



**Ontario
Cattlemen's
Association**

Committed to Cattlemen

130 Malcolm Road
Guelph, Ontario N1K 1B1
Phone: 519-824-0334
Fax: 519-824-9101

www.cattle.guelph.on.ca

December 22, 2010

Sally Smith-Pelleboer, President
Oxford County Cattlemen's Association
PO Box 27
Springford, ON N0J 1X0

Dear Sally,

The following resolution was brought to the floor of the annual general meeting of the Ontario Cattlemen's Association this past February:

Moved By: Matthew Heleniak, Oxford Seconded By: Dave Dymant, Oxford

BE IT RESOLVED THAT OCA put pressure on Ontario government institutions (i.e. casinos), to have to buy Ontario beef. Our taxes buy the food for these establishments and more often than not they are buying from the lowest cost processors, which are more than likely American and Western plants.

In response to this resolution, OCA staff contacted the two 'vendors of record' responsible for supplying the majority of Ontario's publicly supported institutions with food: Stewart Foodservice and SKOR Food Group. In collaboration with the Ontario Independent Meat Processors, the Ontario Sheep Marketing Agency, Ontario Pork, and the Ontario Veal Association, OCA was able to arrange separate consultation meetings with each vendor to discuss the opportunities that exist in supplying our publicly funded institutions with meat from Ontario.

These consultations uncovered challenges that vendors face in supplying Ontario product to public institutions. Most concerning, is the fact that these institutions make purchasing decisions solely on price. While this policy demonstrates responsibility to Ontario's taxpayers, it does not fit with a buy local or buy Ontario philosophy.

Both Stewart and SKOR did emphasize their willingness to work with groups like OCA in the development of more 'buy local initiatives'. Unfortunately this willingness was directed toward private enterprises like restaurants, rather than public institutions. Private enterprises they argued, present more opportunities and incentives for vendors to supply Ontario products because the quality of the product and its Ontario origin often supersede price differential. Public institutions that face continual pressure to keep costs at a minimum do not have this flexibility in their purchasing decisions. Price is always an issue for institutions trying to protect their bottom line. This shortcoming can be partially explained by the limitations of Ontario Shared Services procurement policies which do not explicitly specify where products must originate. In other words, public procurement contracts do not specify that 'Hospital A' must purchase Ontario beef from Stewart Foodservice. In fact, such a decree would be in conflict with trade rules.

However, as a result of the consultation meetings, OCA and our partner commodity organizations learned a great deal about the challenges and opportunities that exist in supplying our public institutions with Ontario meat. SKOR and Stewart acknowledged that Ontario has both the quantity of meat and processing capacity needed to satisfy their retail contracts, which was promising. However, the issue of price is still a limiting factor for institutions that operate under strict budgets.

Next Steps

The Value Chain Management Centre (VCMC), a subsidiary of the George Morris Centre is considering options for a pilot project under the provinces "*Broader Public Sector Investment Fund: Promoting Ontario Food*" program that would help the Ontario farming sector establish a competitive advantage in differentiating themselves through the sourcing and distribution of food produced and/or processed in Ontario. The Ontario Independent Meat Processors (OIMP) is also considering submitting a proposal for a similar project under this fund; one specifically aimed at the meat protein sector. Both proposed projects would source Ontario products for institutions like hospitals, jails, and universities and colleges and, in addition, would help alleviate the pressure to purchase cheaper imports.

As we move forward, OCA will work closely with both groups in support of their broader initiatives to bring more Ontario product into our publicly funded institutions.

Conclusion

In short, this is a complex issue, with the fiscal responsibility of public institutions on one side and the support of Ontario's agriculture and processing sectors on the other. We will continue dialogue with our colleagues at OIMP and the VCMC of the George Morris Centre with the hope of increasing sales of Ontario beef.

Yours truly,

A handwritten signature in black ink, appearing to read "Curtis Royal". The signature is fluid and cursive, with a long horizontal stroke at the end.

Curtis Royal
President

Cc: Matthew Heleniak, *Mover*
Dave Dymment, *Seconder*
John Kaufman, *Advisory Councilor*