

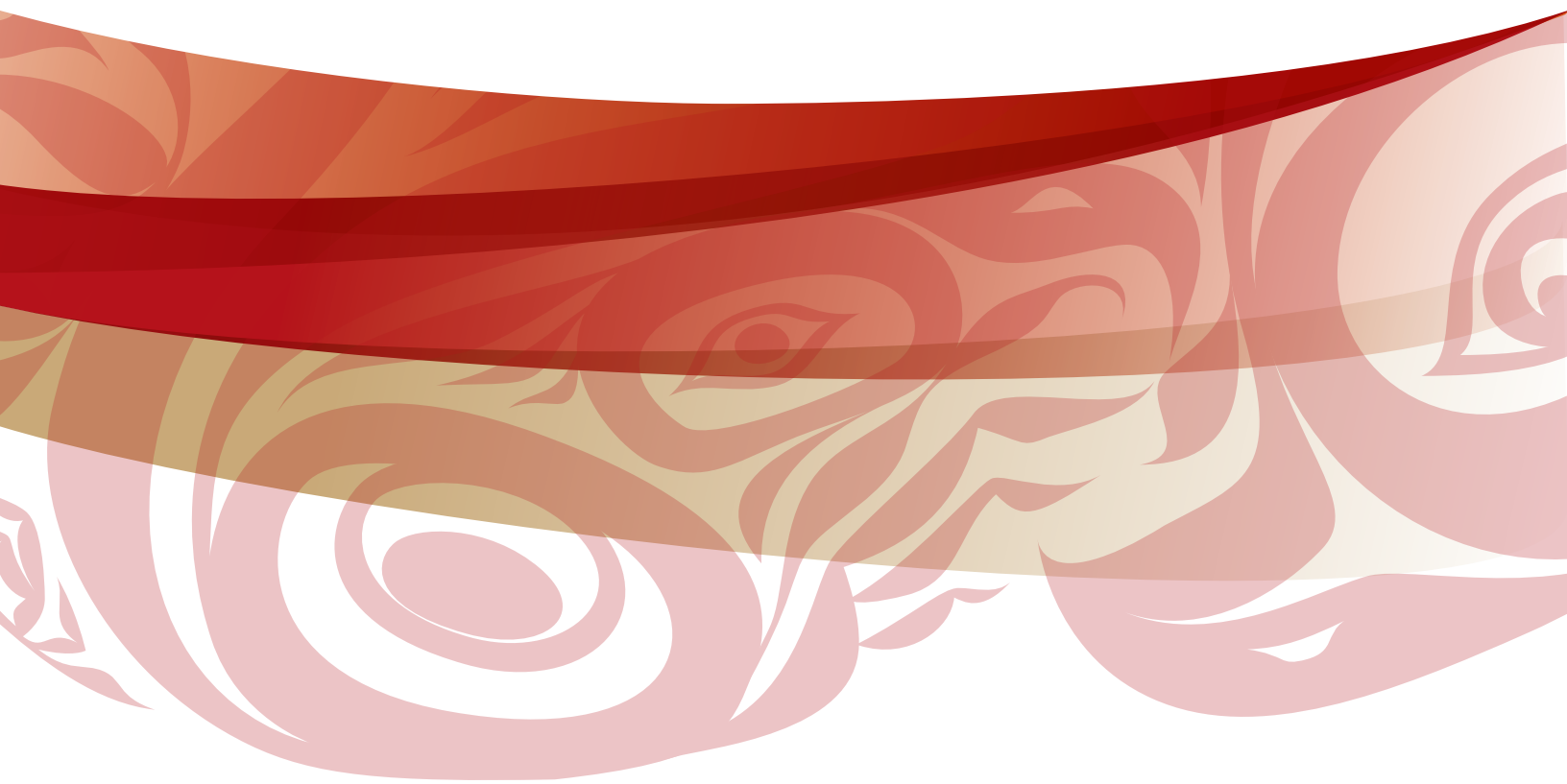
Canadian Council for
ABORIGINAL
BUSINESS



Success and Sustainability

Understanding Aboriginal Businesses in
the Agriculture Sector - Winter 2018





Our Supporter:



Agriculture and
Agri-Food Canada

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Executive Summary

Although the agriculture industry is a significant contributor to the Canadian economy, there is very little information on how First Nations, Inuit, and Métis business owners perform in this space. The agriculture industry operates coast to coast, often around Aboriginal populations and peoples. Industry-specific research is important in addressing niche challenges for Aboriginal business owners across the country. The development of viable business opportunities in this industry can offer future prosperity of Aboriginal peoples, and Aboriginal employment prospects, especially for the growing number of young Aboriginal job-seekers entering the labour market.

Canadian Council for Aboriginal Business' (CCAB) research shows that Aboriginal-owned businesses in agriculture are often small-scale businesses that produce value-added products. They face similar or greater challenges than Aboriginal business owners across all industries.

Major Challenges for Aboriginal Businesses in Agriculture

- **Financing:** Access to financing continues to be an issue for a majority of business owners, particularly in the start-up phase due to high costs associated with the agriculture industry such as equipment and other property. There are even greater barriers to financing when the business is located on reserve. Page 19 – 20.
- **Government policies, programs, and services:** Our research has found that government grants are significantly under utilized. Respondents identified a difficulty in finding the appropriate government funding mechanism and cumbersome applications processes as the main reasons they did not take advantage of government programs. Page 21 – 22.
- **Competition:** One third of participants interviewed expressed frustration around competition in their industry. As Aboriginal entrepreneurs, they feel they're starting from a distinct disadvantage, which is built into the historic legal system of Aboriginal people in Canada. Page 22.
- **Business knowledge:** Almost half (44%) of participants expressed this to be a major challenge for a variety of reasons. For many, they are able to produce quality products but may not have business networks, mentors, accounting skills and so on. This hinders their ability to sell and bring awareness to their brand. Page 22 – 23.
- **Access to land:** Acquiring land from a municipality, band or private owner is a challenge for many business owners. Due to the nature of agriculture, much larger land space is needed than most other industries. This limits entrepreneurs' ability to scale businesses and is a particular barrier for businesses on reserve. Page 23 – 24.

A distinct feature of Aboriginal businesses in agriculture is the reason why entrepreneurs begin in this industry:

- When asked about objectives, half of participants included social or cultural causes. Participants view agriculture practices as a way of preserving culture, tradition, medicine and bringing healthy, sustainable food to rural communities.
- Over three quarters (77%) of businesses interviewed do not follow regional commodity trends. This relates to the reason why Aboriginal business owners began in this industry – for many, it wasn't initially for profit, but to address social problems within the community. By not following regional trends, entrepreneurs take a risk since many local support services may be irrelevant and neighbouring farmers may not be able to share best practices.

Based off findings in this research report, CCAB recommends the following.

1. Centralize government loan and grant applications for Aboriginal businesses in agriculture on a platform. This could be organized by level of government (municipal, provincial, federal, or by region).
2. Simplify the process of applying for government grants.
3. Support the identification, certification, and branding of Aboriginal businesses in the agriculture sector and promote these businesses within government and corporate supply chains.
4. Support targeted training, networking, and mentoring opportunities for Aboriginal entrepreneurs.

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About the Research

About the Research

For the last several years, the CCAB has been leading a ground-breaking research program in Aboriginal business development and has collected significant data on Aboriginal entrepreneurship. This data was collected and analyzed through our *Promise and Prosperity: The 2016 Aboriginal Business Survey*. Using data from our National Aboriginal Business Survey as a baseline, CCAB embarked on this research project to analyze the state of Aboriginal-owned businesses in the agriculture and agri-food sector in partnership with Agriculture and Agri-Food Canada.

The agriculture sector is a significant contributor to the Canadian economy. In 2014, the Canadian Agriculture and Agri-Food System (AAFS) generated \$108.1 billion, accounting for 6.6 % of Canada's GDP (Government of Canada, 2016). This industry has a substantial effect on land and water use, natural resources, and the environment. 6% of Canadian companies operate in the agriculture industry, while CCAB estimates that only 3% of Aboriginal firms operate in the agriculture sector, despite a disproportionate number of Aboriginal people living in areas largely associated with agriculture. This presents a significant growth opportunity.

A note on terminology:

The terminology used in this report is evolving and in flux. While Indigenous is now becoming more acceptable, Aboriginal peoples are constitutionally recognized and our use of this and other terms is limited to where it is required for policy reasons and for legal and historical accuracy.

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Brief History: The Tradition of Agriculture in Indigenous Nations

The notion that Indigenous people only hunted, fished and gathered wild plants does not present a complete picture of how pre-contact Indigenous Nations fulfilled their food requirements nor was their knowledge of plant biochemistry random or basic.¹ It has been suggested furthermore that any farming that did take place in pre-settler US and Canada was limited to the latitude of North Dakota taking advantage of the more than 120 days² per year without frost.³ However, this is not the case, there is clear evidence of pre-settler Indigenous farming north of Winnipeg, Manitoba.⁴

As settlers increased in numbers their need for farm land did as well. Even though Indigenous Nations were living under the reserve system, they continued to farm. Despite the harsh conditions under which they laboured, non-Indigenous farmers consistently complained that Indigenous Nations received unfair advantages from the government and lobbied to have Indigenous products restricted.⁵ The narrative that Indigenous people and agriculture were mutually exclusive served many purposes. One of the most damaging to Indigenous farmers was that their products were by default inferior, when clearly, they were not, and in some cases, they were superior to those of the settlers. As well, this narrative was used to justify land dispossession. The idea was that since Indigenous Nations were not farmers they did not need as much land, therefore justifying smaller reserves and those reserves did not need to be on arable land. This type of land, it was argued, would be much more productive under settler control.⁶

¹ Nancy Jean Turner and Patrick von Aderkas, Sustained by First Nations: European newcomers' use of Indigenous plant foods in temperate North America, *Acta Societatis Botanicorum Poloniae*, at p.96.

