



Niche and Local Marketing in Urban Fringe Agriculture

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INTRODUCTION

- Agriculture at the urban fringe is threatened by high land prices, fragmentation, lack of agricultural services, and nuisance issues.
- Aging and shrinking farm population, environmental issues, and global competition enhance concerns about the long-term economic and environmental stability of Canadian farms.
- Organic and other alternative farming practices are concentrated near urban areas in parts of Europe and Canada [1,2]. Is this a result of policy, market, or social factors?
- Direct marketing and local or organic food are gaining support with increasing consumer awareness of climate change issues [3,4] and the other benefits (i.e. landscape, environmental amenities, local jobs) of local and organic agriculture [5].

OBJECTIVES

- Explore key economic issues that affect the long-term success and environmental sustainability of organic and direct marketing producers near Victoria, BC.
- Compare this group of farmers to the average – do direct and niche marketing enhance success and long-term stability?
- Determine the farm-level impacts of local, provincial, and federal policy on these producers.

DATA AND METHODS

- We conducted an in-person interview of 25 farmers on the Saanich Peninsula (Vancouver Island).
- Participants were randomly selected from lists of (a) certified organic and (b) direct marketing farmers (n=83).
- Survey asked about farm holdings, income, farm debt, off-farm income, production and marketing, and impacts of policy on farm economic stability.
- Survey results were compared with Ag Census data of (a) all Saanich Peninsula farms (n=510) and (b) those with income > \$10,000 in 2006 (n=181).

RESEARCH RESULTS

- While 65% of Agricultural Census farms report gross farm income < \$10,000 [6], only 20% of farms surveyed were in this category.
- Direct and organic marketing farms are more likely to have employees, more operators per farm, and more female and younger operators.
- For land owners, net annual income per unit of capital invested ranged from -3.5% to +21.4%, with a median of 2.3%.
- Type of capital utilized varied by size of farm. Typical small farms (< \$25,000 gross farm income) did not own land, medium farms (\$25,000 - \$400,000) were more dependent on land while larger farms (>\$400,000) utilized more equipment and building capital.

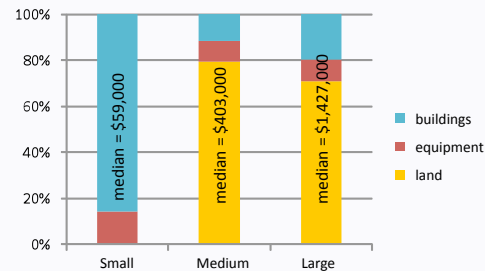


Figure 1. Capital investments for direct marketing farms in three size categories.

Table 1. Direct marketing farms and Census farms, Saanich Peninsula 2006, >\$10,000 gross farm receipts

	Census (n=181)	Survey (n=20)	
Gross farm receipts, mean (\$)	223,500	245,000	
Farm-related debt (% of farms)	41%	25%	
Total farm area (acres)	37.8	39.1	
Farms with employees	64%	85%	***
Farms with tractors	75%	75%	
# of operators per farm	1.4	2.1	***
Female operators	38%	49%	*
Operator age (yrs)	54	51	*
Certified Organic (% of farms)	4%	35%	**

*, **, and *** denote significance at 0.10, 0.05, and 0.01 levels, respectively

- Local growers of organic and direct marketed produce near Victoria face high consumer demand and therefore have little to no difficulty selling what they grow.
- Some small farms had unusually large investments in land compared with other capital, and low income/capital ratio, suggesting that they value the land for reasons other than agricultural production.
- Eighty-eight percent of those using organic or integrated pest management practices said that customer demand was an important or very important factor in decisions to use these practices.

CONCLUSIONS

- Niche and direct marketing farmers near Victoria display characteristics indicating resilience and potential for continued success.
- Ongoing challenges include high land prices, neighbours who don't understand agriculture, and some problems with local government regarding signs & building permits.

Further Areas of Research

- Do the trends observed in niche and direct marketing farmers on Vancouver Island extend to other urban fringe regions in BC and the rest of Canada?
- Can these practices help to bring long-term stability to other Canadian farmers?



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