to development is limited access, particularly local access, to expertise and advice for both technical and business related issues.
- **Increase access of producers and processors to training & education**. Training areas may include technology, business management, e-commerce, agribusiness entrepreneurship, marketing, finance, human resources, safety systems, risk management or crop/livestock issue specific training. Training can be offered through seminars, workshops, college programs, short courses, videos, literature, and online courses as well as through apprenticeships, scholarships, job shadowing, mentorships, coop positions and peer networks.
- **Work to recruit skilled managers and workers from other countries**.
- **Simplify regulatory processes, improve coordination among various levels of government, and ensure that processes are implemented in an effective manner** that facilitates meaningful input from industry and assists industry in adjusting to major changes in the regulatory environment.
- **Establish a senior level point person within the provincial government to champion key regulatory issues and adjustment initiatives**. Given the number of players in the private and public sectors that deal with the agri-food industry, it is useful to have a single individual or champion responsible for a given issue.
- **Develop a joint industry government strategy to ensure agri-food industry access to public resources of land and water**, competitive with other jurisdictions.
- **Promote initiatives to reduce urban/rural land use conflicts**. In many regions of BC, urban development has extended the boundaries of residential areas outward and brought urban and rural areas into direct conflict. Such growth affects the agri-food industry and the environment as well as the livability of the urban areas.

Strategy #5: Enhance the Capacity of Our Industry Organizations

***Objective:* Build the capacity of industry organizations such that they can play an important role in advancing key strategic initiatives designed to grow and strengthen long-term industry profitability.**

Key Focus (Intended Outcomes):

- Organizations with the capabilities, credibility and resources needed to bring key parties together, plan initiatives, and facilitate or take a lead role in implementation
- Organizations that work together on initiatives to address common issues

Recommended Actions:

- **Provide government funding to complement industry support in helping build the capacity of industry organizations.** Government can also assist industry organizations adopt best practices, identify and access others sources of funding, and plan and implement their activities.
- **Increase communication and coordination between industry sectors and government**. The various sectors need to meet regularly with each other and with governments to plan strategic activities that will benefit all stakeholders and deal with cross-sectoral concerns.
- **Favour projects and initiatives that involved the development of strategic alliances**. Government can be an important broker that helps bring the groups together to begin the process of co-operation on both a sector and regional basis. A key strategy to foster strategic alliances is to give preference to projects that involve strategic partnerships.

HIGH PRIORITY ACTIONS FOR THE NEAR-TERM

The success of Focus on the Future will be determined by the extent to which government, industry and other key stakeholders are able to convert the strategic directions into action. In order to gain the buy-in of the major parties, a workshop session was staged involving representatives of the Steering Committee and the Advisory Committee established for the project. Based on the results of the session, 5 key priorities for action in the near-term were identified including:

- Provide project funding and other assistance needed to help industry organizations build their capacity to play key roles in enhancing the long term competitiveness of the sector, including funding of program management for implementing strategic initiatives of the Foundation, consolidating and streamlining services to their members, improving organizational effectiveness and development of sustainable funding options.

- Provide enhanced funding support for the development and implementation of projects that undertake strategic market research and trend analysis, disseminate market information, facilitate marketing skills development and build marketing alliances.

- Bring key government and industry stakeholders together to prepare a formal human resource gap analysis and launch an action plan that will enable the agri-food sector to better meet its needs for management skills as well as for skilled, unskilled and seasonal workers.

- Establish a comprehensive, forward looking Innovation Technology Hub for the BC agri-food and bio-product sectors, building on and enhancing existing research and development resources and infrastructure, and launch near term projects addressing priority needs.

- Implement actions to coordinate Branding BC activities of the 2010 Opportunities Strategy with the Partners in Healthy Eating initiative and other domestic and export branding initiatives.