² T. Arnason, J. Hebda, and T Johns, Use of plants for food and medicine by Native Peoples of eastern Canada, *Can. J. Bot.* 59, 1981 at p. 2194.

³ Catherine Flynn and E. Leigh Syms, Manitoba's First Farmers, *Manitoba History* : Number 31, Spring 1996, Manitoba Historical Society.

⁴ Ibid

⁵ Sarah Carter R. Douglas Francis, Chris Kitzan *The Prairie West as Promised Land* 119

⁶ ibid

In today's economy agriculture is a \$3.3 trillion USD business⁷ and Indigenous Peoples are almost universally left out of this sector. There are many reasons for this but one of the most important is the legal structures that Indigenous Peoples live under around the world. The push from Indigenous Peoples in Canada to re-enter this market is understandable not only from a financial perspective but also a cultural one. Indigenous Nations of Canada never fully abandoned agriculture despite the disadvantages they faced. The question today is how to empower Nations that want to start production in this sector and how to support those already in it, to increase their market share. Agriculture (including such activities as aquaculture) today is a very inputs-intensive economic sector, making it very difficult for communities with sparse resources to start major projects. Agriculture is also a very controversial sector given its relationship with the land and the sea. Already we see conflict arising regarding salmon farming and its potential impact on wild salmon.⁸ Pesticides used in modern agriculture are also controversial especially due to their capacity to travel long distances and contaminate areas where no agriculture occurs such as the Arctic.⁹

Methodology

For this report, *Success & Sustainability: Understanding Aboriginal Businesses in the Agriculture Sector*, 10 participants were interviewed from five different provinces and one territory. All interviews were conducted in person or on the phone using the same interview guide for each person.

Due to the small sample size, data collected on Aboriginal-owned businesses in agriculture from the CCAB's *Promise and Prosperity: The 2016 National Aboriginal Business Survey* was used to strengthen the findings. In this survey, 40 participants identified working in this industry, totaling at 50 participants across both surveys.

⁷ <http://data.worldbank.org/indicator/NV.AGR.TOTL.CD>

⁸ Can There Be a Salmon People Without Wild Salmon? <http://www.dominionpaper.ca/articles/3539>

⁹ Levels and trends of contaminants in humans of the Arctic Jennifer Gibson^{1*}, Bryan Adlard¹, Kristin Olafsdottir², Torkjel Manning Sandanger³ and Jon Øyvind Odland³ <http://journals.co-action.net/index.php/ijch/article/view/33804>

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Characteristics of Aboriginal Agriculture and Agri-food Businesses

To ensure an accurate representation of Aboriginal agriculture and agri-food businesses in Canada, CCAB interviewed a small sample size of Aboriginal-owned businesses in all main regions of the country, collecting information about their operations. Breaking down the characteristics in this study reveals the diverse nature of what, how and why these individuals have set up their businesses.

Type

Participants in this study represent a diverse group of Aboriginal-owned businesses. Of these producers, 56% are in crops/grains (beans, clover fields, cranberry marshes, wild rice), 11% in horticulture (vegetables), 11% in greenhouse crops (floriculture, gardens), 11% in animal by-products (honey), and 11% in other agricultural products (maple syrup).

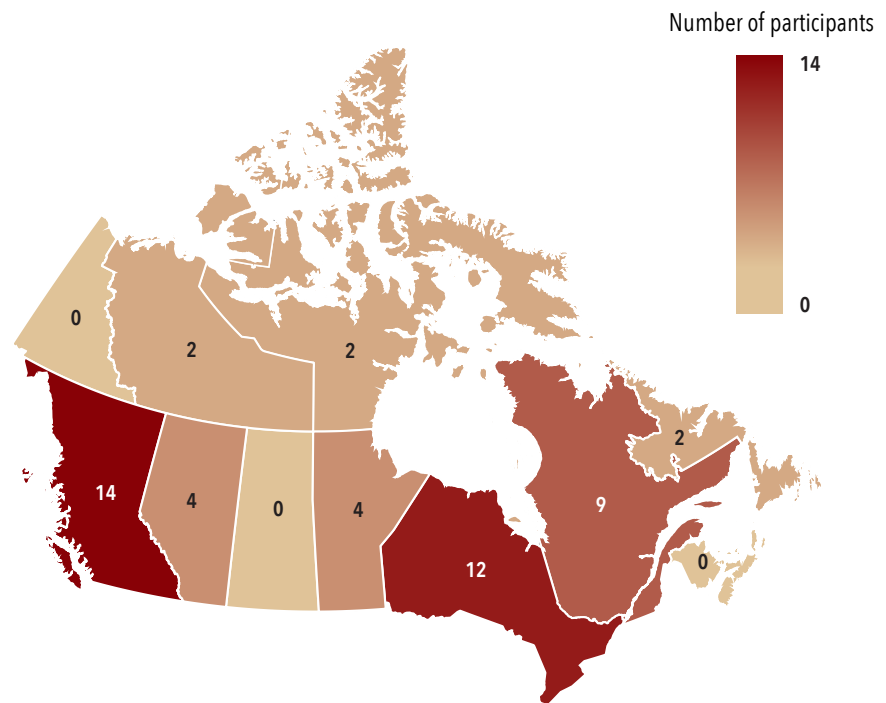
Choosing which type of agriculture business to develop was often based on a personal connection to the product, either by way of land they owned or family traditions they had. 22% of respondents said there were existing resources on newly acquired land, which made the business a natural fit. "Our sole intention was to buy property [up north] and live there," said one participant. "Then a friend of ours said, 'You have all of these maple trees on here. You should think about doing maple syrup.'"

One third (33%) of respondents have said it was a connection to past traditions, either a family farm or knowledge passed down through elders, that led them to choose their type of agriculture. "Our parents both came from a farming background. My dad said he didn't want to go back because it was too much work," said one participant.

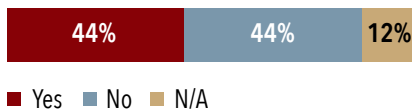
"My business started thousands of years ago...through my ancestors, in their use of this land and the waters on it," said another participant, talking about how his interest in the traditional food he now farms started at a young age. "I went and talked with my elders and I learned." Overall, half the participants said that choosing to start their business in agriculture was a natural fit due to family and cultural traditions or existing resources.

But the connection to the type of farming wasn't always direct for study participants. In one case, there had been a family history of farming that gave access to the land, but the choice of product came from looking for natural solutions to the business owner's own health problems.

Location



Business operating on or off reserve



Source: *Promise and Prosperity: The 2016 Aboriginal Business Survey, Success and Sustainability: Understanding Aboriginal Businesses in the Agriculture Sector*

Data collected from the participants of this study and the *Promise and Prosperity: The 2016 Aboriginal Business Survey* presents a picture of how these Aboriginal-owned agriculture businesses are distributed across Canada. Of the 50 businesses studied between both reports, more than half are located in two provinces: British Columbia (14) and Ontario (12). Quebec follows closely (9), then Alberta (4), Manitoba (4), Northwest Territories (2), Nunavut (2), Newfoundland and Labrador (2), and Saskatchewan (1). Unfortunately there were no Aboriginal-owned agriculture businesses from Prince Edward Island, New Brunswick, Nova Scotia and the Yukon surveyed for this report, although many exist.

The distribution of these businesses vaguely matches the distribution of Aboriginal populations across Canada by province/territory. Discrepancies like Ontario (which is 5.1% higher in Aboriginal population compared to B.C.) may be due to the concentration of these populations within urban areas, away from farmland.¹⁰

An equal number of businesses in the 2017 survey are operating on-reserve (44%) as compared to off-reserve (44%), with each presenting unique challenges and opportunities given the diverse regulations and infrastructure even within different regions of the same province.

¹⁰ Population and geographic distribution. Provincial/territorial distribution. 2011. Last updated 2015/12/24. Statistics Canada. <http://www.statcan.gc.ca/pub/89-645-x/2015001/pop-concept-eng.htm>

Size

The size of the farms in this study varied greatly, from the smallest operation at 54 acres to the largest at over 6,300 acres. In some cases, such as apiaries or vertical farms, the physical size of the farming land is intentionally small for the purpose of sustainability and does not reflect the scale or success of the business.

Typically, Aboriginal-owned companies in agriculture operate at a smaller capacity.

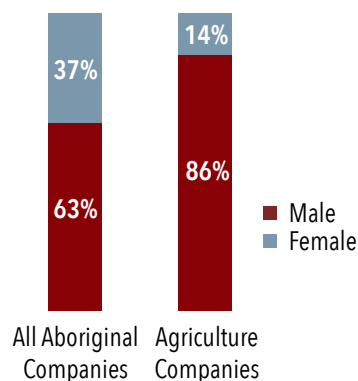
- During off season, 78% of companies have 0-5 employees.
- During harvest, 43% of companies have 0-5 employees and 27% have 15-80.

