

APPENDIX D

Summary Notes:
Focus Group Session 3 (Food, Beverage and
Cannabis Production Sectors)

A focus group session to discuss the specific needs of the Food, Beverage, and Cannabis Production Sectors was held on Friday, November 30th from 11:30 am – 1:00 pm. This session was open to existing and prospective property and business owners, government staff, and associations working on, or interested in, this topic. Ten participants attended, with representation from the following governments and associations:

- Agriculture and Agri-Food Canada
- Yukon Government Agriculture Branch
- Fireweed Community Market Society
- Growers of Organic Food Yukon
- Yukon Agricultural Association
- Yukon Chamber of Commerce, Food and Beverage Committee
- Alaska Highway Business Association

Several participants represented more than one association. One participant attended the two other sessions. Representation was also from two farm owners, two restaurant owners, and two owners of CH-Highway Commercial and IS-Service Industrial properties. The session began with a presentation delivered by project staff (available on the project website at www.whitehorse.ca/commercialindustrial), followed by a group discussion. The questions below were used as conversation prompts:

- What are **current trends** in production/processing in Yukon? Where is industry heading?
- What are the **challenges** that you're hearing from your memberships/communities? Are they finding what they need to do business?
- What are **advantages/disadvantages** for locating in Whitehorse? Do industries want to be in Whitehorse?
- **Where** do industries want to be located, within Whitehorse?
- How likely is **cannabis production/processing** to take off in Whitehorse, given Federal licensing options and requirements?

The group discussion is summarized in the following notes, which are organized by theme. These notes are intended to capture the array of topics raised and views held by participants, and are not intended to reflect a consensus amongst participants.

Conversation Highlights

Conversation highlights (concerns, supports, insights, ideas, views, etc.) included:

1. **Industry trends:**
 - a. The territory's **poultry, egg, pork, and cattle industries** are maturing;
 - b. Interest in **entomophagy** (bug farming) is growing, and has potential as a protein source for human consumption or to be added to grain as feed for livestock;
 - c. There is a demographic interested in buying **local products**, and entrepreneurs that want to produce local products;
 - d. Interest is growing in the "**slow food**" movement;
 - e. There are a lot of **DIY-ers** wanting to grow and process their own food and beverage;

- f. Interest is growing for **non-commercial** food production opportunities, close to residences;
 - g. There is interest in **cannabis production** (cultivation and processing), though no completed licenses yet in Yukon for non-medical cannabis;
 - h. Producers are **energy** consumers, but also interested in being energy producers, particularly on farms.
2. **System-wide industry support** is needed; not just through zoning and land availability.
 3. Is it waste?... or a resource? **Full-resource thinking** needed.
 4. **Federal regulations** make it difficult to get local products onto shelves.
 5. **Legislative boxes** are difficult to navigate and difficult to change.
 6. **Power and tech infrastructure** is important for indoor agriculture production methods.
 7. High **municipal taxes** can be a disincentive for locating businesses within Whitehorse.
 8. Access to **public transportation** is needed in decentralized employment centres.
 9. **Caretaker residences** help to offset wages and subsidize living costs.
 10. A **“living wage”** means more money spent in the community.
 11. Industries locate where **economic and operational factors** make sense.
 12. **Waterfront + breweries** = good combo.
 13. **Onsite enjoyment of FB&C products** can enhance the educational experience of a product.
 14. The **future of cannabis production** depends on ability to sell to Government of Yukon as the retailer.
 15. **“Local” branding** is important, but it has to be accurate.
 16. **Community market spaces** lower financial risk and help businesses to start-up.
 17. Whitehorse needs a **“Yukonstruct” for foodies**.

Extended Input Summary

1. Industry trends.

Participants indicated the following as emerging trends in the food, beverage, and cannabis (FB&C) production sectors in Yukon:

- The territory’s poultry, egg, pork, and cattle industries are maturing (e.g. there is now a dairy farm operating in Dawson City);
- Interest in entomophagy (bug farming) is growing, and has potential as a protein source for human consumption or to be added to grain as feed for livestock;
- There is a demographic interested in buying local products, and entrepreneurs that want to produce local products;
- Interest is growing in the “slow food” movement;
- There are a lot of DIY-ers wanting to grow and process their own food and beverage;
- Interest is growing for non-commercial food production opportunities, close to residences;
- There is interest in cannabis production (cultivation and processing), though no completed licenses yet in Yukon for non-medical cannabis;
- Producers are energy consumers, but also interested in being energy producers, particularly on farms.

