

PERSPECTIVE

Buying Local: Nothing Fringe about It

Buying local is becoming ever more widely known. Described as a “protectionist reflex” by some, or “responsible consumption” by others, it’s attracting more and more attention. It does satisfy a lot of interests, whether you’re a buyer or a seller. Food remains one area where it’s the most obvious, or at least the most documented. Still, buying local is not limited solely to this sector. It may have become more popular among consumers over the last ten years, but its growth is not infinite. Production capacity and international trade agreements are but two of the many limits restricting its expansion. Does this mean that the idea of buying local has no more room to grow? It may be too early to say for sure, especially since its full extent is not yet wholly understood.

Buying Local: An Overview

What is buying local? It’s a term that covers several commercial practices. It’s easy to picture citizens who choose to shop in neighbourhood stores or who prefer to buy products made in Quebec. The term can just as easily refer to a merchant who buys from a local supplier or a business that opts first and foremost for local business partners (goods and services). It can also be an administration or a municipality that adopts a procurement policy or awards service contracts in favour of businesses located within a close geographical area.

A whole vocabulary has built up around the notion of buying local. Most of it relates to food, which was at the forefront of the buy local movement. The Canadian Food Inspection Agency recognizes “local” as “food produced in the province or territory

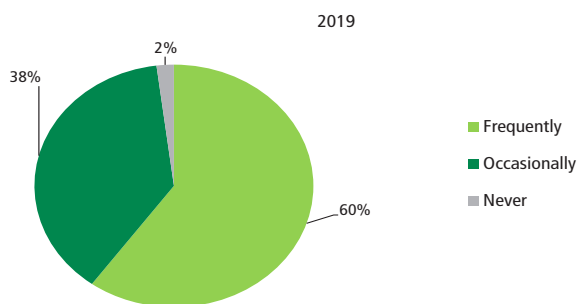
in which it is sold, or food sold across provincial borders within 50 km of the originating province or territory.” When it comes to buying local, reference is often made to the distance a product has to travel, often within a 160-km radius, as mentioned in the book *The 100-Mile Diet: A Year of Local Eating*, published in 2007. As a result, the term “locavore” was coined, defined by the Oxford English Dictionary as “a person whose diet consists only or principally of locally grown or produced food.”

In Quebec, terms such as local market or short channels are used to illustrate local buying habits. Lastly, although it’s increasingly discussed in the media and put into practice, it’s not unique to the 21st century. In the 1800s, Louis Joseph Papineau promoted local products to avoid the tax on imported products, especially those produced by colonizers.¹

Who?

According to *Baromètre*, which has been published annually since 2010 by the Observatoire de la consommation responsable, 60% of Quebecers stated that they frequently bought local in 2019 (graph 1). In contrast, 38% stated that they bought local occasionally, and 2% never bought local. According to the study’s authors, the importance of proximity has grown as one of the buying criteria. Buying local was defined as buying products grown or produced locally and shopping at neighbourhood merchants.

GRAPH 1
60% of Quebecers frequently buy local



Source: Observatoire de la consommation responsable

¹ Jacques LACOURSIÈRE, *Histoire populaire du Québec, de 1791 à 1841*, Quebec, Éditions Septentrion, 2013, 648 p.

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NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.

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Some universities are finding that the trend of buying local is on the rise. Additionally, some believe that the movement is evolving. While it was initially based on personal buying decisions, it's expanding and taking on a collective dimension as those who promote it hope for greater merchant involvement. In support, the number of chamber of commerce initiatives or commercial streets has grown exponentially in recent years.

Why Buy Local?

There are multiple reasons explaining why consumers and businesses buy local. When it comes to food, people argue that buying local helps them take better care of themselves because of the stricter environmental standards here than elsewhere in the world. The environment is also mentioned, since food from here travels fewer kilometres from producer to consumer and, as a result, requires less packaging. Some do it to support the economy because dollars invested here will be spent here. That's the assumption underpinning this argument. The taste of a food that ripens in a field instead of during shipping to Quebec's store shelves is also one of the reasons put forward.

Some see buying local as an initial response to challenges such as sustainable development and, in terms of food, the issue of food sovereignty. For others, it's a way to boost the Quebec economy, especially outside of the urban centres. For merchants, buying local is seen as a way to increase the number of customers while helping develop a neighbourhood spirit and promoting merchant networking through joint efforts (cross-promotions, customer loyalty programs, listings, joint advertising, etc.).

Yes, but How Far?

In this era of globalization, it's clear that buying local can run into some obstacles. In fact, questions remain. Does buying local infringe on the trade and free trade agreements already signed? The Conseil du Patronat (CPQ) hired Daméco to research the short- and medium-term impact of a local procurement policy on the Quebec economy. The [analysis](#) was made public in June 2018. It revealed, notably, the legislative restrictions based on trade agreements that relate to the awarding of public contracts. In fact, only in a small number of cases can government authorities make the awarding of a contract conditional on the origin of the goods and services. There are maximum thresholds.

Still, it is worth noting that the different levels of government have no restrictions when it comes to encouraging business and civic initiatives to buy local. However, it's important to remember that, in an open economy like Quebec's, exports are a source of growth for local businesses. The idea behind the trade agreements is to get the best access to markets that would otherwise be less receptive to products arriving from elsewhere. In return, the domestic market has to leave a little more room for imported products.