The following table shows the gross sales’ revenues of all of all surveyed Aboriginal businesses:

QA. What are your businesses gross sales’ revenues for 2014?	Agriculture Companies	All Companies
Less than \$25,000	19%	14%
\$25,000 to less than \$100,000	10%	21%
\$100,000 to less than \$1 million	34%	21%
Over \$1 million	14%	14%
DK/NA	24%	29%

Source: *Promise and Prosperity: The 2016 Aboriginal Business Survey*

Gender of participants



Source: *Promise and Prosperity: The 2016 Aboriginal Business Survey, Success and Sustainability: Understanding Aboriginal Businesses in the Agriculture Sector*

Demographics

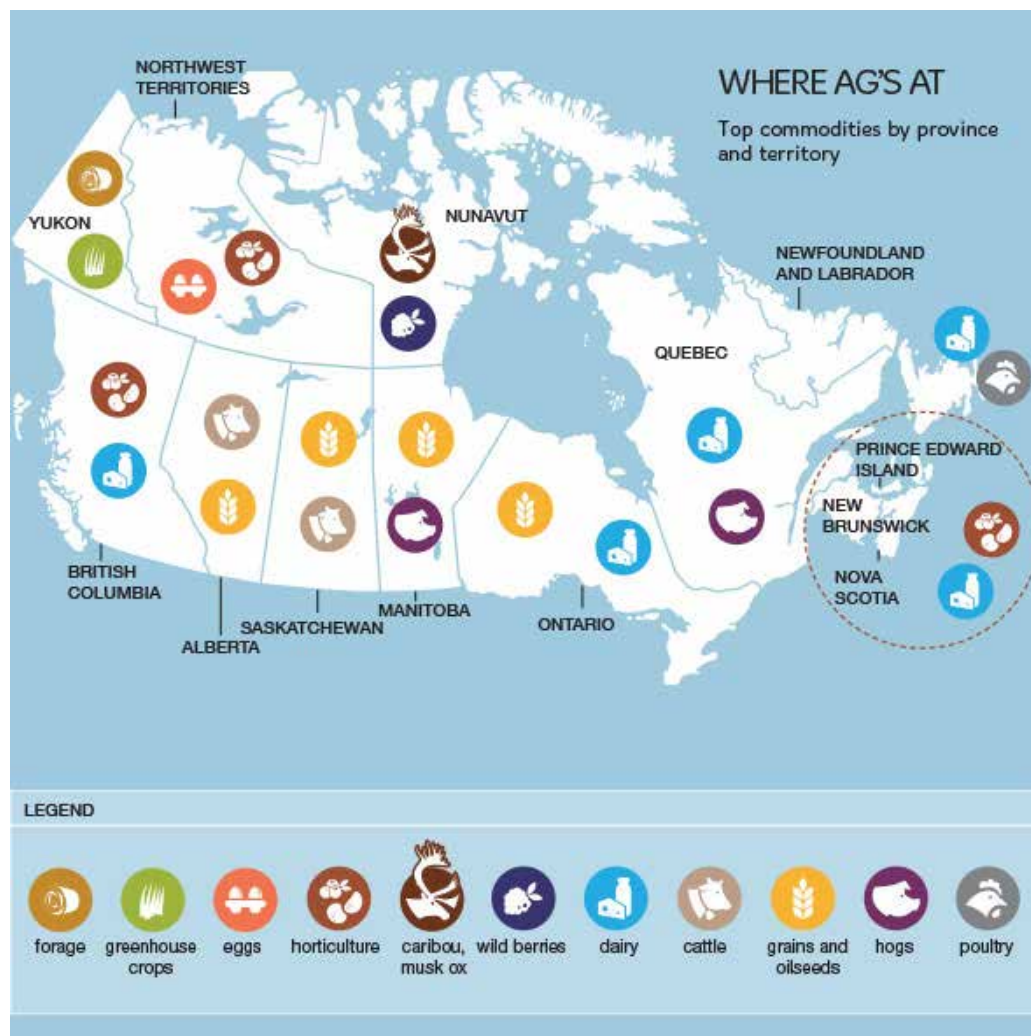
Aboriginal business owners from both studies primarily identify as male (86%) with only a small percentage of participants identifying as female (14%). However, since some of the female participants were co-founders of their agriculture business with a male partner (often from within their own family), someone not involved in the survey, the number of female business owners may be lower than what's reflected in this sample size. Compared to our entire *Promise and Prosperity 2016: National Aboriginal Business Survey*, 37% of participants were female and 63% male. Canada's gender breakdown of farm operators is 29% female and 71% male¹¹. A specific study on females within Aboriginal agriculture would help provide more clarity around the gender divide within this industry.

Along with gender, CCAB also collected information from both surveys on the Aboriginal identity of these business owners, finding that First Nations were predominant among the sample group (72%), followed by Métis (18%), and Inuk (10%). The percentage of entrepreneurs from each identity group are not surprising, given the population numbers of these three peoples (851,560; 451,795; and 59,445, respectively).¹² This demographic snapshot is important for moving forward since the history, traditions, current priorities and regional considerations of the First Nations, Métis and Inuk are all different. As a result, the agribusinesses they lead will require different resources and infrastructure to support success in this industry.

¹¹ Statistics Canada. Table 004-0017 - Census of Agriculture, number of farm operators by sex, age and paid non-farm work, Canada and provinces, every 5 years (number), CANSIM (database).

¹² Aboriginal Peoples in Canada: First Nations People, Métis and Inuit. Highlights. Statistics Canada, 2011. Last updated 2016/09/15. <http://www12.statcan.gc.ca/nhs-enm/2011/as-sa/99-011-x/99-011-x2011001-eng.cfm>

Commodities



Based on the interviews and research conducted for this report, CCAB determined that Aboriginal businesses operate in almost all of the commodities identified by Agriculture and Agri-Food Canada. Although the image provided indicates a predominant commodity for each province, our research shows that Aboriginal businesses fall outside this identification and that many Aboriginal businesses operate based on their own market research and interests relating to agriculture. Interestingly, more than three quarters (77%) of research participants did not follow the trend depicted in the legend. Instead of choosing the most profitable commodity in their region, many found more importance in preserving their traditional agricultural practices.

For example, in Ontario, CCAB interviewed businesses operating in the crops commodity, with some Aboriginal businesses that grew soybeans, clover, buckwheat, honey, wild rice, and cranberries. Regardless of the crop, each business had a rooted theme of providing for their region and aimed to stay true to regenerative agriculture.

This diverse range of products, a departure from non-Aboriginal farming trends, is a result of business owners incorporating traditional practices into business decisions to help maintain their Aboriginal culture. "I don't just gather the seeds to turn it into food," states one participant. "I gather the seeds to rehabilitate those places the elders told me about, where it used to grow." The choice of agricultural product is often linked to the history of the individual, the people, and the land, as well as market trends in the area.

One third (33%) of participants referenced these culture-based decisions as a possible way of giving them a competitive advantage. If their products are marketed as Aboriginal, they may be able to capitalize on growing interest, both nationally and internationally, in the traditional culture of Canada's Aboriginal peoples. "One single distribution channel would be able to brand [these products] with the official Native sticker somehow," said one participant, who imagined a centralized distribution channel for multiple products under one Aboriginal brand, similar to Foodland Ontario. This would take their marketing to the next level, since overseas interest is already there. "That stuff, you can sell it in Europe and even in China."

Another noted that their product offers additional value for consumers because of the visibility of its Aboriginal roots. "They buy the fancy bottle and they have our little tag on it and it has all information on it about our First Nation story on it," the participant said.

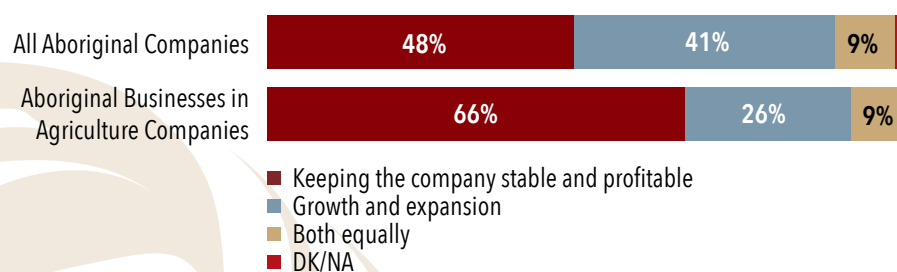
It is important to keep in mind that this data comes from a relatively small sample size and more research should be conducted to uncover how consistent these trends are across more Aboriginal-owned agriculture businesses that have not yet been identified.

Objectives

The diverse range of commodities produced by Aboriginal agriculture businesses, which runs contrary to the typical geographic trends, can be linked to the non-conventional objectives of their agricultural pursuits, which the CCAB discovered through this research.

For the *Promise and Prosperity: The 2016 Aboriginal Business Survey*, the question pertaining to main business goals was limited to one of three possible answers: keeping the company stable and profitable (66%), growth and expansion (26%), or both equally (9%). This data shows the majority of Aboriginal agriculture businesses aim for stability, rather than growth and expansion, perhaps due to their focus on objectives not related to standard measures of success (i.e. more market share).

Business goals of Aboriginal businesses in agriculture compared to all sectors



Source: *Promise and Prosperity: The 2016 Aboriginal Business Survey*

In our 2017 survey, the question around business goals and objectives was left open-ended, allowing participants to provide more depth and detail in their answers. A variety of answers were given as a result. Keeping the company profitable was mentioned only 17% of the time, growth and expansion 17%, and to become self-sufficient 17%. Half (50%) of responses included social or community objectives such as wealth and job creation for First Nations communities, preserving and teaching agricultural traditions, and improving nutrition for Aboriginal people.

Specifically, improved health was a top priority for one third (33%) of these businesses, with business owners motivated by what they see as widespread health problems within the Aboriginal population, often caused by lack of access to either traditional or local foods. "One of the reason diabetes is so rampant out here and other reserves is because we haven't had access to our traditional foods. And this is another reason why I do [my business], more than just to try to feed my family," said one participant.

Aboriginal business owners in this industry see opportunities to improve conditions for their people through sustainable food sources, while creating a career path for themselves within agriculture. "There are a lot of people that are larger than the norm, and diabetes is very prevalent, and we have a lot of medical problems. It's not only Indigenous. It's the whole population. We want to try and change that," said another business owner.

Nearly half (44%) of Aboriginal business owners state that their objectives included strengthening the community through employment and training opportunities, wealth creation and traditional not-for-profit initiatives. "From our perspective, we could be leaders in helping get the message out, helping develop systems, creating sustainable communities and creating employment," continues that business owner. Another told us that their intention was "to bring employment and training and wealth creation for First Nation communities."