2. System-wide industry support is needed; not just through zoning and land availability.

It was suggested by participants that supporting Whitehorse's FB&C production sectors (as well as other local industries) requires creating a supportive and attractive climate for doing business. A system-wide review could help reduce barriers at different stages of the production chain, from the initial step of getting a business license to dealing with production waste. Specific examples were offered, including the City's current restriction of two business licenses per address; this was viewed as a hindrance to start-ups that sometimes experiment with multiple business ideas at the same time. The intent of this restriction was questioned, and whether or not the intent is being achieved. Waste management restrictions at the City landfill were also raised as a barrier to the FB&C sectors, given that certain kinds of production waste are not currently accepted. Slaughter waste was a noted example. Communication with the business community is needed on the reasons for this ban, so that potential solutions can be explored. It was pointed out that if these sectors are unable to manage their waste, they will not be able to establish in Whitehorse.

3. Is it waste? ... or a resource? Full-resource thinking needed.

It was expressed that some "wastes" from production sectors are instead "resources", when the right processes and infrastructure are in place to capture their potential (e.g. organics turned into compost). Slaughter waste was again raised as an example, which is an organic material that could be used as animal feed, or contribute to the compost production process.

4. Federal regulations make it difficult to get local products onto shelves.

It was mentioned that Federal regulations can make it difficult for small scale local producers to get their products onto grocery store shelves. It was recognized that retailers also have their own corporate policies that may influence this, but generally these policies align with Federal regulations. The narrow profit margins in the food and beverage sectors make compliance difficult for smaller producers.

5. Legislative boxes are difficult to navigate and difficult to change.

It was suggested that government departments at the City and Government of Yukon (YG) operate within regulatory boxes, and it can be difficult for businesses to navigate between them. It was also expressed that certain regulations for the FB&C production sectors are outdated, and in need of review; but given the complexities of revising legislation, there is often reluctance by administrators to look into changing the rules. Modernization of municipal and territorial regulations was viewed as being needed to respond to the emergence of new sectors, otherwise they will not be able to develop.

6. Power and tech infrastructure is important for indoor agriculture production methods.

It was pointed out that indoor agriculture sectors are tech-reliant, and having access to fast and reliable 4G internet is important; this can influence a producer's decision on where to locate their facility (i.e. within or outside of Whitehorse). Indoor production methods often use cameras and systems requiring internet to monitor and regulate growing conditions (e.g. watering, heating, cooling, and feeding). It was emphasized that having affordable land is not the only determining factor in where a business will choose to locate. It was stated that three phase electric power is also needed to support production, and that some producers are interested not only to use power, but to generate power than can be sold back into the grid.

7. High municipal taxes can be a disincentive for locating businesses within Whitehorse.

It was suggested that high municipal tax rates are a disincentive to locating production facilities within city limits. It was also suggested that a tax incentive specific to food production could help to encourage businesses to get into the industry. The question was posed as to whether the agricultural tax rate (applied to lands in the YG agriculture zone) could be tied to land use rather than zoning (i.e. apply the rate to food producers in commercial and industrial zones).

8. Access to public transportation is needed in decentralized employment centres.

It was suggested that access to public transportation is needed in employment areas located outside of the city's core, and will become increasingly important for industries that have on-site employment (versus current industries that operate off-site, such as construction companies). Public transit can help to support employers and workers by providing low cost transportation options that offset other living costs. Snow clearing of transit routes was also recognized as being needed.

9. Caretaker residences help to offset wages and subsidize living costs.

Participants indicated that the housing scarcity in Whitehorse and high cost of accommodations can make it difficult for businesses to attract and retain employees, and that some businesses have trouble paying sufficient wages. It was suggested that caretaker residences can provide a viable option for businesses to support workers by offering subsidized board in exchange for labour; an arrangement that can help to keep labour costs down, while providing employees with affordable accommodations. This was viewed as being particularly beneficial for attracting and supporting seasonal/short-term employees. Caretaker residences have the added benefits of providing on-site security presence in low density and isolated neighbourhoods, and can reduce transportation challenges. Marwell was suggested as an example of an area that feels like it "never shuts down", which helps to ward off crime. Following the meeting, a participant suggested that perhaps the City could look into relaxing its rule on the number of dogs allowed at caretaker residences, since dogs can provide added security, and caretaker residences tend to be in areas where noise nuisance to neighbours is less of a concern.

