



## Committee of the Whole Report

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**Report Number:** ED2024-040

**Meeting Date:** October 8, 2024

**Title:** Rural Economic Development Funding Novation Agreement

**Description:** Novation Agreement to secure and maintain provincial Rural Economic Development funding for the 'Growing Local Food Wholesale Market in the Kawartha Region' Project.

**Author and Title:** Kimberly Callaghan, Economic Development Officer, Agriculture

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### Recommendations:

**That** Report ED2024-040, **Rural Economic Development Funding Novation Agreement**, be received;

**That** the Mayor and Clerk, following a review of the agreements to the satisfaction of the City Solicitor, be authorized to execute the Novation Agreement with the Province of Ontario for the Growing Local Food Wholesale Market in the Kawartha Region project, attached as Appendix A; and

**That** this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

## **Background:**

In 2023, the City of Kawartha Lakes began a joint project with Peterborough and the Kawarthas Economic Development (PKED), Growing the Local Food Wholesale Market in Kawartha Region: Kawartha Local Food Wholesale Project ('Project'). The Project has a two-year duration and is scheduled to be completed by December 31, 2025.

The Project was funded jointly by Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), PKED, and City of Kawartha Lakes. The Project encompasses program work and research to identify and develop local food wholesale channels as a growth opportunity for local producers. Made up of both buyers and producers, participants reside in City of Kawartha Lakes, Peterborough County, and the City of Peterborough. This Project is a result of over five years of research and agricultural business outreach and work.

The Kawartha Local Food Wholesale Project provides a framework for continued research to identify and develop wholesale food channels. These channels are a growth opportunity for both local food producers as well as buyers such as restaurants, retailers and institutions. For producers, selling outside their usual retail markets to wholesale buyers creates an opportunity to scale up their production and sales, and diversify sales channels. For wholesale buyers, the Project creates better connections to the local food system. The ability to purchase locally produced food and food products will allow them to sell fresher, more nutritious products, differentiate themselves from other organizations, and give better access to seasonal foods. Buying local foods also keeps dollars circulating in the local economy and replaces imports. This Project allows local food producers to work with wholesale purchasers, to plan, research, and create the infrastructure necessary to aggregate and market their produce and food products.

To facilitate program work and training, PKED secured \$60,000 in Rural Economic Development Funding from OMAFRA. This funding was matched with \$60,000 in funding from PKED (\$40,000) and CKL (\$20,000). With the funding, two advisory consultants were hired, along with a Project coordinator. Together with PKED and CKL staff advisors, this team has provided 43 Project participants with workshops, advisory consultations, and related resources.

The Kawartha Local Food Wholesale Project consists of two parts. The first part, which has been completed, consisted of educating and developing participant skills and

networks related to producing local food and purchasing local food products. The second part of the Project will use the networks and skills developed in the first part to create a local 'food hub'. Project participants have formed a steering committee to implement this portion of the Project, and will work together to organize aggregation, sales, storage and delivery infrastructure for locally produced food products.

Now at the halfway point, the Project is accepting new food producers and buyer applicants who wish to participate in and assist in the development of the local 'food hub'. Kawartha Lakes currently has 17 engaged producers, and 4 engaged buyers participating. Peterborough County has 14 engaged producers and 3 engaged buyers, and the City of Peterborough has 1 producer and 4 buyers involved in the Project.

This Project has been jointly managed by both CKL and PKED, with the finances and reporting for the Project handled by PKED. With the pending dissolution of PKED, OMAFRA has approved the novation of the agreement and transfer of the Project to CKL for completion.

Both the City of Peterborough and Peterborough County have been engaged in discussions to continue the Project to the end date of December 31, 2025. A letter of support from Peterborough County is attached as Appendix C, and the City of Peterborough is attached as Appendix D..

This report addresses the request for the adoption of the Novation Agreement with the Government of Ontario, for the purposes of continuing the Growing the Local Food Wholesale Market in Kawartha Region Project.

## **Rationale:**

The City of Kawartha Lakes (CKL) has established strategic priorities which are being met through the Kawartha Local Food Wholesale Project. As such, CKL wishes to continue the development of those priorities. Further, the City of Kawartha Lakes Economic Development Strategy includes goals and actions to grow the agriculture and food cluster including production, value-added food processing and agri-culinary, supporting innovation and diversification to increase businesses and employment.

The Kawartha Lakes Agriculture and Food Action Plan 2020-2024 identifies Goal 2: Enhance opportunities in value-added agriculture – Actions 2C – Explore further investment in KCFF-networks between producers & processors; 2D – Attract food

processors; and 2E – identify gaps in food process and support more efficient use and access to existing facilities.

The adoption of the Novation Agreement will allow for the continued development of the agriculture sector within CKL, and continue to fulfil objectives outlined in the abovementioned strategy and plan.

### **Other Alternatives Considered:**

Council could choose not to adopt the Novation Agreement with OMAFRA. Should Council choose this option, the Project will conclude prematurely with the dissolution of PKED on December 31, 2024. The Project has built momentum and credibility within the agricultural and wholesale business community and Staff recommend continuing to invest in this work to realize the full economic potential and not to choose the alternative option.

### **Alignment to Strategic Priorities**

The adoption of the Novation Agreement aligns with two of the following Strategic Priorities from the Kawartha Lakes Strategic Plan:

Vibrant and Growing Economy – The strategic plan highlights the commitment to ‘Build economic development initiatives to support and expand existing businesses, attract new businesses, and expand local employment opportunities’. This Project supports agricultural business development and expansion, as well as small business sectors that may be interested in purchasing wholesale local food options.

Good Government – The plan also states that CKL will “Secure and advocate for provincial and federal government funding for municipal infrastructure and service delivery needs, and critical community infrastructure and Project investments”. The Kawartha Local Wholesale Food Project is a provincially funded project, with investment in the Project by CKL.

### **Financial/Operation Impacts:**

There are no financial impacts to the novation of the agreement. Funding for this Project has already been committed. The Kawartha Lakes contribution to the Project was \$20,000 approved between the 2023 and 2024 Economic Development operating

budgets. The execution of the Novation Agreement will start a process for PKED to transfer the remaining committed Project funds to Kawartha Lakes to complete the Project as approved.

### **Consultations:**

City Solicitor

Director, Development Services

Manager, Economic Development

Peterborough County

City of Peterborough

Peterborough and the Kawarthas Economic Development (PKED)

### **Attachments:**

Appendix A – Novation Agreement between OMAFRA - GPAIDC – Kawartha Lakes



Adobe Acrobat  
Document

Appendix B – Original RED Funding Agreement between the Province and PKED



Adobe Acrobat  
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Appendix C – County of Peterborough letter of support



Adobe Acrobat  
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Appendix D – City of Peterborough letter of support



Adobe Acrobat  
Document

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**Department Head:** Leah Barrie, Director, Development Services