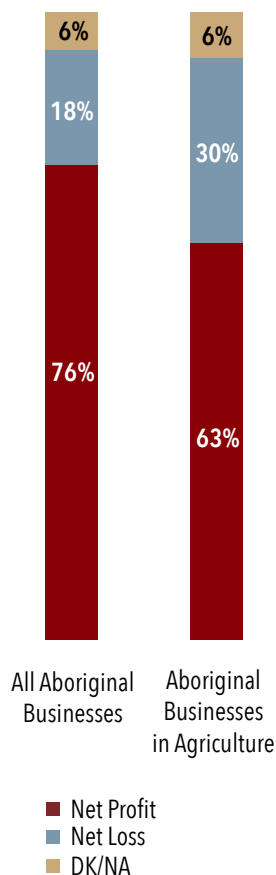
These businesses are developing innovative models of success that can then be taught to other Aboriginal entrepreneurs, expanding the range of positive impact beyond their own communities. Increased employment opportunities could help provide ways forward for the Aboriginal population, while strengthened community initiatives could increase connections to their traditional cultures. “Our goal is to put this business under our not-for-profit corporation set up for my husband’s traditional work as an elder and a teacher. If you go to our website and read the story of our logo, it’s all connected,” said one business owner, who runs the operation with her husband and family. She emphasized the educational aspect of their business. “That’s the whole intent, it is not for us to get rich, but for us to give back.”

Agricultural practices hold significant value for many Aboriginal people and business owners within Canada, which is why many of the business owners we interviewed did not sell the same commodity as the leading one within their region (explored in the Commodities section of this report). By understanding the strong focus on social and community objectives, CCAB has gained insight into how Aboriginal agricultural businesses get established, make decisions and measure success — critical information when considering how we can properly support them in the future.

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Business Performance

Net profit or net loss for most recent fiscal year



Source: *Promise and Prosperity: The 2016 Aboriginal Business Survey, Success and Sustainability: Understanding Aboriginal Businesses in the Agriculture Sector*

CCAB collected data on revenue and profits to examine the recent and current financial success of Aboriginal agriculture businesses, as well as expected growth in the coming years.

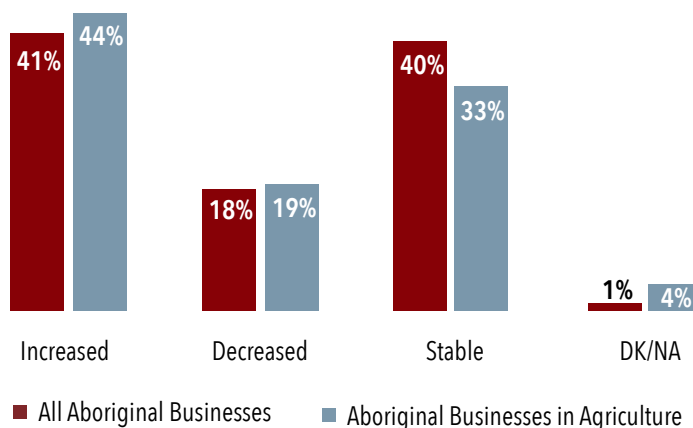
Profitability

Data from both surveys show that the majority of Aboriginal companies in agriculture have experienced a net profit (63%) in the previous year, with 30% reporting a net loss. 44% of business owners spoken to in this survey attribute losses to the high start-up costs associated with agriculture (equipment, training, certification, etc.), which are unlikely to continue pulling from growing revenues in the coming years. "We're still at a loss because of the equipment, the capital costs of getting into [this commodity]," said one business owner, who had a plan in place to grow in new markets. "For this business, for the first two years, the revenue stream will be directed back to capital costs," said another participant. "We won't start seeing the revenue stream happen for about two years." The net loss experienced by these businesses was expected and, in many cases, part of the company's original plan since inception.

Revenue Growth

Beyond past profitability, CCAB also looked at the state of current revenue for these businesses. The combination of data from both surveys show that the majority of agriculture businesses had either stable (33%) or increasing (44%) gross sales revenues for the previous fiscal year, while only 19% conveyed that their gross sales revenues were decreasing. Aboriginal-owned companies in agriculture show similar trends in changes in revenue compared to Aboriginal-owned companies in all industries.

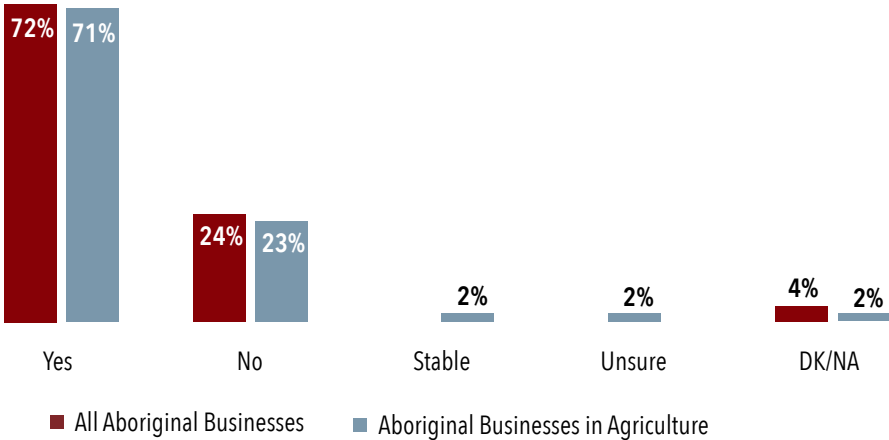
Change in gross sales revenues for the past year



Source: *Promise and Prosperity: The 2016 Aboriginal Business Survey, Success and Sustainability: Understanding Aboriginal Businesses in the Agriculture Sector*

In terms of future revenue, the majority of business owners expected growth within the next two years (71%). The additional comments from business owners regarding this section were noticeably optimistic in nature. Most had clear pictures of where they were headed with their business. “We’re increasing,” said one business owner. “And we have a plan for the next five years for growth, until we reach the point where we want to stabilize.”

Expected growth in sales revenues over the next two years



Source: *Promise and Prosperity: The 2016 Aboriginal Business Survey, Success and Sustainability: Understanding Aboriginal Businesses in the Agriculture Sector*

Even the businesses operating at a loss or now temporarily closed had a positive outlook about future growth. One participant was already in the process of using knowledge from past failures and losses to start fresh through an Economic Development Corporation, which would provide the structure and consistency needed for success in agriculture.

Success Story: Giizhigat Maple Products

Giizhigat Maple Products is an Aboriginal-owned business with a unique story from start-up to success. Owners Deborah Aaron and Isaac Day's families have been producing maple syrup products for many generations, so the business itself grew out of family traditions. Initially using their property on the Six Nations of the Grand River to tap multiple trees, Deborah and Isaac collected maple syrup for family and friends, as well as small sales at farmers' markets and local events. It was a time when Isaac, Deborah and her father could share the tradition and knowledge to their children and grandchildren. In the beginning, they had no intention of producing maple syrup on a commercial scale.

When Deborah and Isaac purchased a farm on St. Joseph Island in Northern Ontario, they fell in love with the property for several reasons, not for the maple syrup that the land's trees could potentially produce. However, they could not help noticing the opportunity their farm presented. In 2012, they seized that opportunity – starting Giizhigat Maple Products – investing in modern equipment and installing over 1,500 maple syrup taps on their farm. The name Giizhigat (gee – jaa – gut) in Ojibway translates to Day, which is Isaac's original family name prior to being translated to English by Government agents' years ago.

This new business venture for Deborah and Isaac didn't begin with instant success. There were many challenges along the way, such as learning current techniques, regulations and e-commerce. Despite these challenges, and with the help of their children and neighbours, they became self-taught experts in the production of maple syrup. In 2015, Deborah and Isaac added another 2,000 taps to the operation, increasing sales and demand for their naturally sweet products.

To date, Giizhigat Maple Products produces and sells maple syrup, maple butter, maple candies and maple sugar. Sales take place locally in the Greater Toronto Area and nationally through their online store. But the couple is still looking ahead. "2018 looks to be a promising year," Deborah said. They've made further investments in the business, purchasing new equipment and strengthening their knowledge through various industry-related workshops and seminars.

Although the business is growing, it's not all about profits and maple products for Deborah and Isaac. The long-term vision of the company is to reinvest profits to their established non-profit, Rainbow Thunder Star Mountain, to build a teaching lodge, a place where all are welcome to learn Universal Star Lodge Teachings that Isaac was gifted to carry. They see it as a place that can bring back traditional knowledge, showing people how to live in harmony with their surroundings. The success of Giizhigat Maple Products paves the way for a greater legacy to flourish.