10. A "living wage" means more money spent in the community.

It was suggested by a participant that there are benefits to employers providing a "living wage", such as helping employees to access affordable housing options and increasing the amount of disposable income that employees have to spend at other businesses in the community. It was recognized that some businesses struggle to cover current labour costs and would have difficulty paying higher wages. The City was encouraged to look at examples from other cities to see what has worked elsewhere.

11. Industries locate where economic and operational factors make sense.

It was indicated that the discussion question of "where do industries want to be located?" was not the right question to be asking; a more appropriate question would be "where do the conditions make sense?" Land availability and affordability, and having the right infrastructure in place, were viewed as key determinants for where industries choose to locate. The City was encouraged to look at examples from elsewhere to see what factors have allowed for successful sector hubs to develop. Granville Island in Vancouver BC, for example, was a brownfield that has turned into a thriving brewery and arts district. It was also mentioned that the area's success has translated into high rents that some businesses are now struggling to afford.

12. Waterfront + breweries = good combo.

Interest was expressed to see the Downtown and Marwell waterfront evolve into a thriving brewery destination. The possibility of having tasting experiences at the waterfront was strongly supported.

13. Onsite enjoyment of FB&C products can enhance the educational experience of a product.

Support was indicated for stacked land use allowances at production sites. For example, tasting rooms or pubs could be made an inherent property right wherever a brewery use is allowed. It was mentioned that enjoyment of a product on-site is an opportunity to enhance the educational experience and is in line with the “agro-tourism” model, which is gaining in popularity. Consumers are interested to meet the “makers” and learn about the production process. YG has explored this concept through a new “Agriculture^x” zoning, whereby some farms also have land use rights to establish restaurants on-site.

14. The future of cannabis production depends on ability to sell to YG as the retailer.

It was suggested that at the Federal government’s “standard” cultivation license level, it might be difficult for businesses to start up because of the high capital cost involved in constructing a facility, and the costs to import nutrient supplies and export product. The small customer market in Yukon is a limiting factor that may not make economic sense for large cultivation facilities to open. The “micro” license has less Federal requirements and is less capital intensive, so might make better economic sense. It was suggested that despite the short growing season of Yukon, there is potential for outdoor cultivation to occur if cannabis plants are started indoors and are then transplanted outdoors. No licenses have been confirmed yet in Yukon, though some businesses have started the process. It is expected that cultivators will likely also want processing licenses. Most significant to the future of the industry will be the ability of producers to sell their product to YG as the only current retailer under the territory’s legalization framework.

15. “Local” branding is important, but it has to be accurate.

The topic of branding was raised several times during the discussion. It was suggested that there is confusion and mis-branding of products as “local”, which can reduce the value of items actually produced with Yukon sourced ingredients and at higher costs. It was mentioned that “made in Yukon” is not necessarily enough to be considered “local”, and education around the term would help local producers to compete with other products on store shelves. Much of the “eat local” movement is about reducing CO2 emissions from transport, and it was suggested that an indicator could be developed to show the CO2 emissions footprint of Yukon products. It was also mentioned that it would be good to develop an “organic” certification for cannabis production, but recognizing that “Yukon organic” might be different than what is considered organic elsewhere.

16. Community market spaces lower financial risk and help businesses to start-up.

Support was expressed to see more off-site communal retail spaces encouraged and developed, reflecting the opportunities that places such as the Fireweed Community Market and the Carcross commons are providing to small businesses. These spaces are considered incubators that are helping to lower the financial risks and overhead costs for businesses as they get established.

17. Whitehorse needs a “Yukonstruct” for foodies.

It was indicated that there is a large demographic of DIY-ers that want to grow and process their own food and beverage. Interest was expressed to see a makerspace with a commercial kitchen created. The idea of a food hub was mentioned as an attractive option. Communal storage opportunities for food was suggested as an idea to explore; though it was also mentioned that centralized storage could be problematic if an issue occurs and participating producers lose their harvest.