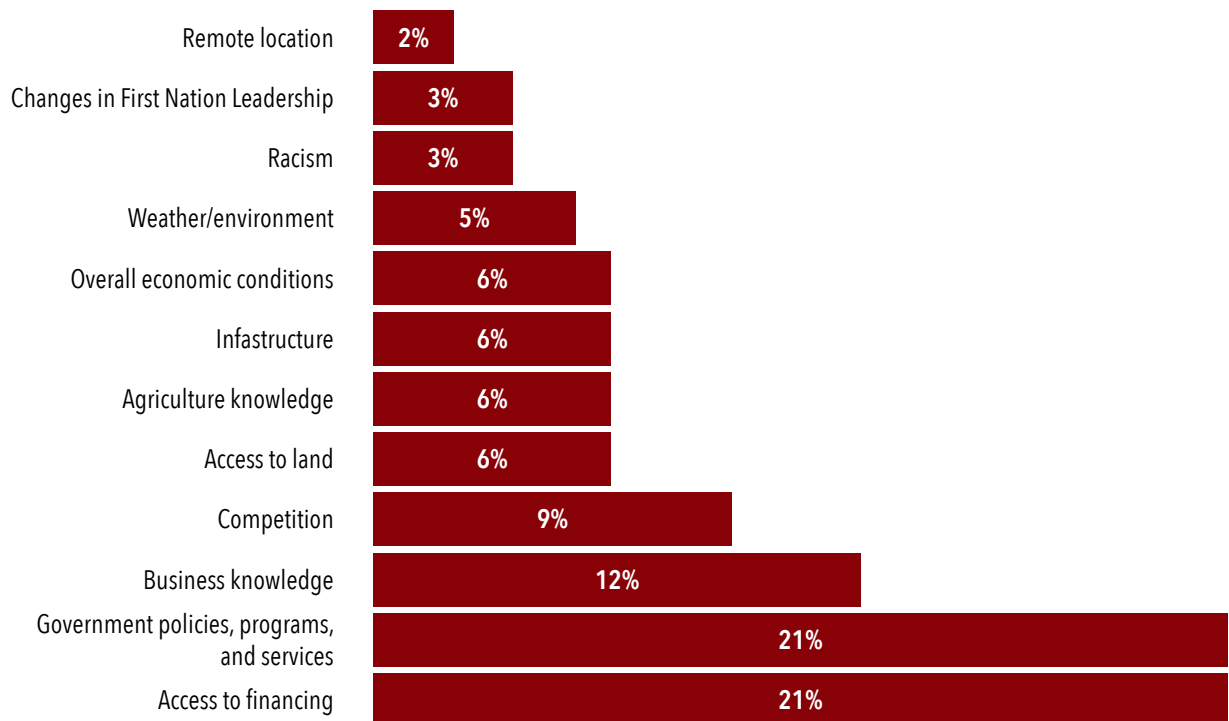
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Current Challenges to Growth and Development

Considering the characteristics and performance of these Aboriginal agriculture businesses, CCAB was interested in finding out the factors preventing further growth and expansion. We collected feedback from the business owners about the current challenges that, from their perspective, created barriers to progress.

Some of the challenges identified in the *Promise and Prosperity* report returned in this recent survey, such as access to financing and government support, competition, and remote location. However, many challenges identified by these participants were either new or given additional context by the participants. Access to financing was mentioned most frequently at 21% of the time, as well as government policies, programs, and services (21%), followed by business knowledge (12%), competition (9%), and access to land (6%). These top challenges provide insight helpful for understanding what the pain points are for Aboriginal agriculture businesses and how to address them.

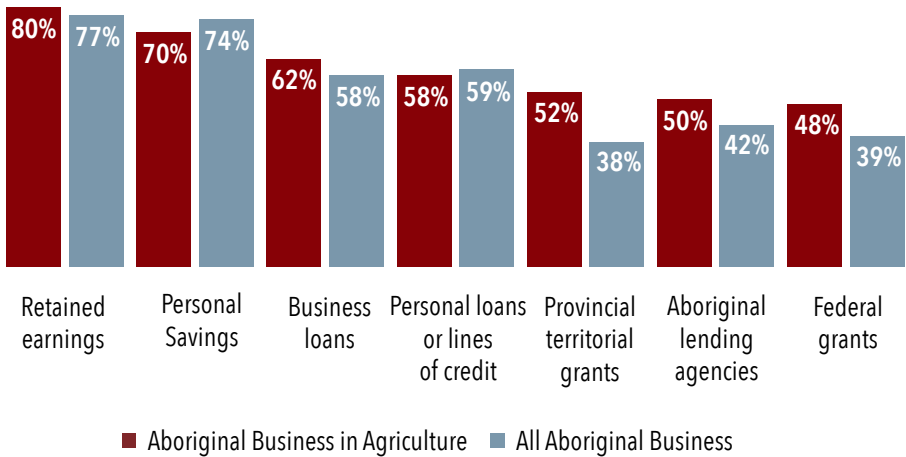
Barriers to growth



Source: *Success and Sustainability: Understanding Aboriginal Businesses in the Agriculture Sector*

The following graph shows the most important sources of financing for businesses at the time of interview, collected from both surveys. Participants were asked to rate the sources of financing from “not at all” to “very important”. Retained earnings and personal savings are the most important sources of financing for Aboriginal companies across all industries. Provincial and Federal grants along with Aboriginal lending services were mentioned as being very or somewhat important only half of the time.

Current sources of financing (very or somewhat important)



Source: *Promise and Prosperity: The 2016 Aboriginal Business Survey, Success and Sustainability: Understanding Aboriginal Businesses in the Agriculture Sector*

Given the high start-up costs, financing is an obvious barrier for any agribusiness. According to respondents, it is one of the most pressing challenge impacting growth and development.

While programs are in place to help agribusiness owners get started, Aboriginal people do not always have the same access to those funds as their non-Aboriginal counterparts. “If you want to borrow money from a developmental lender for a project here in BC, you’ll pay about 13% interest. If you’re a non-native person and you want to borrow money through an AG Canada program or something like that, there are [places] out there that will give you money at 0 to 2% below prime,” said one participant. “[In farming] your margins are narrow, your investment is huge and it’s a long-term deal. If you’re paying high interest rates, it’s very difficult to survive.”

The challenge of financing is an especially overwhelming barrier for on-reserve Aboriginal business owners because they cannot use their land as collateral for additional loans from a bank or creditor. One participant describes what happened when trying to secure financing for purchasing land without being able to use her home as collateral for a loan. “When we bought this property, I was working, so I had excellent credit and a good

“Getting started is a real challenge. It’s either labour intensive or capital intensive, depending on the path that you choose. If you decide you’re going to do things like trees, nuts, cranberries, apples—those types of things—there’s a long lead-time before there’s a harvest. So you have to sink a lot of money in and not lose the faith,” said one participant. “Field crops are a fairly specialized kind of thing. It’s capital intensive and requires a large land base in order to make a decent living at it. You’re making so much an acre.”

income and had my house paid off here, on reserve.... But in order to get approved for a mortgage to buy a property, I was given options. If you buy a property without a house or structure on it that could be considered a house, then it's a personal loan. If you want to do that, you buy a property for \$200,000, and you have to pay that personal loan off in three to five years. So you can imagine what the payments would be. The other option was if you find property with a house, it then will be considered a mortgage and will be amortized over 30 years. Big difference. So that was an obstacle. If it wasn't for my income and my salary at the time, it wouldn't have happened."

But the challenge extends beyond purchasing land to other necessary tools and resources. Since this business owner retained a line of credit from when they were employed full-time, they were able to purchase the equipment needed to start running the business, something that wouldn't be possible anymore. "Right now, I doubt very highly I could get a loan because all I have is my business income, which shows I'm losing money."

Difficulty securing the proper financing dramatically limits what age or stage of life Aboriginal entrepreneurs can start a business within the agriculture sector. Half (50%) of the participants interviewed for this survey could only afford to start their businesses in retirement or as a second career much later in life, because they were forced to self-finance. "Interest in agriculture was given to me by my father when I was a child," said a participant, describing how his first career gave him time to build up capital and start his business around an unusual schedule. "I happened to be a firefighter with four days off on a Tuesday rotation, so four on, four off. This [business] gave me something to do on my days off." Even individuals with a background in agriculture have to build careers in other industries, saving for years before coming back to farming.

Aboriginal businesses that have reached a certain level of financial success and are looking to expand also have problems getting access to proper financing. "I went to a [federal agriculture lending organization]. We wanted to buy a boat. The boat cost about \$130,000," the participant said, describing a situation from five years ago. "I was working at this for almost 8–10 months, and we were getting ready to buy our boat. Everything was looking good and all of a sudden they came back and said, 'You guys are too successful. We can't give you any money.'" Having a substantial net worth does not necessarily make it easier to overcome this financial barrier, which can prevent not just the creation of new business ventures but also the rapid growth and increased employment of established ones.

Government policy

50% of those interviewed in this study discussed a range of challenges when it came to government participation in agriculture. Many of the situations described by interviewees focused on a sense of bureaucracy that restricted rather than supported the creation and development of opportunities connected to their businesses.

In one case, a participant described how a department of the federal government shut down a not-for-profit that helped Aboriginal agriculture businesses access funding, networking, and industry knowledge. “[Federal ministry] believed that there were too many organizations in the province, and we were the only one with a province-wide mandate. They wanted it, for whatever reason, closed.”

For another participant, the red tape became a challenge when dealing with a Federal government research organization, because they weren’t based in a major city in their province. “We introduced this concept [of sustainable produce] to them awhile back and they would not invest. They would not come on board because they do most of their business in St. John’s.”

Challenges related to government policy were also expressed by participants in our *Promise and Prosperity* research, with two thirds (68%) reporting never using a government program that provides loans or grants to small or start-up businesses. When asked why, nearly half (46%) of respondents stated that they were not aware of or were given no information on government programs, and these programs were hard to source and access.

Programs and Services

Participants in the survey identified a range of programs and services they accessed through different agriculture and Aboriginal associations/initiatives to grow their networks, knowledge, and businesses, such as:

- Agricultural Credit Corporation
- Indian Agricultural Program of Ontario
- Farm Credit Canada
- Canada Summer Jobs
- National Research Council
- Innovation, Science and Economic Development Canada
- AG-Bio Centre
- Agriculture Quebec (MAPAQ)
- Procurement Strategy for Aboriginal Business
- Tourism, Culture, Industry and Innovation
- Canada/Ontario Resource Development Agreement

However, many business owners expressed a need for help in navigating the excess of associations and initiatives, to make use of loan and grant applications that are available. “You can spend hours on a computer and you think, after all, what the heck did I do today?” said one participant. “You’re doing all that research, which is important, but it’s hours of your time that are spent [just searching].”

Other participants who have benefitted from provincial and territorial loans in the past talked about trying to return to these same programs but finding the processes were more difficult than in years prior. “Three years ago was the last time [we accessed that grant]. It just got too complicated. It wasn’t worth our effort anymore. They just made the process too complicated,” said the business owner.

Both factors create a disconnect between programs and services that are available and the people who need them. Therefore, there is a great opportunity to create a centralized platform for many of these resources, along with comprehensive guides to allow for greater access to the support already out there for Aboriginal businesses in this sector.

Competition

One quarter (25%) of agriculture businesses operating on reserve also encountered challenges when trying to obtain certifications needed to compete with larger, commercialized brands or in the international market. “We fall into that grey area,” said one participant. “Most of the rules and regulations around this stuff are provincial and, of course, the provincial [inspectors], even if you ask them, won’t come to the reserve. They have no jurisdiction. That created some problems for us.” As a result, the business was unable to pursue distribution opportunities for their value-added products within larger chain grocery stores, like Whole Foods.

One third (33%) of the participants expressed frustration around competition in their industry. As Aboriginal entrepreneurs, they feel they’re starting from a distinct disadvantage, which is built into the culture and only beginning to be addressed by those with the power to effect change. “The government’s got to recognize that we’re a sick, a tired, a tattered nation. We need access to those resources, and they’ve got to be protected,” another participant said. “It’s so hard trying to compete when you’re so far behind already. I don’t expect more for us than anybody else, but.... We’ve been disadvantaged for so long, we’ve got to have an advantage—not just equal.” Many Aboriginal entrepreneurs are starting further back than other Canadians, making it difficult to compete without widespread equalizers for the agriculture industry.

Business Knowledge

The challenge of knowledge fell into two different categories for the participants of this survey: disrupted traditions and current strategies. For some business owners who were trying to revitalize traditional food sources for Aboriginal communities, they needed to relearn traditional practices and connections to the land. Disrupted traditions were difficult to overcome, since many elders who held this knowledge have since passed away.

Conventional business knowledge also presented a challenge for almost half (44%) of participants, who expressed interest in education programs for financial literacy, marketing support, and networking opportunities, as well as local advisors and mentor matching. These services are often particularly difficult to access in the remote locations where these businesses are operating. “We need crop advisors who are sensitive to the area. You need mentoring for the business side and the agronomy side. There’s so much [to learn] on the business side, from purchasing to marketing.”

Without access to education programs, Aboriginal entrepreneurs in the agriculture industry face significant hurdles to starting and maintaining their business. This lack of business knowledge, including basic financial literacy, management skills training, and the ability to write a business plan, was also identified as a main challenge for agricultural businesses in our *Promise and Prosperity: The 2016 Aboriginal Business Survey*. According to CCAB’s previous research, less than two in ten (18%) agricultural businesses reported having a written business plan in place.

From the same research, CCAB identified written business plans as a major factor in the success of Aboriginal businesses. According to *The 2016 Aboriginal Business Survey*, successful business owners are more likely to have a written business plan. Almost four in ten (37%) highly successful owners and three in ten (29%) moderately successful owners say they had a written business plan in place for the past year, compared to 14 % of the least successful.

Access to business knowledge is a significant challenge for businesses starting out, as they are operating without the tools and information that may be required to succeed. Without a written business plan and the knowledge necessary to write one, Aboriginal business owners in the agriculture industry may see increased financial challenges as well. A formal business plan is a typically required document by financial institutions and credit unions when applying for a business loan. This link between business knowledge and access to finance demonstrates the often interconnected, multi-tiered challenges to growth and development that Aboriginal companies in the agricultural sector face.

Access to Land

Another top challenge mentioned by participants was access to land. The profitability of many agribusinesses is dependent on having a large amount of land to farm. Revenue is often measured per acre. Getting access to a large, workable plot of land is a lengthy and difficult task, not to mention the work required to prepare it for farming purposes (clearing, flattening fields, blasting rock, etc.). “[There was] zero land availability. Zero arable land,” said one participant. “It took us years to fight to get land from the city to be able to do anything and years to cultivate the land to be able to grow anything.”

Given the large land size required for agriculture, many business owners rent or lease. And when leasing on reserve, there’s no guarantee against zoning or ownership changes that can take away a large revenue stream for an agribusiness. “You can’t possibly own all the land you need to have,” said another business owner, who rents the majority of his 6,000 acres of farmland, all on reserve. “This particular field is laid out for housing.... In time this will be housing, [because] we don’t have an agricultural policy. There’s no such thing as a set-aside for agricultural zoning. [There is no] assurance that an investment you make is going to be [protected].”

Exploring these top challenges gives us the opportunity to see how Aboriginal agribusinesses are encountering unique obstacles, often different than their non-Aboriginal competition, and find ways to support these business owners in overcoming them.

8

Future Opportunities for Growth and Development

Although many challenges were identified, participants in this survey were mostly optimistic about the growth and development opportunities they saw for their businesses and the industry as a whole. Many business owners had already begun to pursue these new opportunities and were eager to share both their progress and how support services could further their efforts.

Emerging Sectors

Through our research, CCAB discovered one emerging sector in agriculture where businesses are now starting to see success, putting them ahead of the competition.

Vertical farming refers to the commercial process of growing food using a hydroponic or aeroponic system that is stacked vertically, one piece on top of the other, like a skyscraper. Currently, this is a more common practice for plant products (food, medicinal or fuel producing), but trials are starting for animals as well.

Vertical farming provides an opportunity to maximize on the use of land, building up rather than out in areas where arable land is increasingly difficult to access. Similar to aquaponics, vertical farming provides a sustainable solution for food shortages in rural and northern areas, since it's not seasonal, weather dependent, nor does it require access to large stretches of fertile land. Vertical farming can also be combined with aquaponics, allowing commercial farms to take advantage of the benefits of both emerging sectors.

There is an opportunity for government to support businesses that are developing vertical farming technology, as well as those that are implementing them into on-the-ground agribusinesses in Canada, as a way of addressing food insecurity for Aboriginal people.

Links to Other Sectors

The practice of aquaponics was identified as an emerging sector revealed from this survey. Aquaponics refers to growing fish (aquaculture) and soil-less plants (hydroponics) together in an integrated system. Fish waste provides organic food for the plants, and the plants naturally filter the water for the fish. With aquaponics, produce is grown without pesticides, negative impacts on the land/soil, and artificial nutrients that are common even with hydroponics. Similarly, aquaponic fish are grown without high pollution levels, antibiotics, and excessive amounts of water—all problems that arise with aquaculture. Furthermore, aquaponic systems can be developed on a small to large commercial scale, as well as indoors and outdoors, which means they can be set up virtually anywhere.

Studies show that Aboriginal households in Canada are more likely to be at risk for food insecurity than non-Aboriginal households, given sociodemographic factors such as poverty, single-motherhood and reliance on social assistance.¹³ Aquaponics represents a sustainable solution to the problem of food insecurity within Aboriginal and other communities in northern or rural areas of Canada. Rather than having food flown in from distant farms, often containing chemicals to help preserve them for the journey, communities would have access to local, organic food sources on a year-round basis.

In Canada, there is growing interest and knowledge around the connection between food and health. With an aging population and increasing healthcare costs, it's no wonder that there is such a demand for functional foods and natural health products (FFNHP). This FFNHP sector includes "conventional foods, specialty foods, ethnic foods, medical foods, nutraceuticals, or even pharmaceuticals."¹⁴ Food, in this case, is seen as medicine. The growing sector is connected but different than traditional agri-food categories and is important for economic growth. According to Statistics Canada, it generated \$11.3 billion in revenues in 2011.¹⁵

Some of the business owners we interviewed were connected to this sector already, using their operations to research and develop FFNHP products. "I grew up on a dairy farm, but my father had sold the dairy cows. When he passed away in 2005, I bought the land and the home. In 2010, I started the production of the high bush blueberry. And at the same time, my doctor told me that I was diabetic, type 2," said one participant, talking about how his own health journey led him to pursue a business in this sector. "I did research on the internet about what we can do with natural products, not from pharmaceuticals. And I found some potential [solutions] with not just blueberries but wild blueberries." This business owner is exploring ways to extract the active ingredients in wild blueberries and use it to develop products with healing abilities—for himself and others. More than just a trend, these types of objectives align with others discussed earlier in the report (i.e. social and community goals), as well as other Aboriginal traditions around healing.

Given Canada's growing Aboriginal population and vast natural resources, there is an opportunity to further develop sectors connected to agriculture, like holistic medicine. Aboriginal businesses like the one mentioned above are paving the way.

¹³ Proof Food Insecurity Policy Research. Aboriginal peoples and food insecurity. 2017. <http://proof.utoronto.ca/resources/research-publications/aboriginal-peoples-and-food-insecurity/>

¹⁴ Opportunities and Challenges Facing the Canadian Functional Foods and Natural Health Products Sector. Last updated 2016-08-25. <http://www.agr.gc.ca/eng/industry-markets-and-trade/market-information-by-sector/functional-foods-and-natural-health-products/trends-and-market-opportunities-for-the-functional-foods-and-natural-health-products-sector/opportunities-and-challenges-facing-the-canadian-functional-foods-and-natural-health-products-sector/?id=1410206902299>

¹⁵ Ibid.

Success Story: Myera Group Inc.

As discovered through this research, many Aboriginal-owned businesses in the agriculture industry began with the intention of caring for their people, either by preserving cultural traditions or addressing health problems.

Bruce Hardy, a Métis business owner from Manitoba, became increasingly aware of the health challenges facing many Aboriginal people in rural and remote communities due to the lack of access to affordable, nutritious food. This inspired him to develop a sustainable food production system that can operate in remote communities and have a positive impact on the health of residents. He turned to aquaculture.

Aquaculture (fish farming) already supplies approximately 50% of the fish and seafood consumed worldwide, with production steadily increasing.¹⁶ Bruce recognized that this growing market matched the sustainable, meaningful, and profitable goals he was after.

In 2011, Bruce founded the Myera Group Inc., a biotech company based in Winnipeg, Manitoba. It was created as a solution to industry and Aboriginal demands, offering an exclusive multi-trophic system that can be used for aquaponic farming in rural areas. This type of system mimics a natural ecosystem by combining the farming of multiple, complementary species from different levels of the food chain. It involves cultivating organisms in a way that allows the uneaten feed, wastes, nutrients, and by-products of one species to be recaptured and converted into fertilizer, feed, and energy for the growth of the other species.¹⁷ For example, fish as fertilizer can be the platform technology to commercially grow barley fodder for dairy cows, bison, or sheep. Myera is using fish waste water to grow flowers for medical honey. This provides a sustainable, long-term solution to the growing demand of seafood and locally sourced fruits and vegetables, and has minimal negative effects on the environment.

¹⁶ <http://www.dfo-mpo.gc.ca/aquaculture/sci-res/imta-amti/imta-amti-eng.htm>

¹⁷ <http://www.dfo-mpo.gc.ca/aquaculture/sci-res/imta-amti/imta-amti-eng.htm>

Innovation is the Myera Group's key to success. Not only did they conduct research on fish but also on tank technology. Commercial fish tanks have their pumps going 24/7, which allows the fish to eat as much as possible, potentially creating health problems due to over-eating, as well as increasing the company's electricity bill. But with the Myera Group's system, sensor technology and artificial intelligence is used to combat these problems by monitoring the fish in real time and collecting feedback on their behaviour. From the data collected, the system calculates the optimal variables to ensure the health and longevity of all organisms, including the temperature of the tank, the rate of fish feed entering the system, and the minimum water velocity needed to flush out waste and bring in fresh water. The Myera Group sells the fish as protein, the algae and fish oil as nutraceuticals, and most importantly, the entire multi-trophic system itself. With most First Nations having marginal crop land, fish can bring the vitiate nutrients to remote areas and areas with poor soil and agriculture potential. By purchasing and installing one of their systems, aquaculture farms can bring sustainability and control over their foods to Aboriginal communities.

Bruce identifies one of his largest challenge as the lack of support from ministries within Manitoba and Canada jurisdictions. The government, First Nations, Inuit, and Métis people have different definitions of agriculture, leading to an underfunded and poorly supported industry. For example, aquaculture is often omitted from the government's definition of agriculture, although it is a traditional practice amongst many Aboriginal groups. This directly impacted the Myera Group when searching for funding to support innovation and research in aquaponics. Such policies inhibit the growth of innovative, sustainable products, and services within the agriculture industry, which could be solutions to the food crises amongst remote communities in Canada. Interjurisdictional issues, like this one, continue to affect Aboriginal peoples' ability to participate in the agriculture industry and larger economy.

Commercialization

Aboriginal businesses are well positioned to sustain or grow within the agriculture industry by partnering with larger corporate and commercial operations, through joint ventures or mentorship opportunities.

CCAB spoke with one individual who described how government subsidies from another province led to an increased supply of the raw product they had been growing for decades. While they did try to find solutions by investing in equipment for producing a variety of other value-added products, every option lacked a solid niche with a wide enough profit margin. Plus, it divided the focus of the business. They couldn't compete, so the business closed down. A partnership with a larger commercial operation would have helped them strategically develop technologies to ensure a profit margin. This would have strengthened relations with distribution and would have prevented the business from being pushed out. This is also where a commercial Aboriginal brand would visibly differentiate the products, helping business owners compete and generate interest from potential partners.

CCAB also spoke with business owners who have found these partners or mentors organically, which show that strong business relationships and mentoring are important for commercialization. "We've been mentored by a larger apiary," said one participant, who spoke about connecting with the founder who is retired. "Last year, he took eight smaller commercial beekeepers and mentored us through the season and showed us how to work better." This mentorship opened up not only areas of new knowledge but also ways of distribution, through the larger mentoring company. However, this business owner also discussed another side or product range of their agribusiness for which they do not have a partnership and mentorship. As a result, that part of the business is struggling. This need presents an ideal opportunity for government to develop a program for matching Aboriginal agribusinesses with larger, non-Aboriginal ones, helping transfer knowledge that will sustain and grow businesses in this industry.

Some larger commercial operations are recognizing the opportunities that exist in partnering with Aboriginal businesses and are pursuing them on their own. "We're really relying on [our corporate partner] for the knowledge and experience," said one participant whose venture will have their company learning a specific crop and business model from their partner, which can then be duplicated with Aboriginal community partners across the country. "I'd say within a year or two, when we have our facility up and running, then we're going to become the experts. And then we're going to grow from there."

A strong example of successful commercialization is a business owner who started his company with a focus on a wild crop found in one of Canada's unique forest areas. He invested time into the research and development of that crop's active ingredients for use in natural health products to combat diabetes. Still in the early stages, he found international distributors for the product, who have become partners in his business. Now, he can use the models developed for his first crop to innovate with new wild crops from the same forest, growing his business to better compete on the world stage.

Government involvement could help facilitate these partnerships, leading to more support and connections for Aboriginal agribusinesses looking to grow within this industry.

Innovation and Trade

All of the Aboriginal agriculture businesses (100%) interviewed in this survey have incorporated some type of innovation (a new idea, method or product) as a means to drive growth and success beyond the initial production trajectory of their farms. For some, this is about finding new ways to monitor, manage or rehabilitate the land. For others, it means increasing fertility or productivity in targeted areas that, in some cases, have been damaged by overuse or development (this requires either working with other service providers or experimenting with their own applications). It can also be about processing a product differently or using an existing product to change the way people think about it by sharing the First Nation origin story of that traditional food. Additionally, one Aboriginal business interviewed was looking to scale their operation by developing a new business model that would allow for expansion through unprecedented partnerships and shared licensing with First Nations communities.

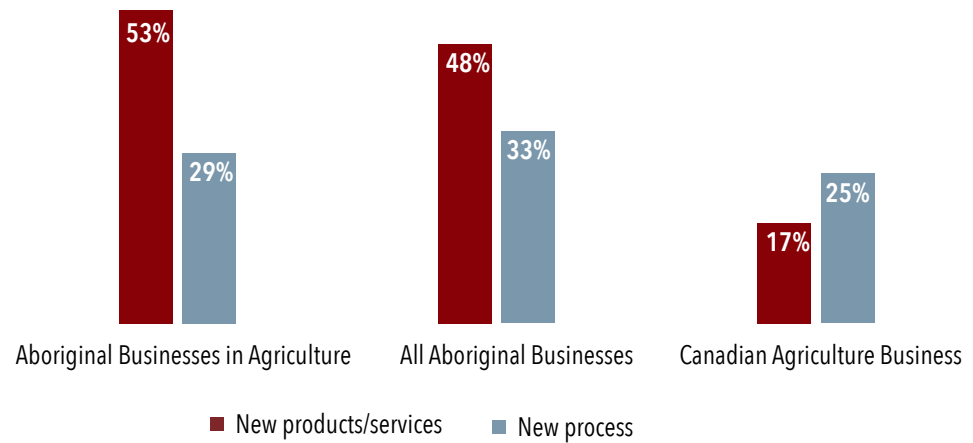
Whether its done through the creation of new ideas, methods, or products, ongoing and consistent innovation is crucial to the survival of businesses in this industry. As one individual illustrated, a farm without the infrastructure behind it to build on this innovation, year after year, is most likely to shut down.

These findings are similar to those reported in CCAB's collaboration report with TD Economics, *Aboriginal Businesses Increasingly Embracing Innovation*, published in June 2017. In this report, it is shown that a higher share of Aboriginal agriculture businesses introduce new products/services, or new production/delivery processes relative to their non-Aboriginal counterparts. This implies a higher propensity to innovate among Aboriginal firms.¹⁸ Also, Aboriginal businesses are more than twice as likely to have introduced a new product or service over the prior three years, and nearly three times more likely to have brought in new ways of doing things. The same Industry Canada study found that innovative firms are more likely to export. This leads directly to the second area of outperformance: exports.¹⁹

¹⁸ <https://www.ccab.com/wp-content/uploads/2017/06/AboriginalBusiness2017.pdf>

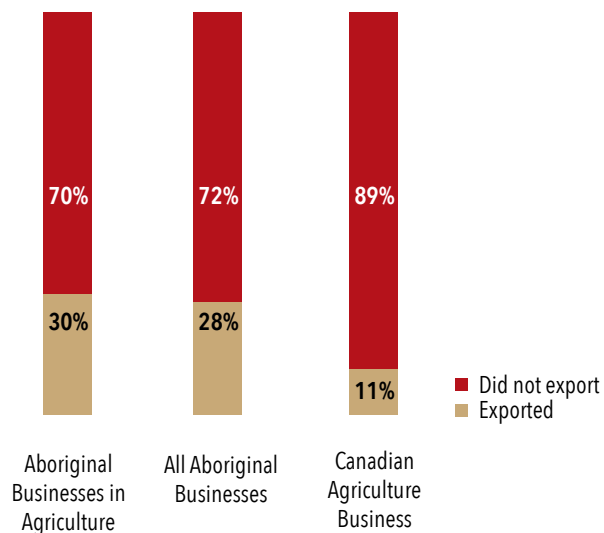
¹⁹ Ibid

In the past three years, did your business introduce...



Source: *Promise and Prosperity: The 2016 Aboriginal Business Survey, Success and Sustainability: Understanding Aboriginal Businesses in the Agriculture Sector*, and Industry Canada.²⁰

International Exporting



Source: *Promise and Prosperity: The 2016 Aboriginal Business Survey, Success and Sustainability: Understanding Aboriginal Businesses in the Agriculture Sector*, and Industry Canada.²¹

²⁰ http://www.ic.gc.ca/eic/site/061.nsf/eng/h_03018.html#toc-07

²¹ http://www.ic.gc.ca/eic/site/061.nsf/eng/h_03018.html#toc-07

Although, like most small businesses, Aboriginal firms are generally unlikely to be exporters. When comparing Aboriginal and Canadian businesses in agriculture, the Aboriginal businesses export almost three times more often than their Canadian counterpart. Moreover, although the design of some sub-questions makes comparability challenging, the evidence suggests that Aboriginal firms that export are sending their products to a broader geographic base than other small exporters – more than half exporting to countries other than the United States. Although one might expect firms located on reserve to help explain why Aboriginal businesses are more likely to export, this does not appear to be a factor.²²

The findings in our previous report with TD Economics align with the data collected in this survey. Half (50%) of the businesses interviewed that were not in the start up phase or not recently closed stated that they export internationally. Regions mentioned were Asia, Europe and the United States. Those who did not export internationally did not have value added products, focused on selling their product to the local market, or their commodity was sold to another handler who then distributes around the world.

Some of the business owners CCAB interviewed were connected to this sector already, using their operations to research and develop FFNHP products. “I grew up on a dairy farm, but my father had sold the dairy cows. When he passed away in 2005, I bought the land and the home. In 2010, I started the production of the high bush blueberry. And at the same time, my doctor told me that I was diabetic, type 2,” said one participant, talking about how his own health journey led him to pursue a business in this sector. “I did research on the internet about what we can do with natural products, not from pharmaceuticals. And I found some potential [solutions] with not just blueberries but wild blueberries.” This business owner is exploring ways to extract the active ingredients in wild blueberries and use it to develop products with healing abilities—for himself and others. More than just a trend, these types of objectives align with others discussed earlier in the report (i.e. social and community goals), as well as other Aboriginal traditions around healing.

Education

Our research determined that many Aboriginal business owners did not pursue specific educational training (i.e. agriculture degrees) to operate in the agriculture and agri-Food sector. Instead, skills were either passed down traditionally or acquired through life experiences, workshops, and training seminars or through membership of an association. Most business owners learned through their own research what certifications and inspections are required for their products.

²² <https://www.ccab.com/wp-content/uploads/2017/06/AboriginalBusiness2017.pdf>

Interestingly, some of the research participants had degrees and diplomas in marketing and business management, which provided a strong foundation. They were able to transfer knowledge from other industries to their agriculture business, strengthening operations, marketing, administration tasks and more.

Many Aboriginal business owners commented that there are not enough programs and training available for agriculture. Mentorship was mentioned numerous times as being crucial to success in this industry. It is viewed as a strong method to acquire skills and knowledge of the business one is looking to establish, but many business owners did not know how to connect with the right individuals and organizations to form such relationships.

Based on the readiness and growth potential, there is an opportunity here to create, promote and make accessible more education and mentoring programs for Aboriginal agribusinesses. This would help them further develop their on-the-job learning, as well as their business as a whole.

Recommendations and Next Steps

Based upon the findings of the 2017 *Success & Sustainability: Understanding Aboriginal Business in the Agricultural sector* Report, as well as findings from our previous research, CCAB believes the following actions – on the part of governments, financial institutions and Aboriginal business owners themselves – will help more Aboriginal agricultural businesses achieve success.

By analyzing the state of Aboriginal owned businesses in the agriculture industry, CCAB was able to gain a preliminary understanding of the unique challenges, barriers to growth and development, as well as opportunities that Aboriginal businesses face.

1. Centralize government loan and grant applications for Aboriginal businesses in agriculture on a platform. This could be organized by level of government (municipal, provincial, federal, or by region).
2. Simplify the process of applying for government grants.
3. Support the identification, certification, and branding of Aboriginal businesses in the agriculture sector and promote these businesses within government and corporate supply chains.
4. Support targeted training, networking, and mentoring opportunities for Aboriginal entrepreneurs.

8

Methodology

This study seeks to address a gap in knowledge around Aboriginal-owned businesses operating in the agriculture sector. Our research aims to provide Agriculture and Agri-Food Canada (AAFC) with both qualitative and quantitative data to build a stronger understanding of the Aboriginal businesses operating in this sector, and to further encourage support and additional resources. It has been recognized that there is little participation in AAFC programs by Aboriginal peoples, and that the numbers are quite low. As of today, there is very little data on Aboriginal-owned businesses in the agriculture sector. This lack of information inhibits potential funding, support services, and understanding of industry needs for Aboriginal business owners. If there is no information on a topic or group of people, there cannot be informed, data-driven decisions. Therefore, CCAB was commissioned to conduct research and build data sets on Aboriginal businesses operating in the agriculture sector.

The research was conducted by CCAB's research department, under the guidance of the Director of Research and Government Relations. The team is comprised of three Research Associates and a Research Coordinator.

First Nations, Inuit and Métis participants were identified through CCAB's internal Aboriginal business database and through the government of Canada's Aboriginal business directory, as well as other organizations in support of Aboriginal business development.

The research was collected both in person and over the phone between the months of August and October 2017. Research participants were Aboriginal business owners representing a variety of sectors: 56% in crops/grains, 11% in horticulture, 11% in greenhouse crops, 11% in animal by products, and 11% in other (e.g. maple syrup products).

The results in this report are based on ten in-depth interviews conducted with Aboriginal business owners in British Columbia, the Northwest Territories, Newfoundland and Labrador, Ontario, Quebec and Saskatchewan. Our baseline data for this study is from our *Promise and Prosperity: The 2016 Aboriginal Business Survey*. Our data comparison is derived from this study and was measured by the quantitative input provided by 40 Aboriginal businesses. This report uses sectoral classification based on Industry Canada.

9

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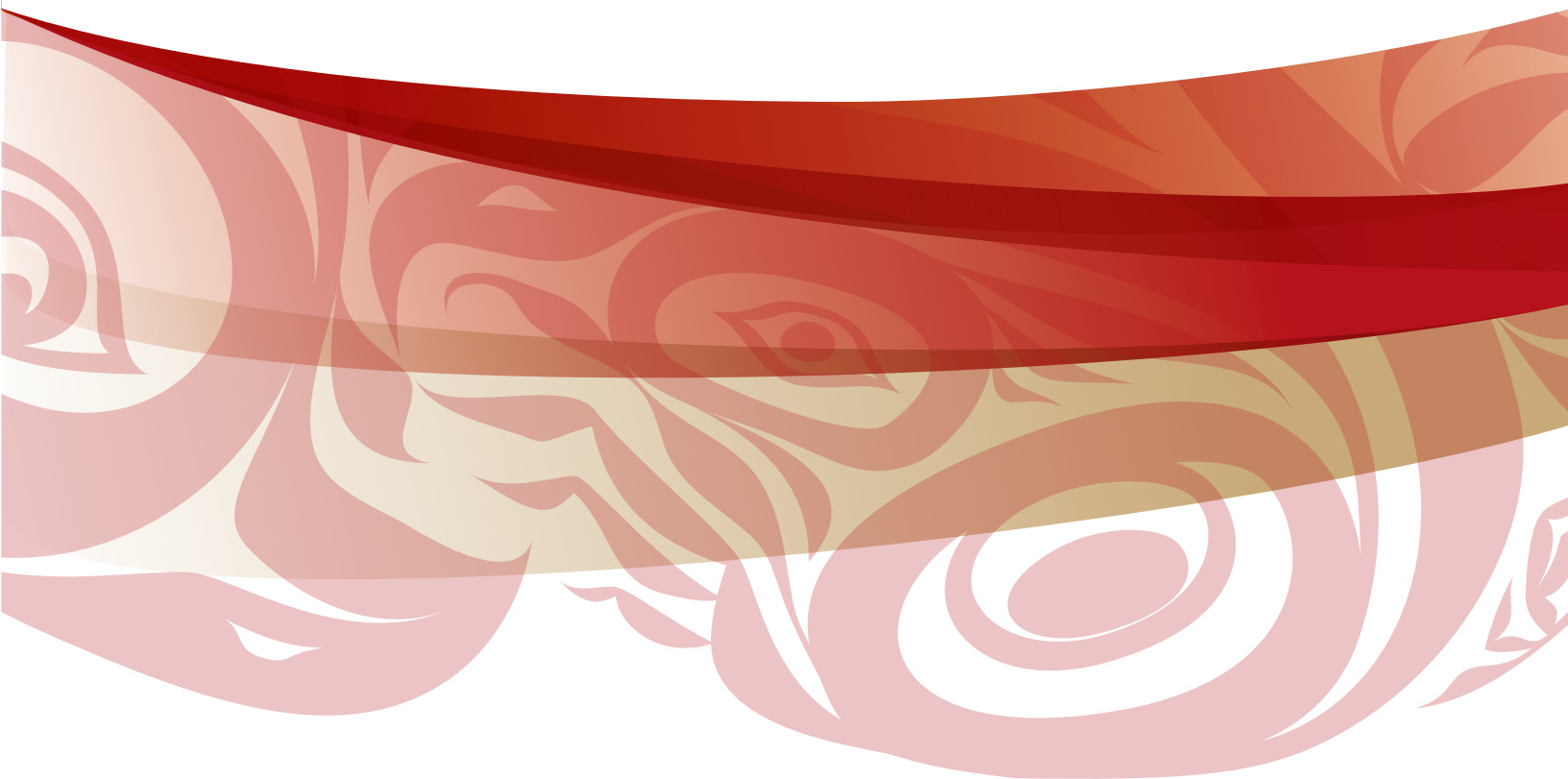
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2 Berkley Street, Suite 202 Toronto, ON M5A 4J5
T 416-961-8663 F 416-961-3995 E info@ccab.com

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