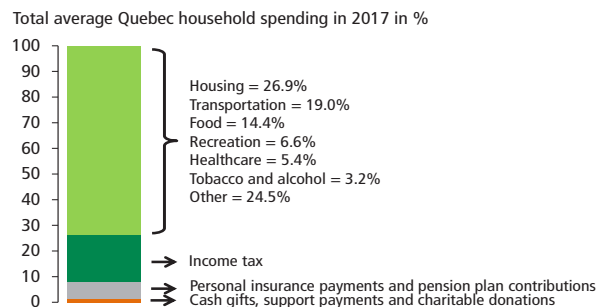
Some limits are linked to the fact that the vast majority of Quebec companies are small or medium-sized enterprises (SMEs). This is a problem when the major commercial chains operating coast to coast, and whose procurement policy offers little flexibility at the local level, want to supply an immense market. Sometimes it's impossible to meet a huge demand.

Furthermore, there are goods and services for which Quebec has neither the climate nor the infrastructure to be able to offer, which is another limit to buying local. There may be substitutes for certain products, but in some cases there are none, at least not for now. Additionally, a substitute may well be available, but the cost is not competitive with that of the foreign product. It's also possible that a good produced here isn't marketed very well, and that sales were lost to imported goods that benefit from significant advertising hype. In fact, information surrounding a product can be the thing most sorely missing. The visibility and promotional tools of buying local will be discussed a little later in this analysis.

Food in Particular

Food is at the heart of buying local, no matter how little we may think about it. A close look at the average spending of Quebec households for 2017 reveals that food accounted for 14.4% of current consumption (graph 2). Two purchase categories outweighed all others: housing (26.9%) and transportation (19.0%). The first involves spending locally unless the property is foreign or the mortgage lender (if there is a mortgage) is an institution outside Quebec. In the case of transportation, Quebec no longer produces motor vehicles, but it does produce train cars, metro cars, lowboy trailers and recreational vehicles. Furthermore, bus or metro transportation services could be considered local spending. Despite the significance of these two line items, food is of particular interest given the frequency with which it's bought and decisions are made, and the ability of local producers and manufacturers to meet demand.

GRAPH 2
Current consumption spending represents almost 75% of the total average spending by Quebecers



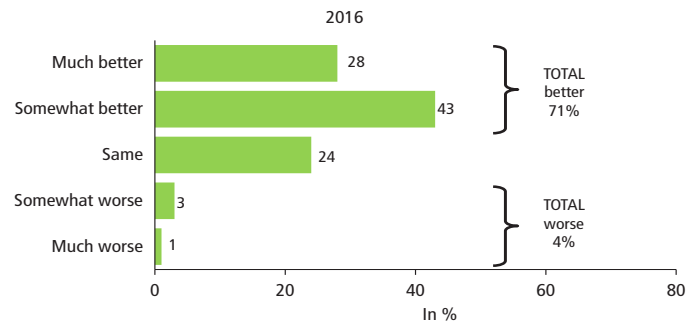
Sources: Statistics Canada and Desjardins, Economic Studies

In addition to the reasons mentioned earlier for buying local, the producer has the advantage of seeing its efforts and products recognized and promoted directly or with as few middlemen as possible. For consumers, there are also pleasure and health benefits insofar as shipping long distances and extended storage can alter a product's nutritional content. Some see buying local as a way of supporting agriculture that ensures decent working conditions and an adequate wage. Lastly, the argument that buying local reduces the production of greenhouse gases (GHGs) is somewhat called into question by analysts who clarify that it's the production that creates most of the GHGs (necessary equipment, harvesting methods, insecticides, energy consumed, etc.) and that shipping is just a small fraction (a little more than 10%) of this.

Buying local is still the object of certain biases. When it comes to food, we associate it with the "granola crunchers": people who care about their health and about product safety and who were among the first to promote buying local for these reasons. Buying local is not just a summer activity, as Quebec's food offer goes well beyond seasonal fruits and vegetables. Furthermore, it's not hard to eat locally seeing as food chains have gradually fallen into line and taken the initiative to offer and promote an increasing number of Quebec products in recent years.

It takes trust. According to the [Analyse préliminaire des résultats du Baromètre de la confiance des consommateurs québécois à l'égard des aliments](#) prepared by the researchers at the Centre interuniversitaire de recherche en analyse des organisations (CIRANO), 91% of Quebecers feel that it's safe to eat food grown and produced in Quebec (graph 3). This appreciation is in keeping with the [straw poll](#) conducted by the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation (MAPAQ) and Léger in 2016. Although the question asked may not be strictly the same in both surveys, there is clearly a positive bias towards locally produced items. In the case of the MAPAQ survey, a majority of Quebecers consider foods produced here to be of better quality (71%) than imports (graph 4). The parameters used were freshness and safety. As for trust,

GRAPH 4
Most Quebecers feel that the quality of Quebec food is much better than that of imported products



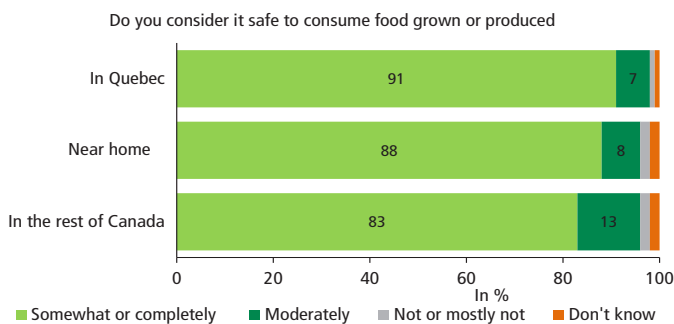
Note: Totals may not equal 100% due to nonresponse or rounding to the next whole number. Sources: Ministère de l'Agriculture, des Pêcheries et de l'Alimentation and Léger

Quebec products inspired more trust (59%) or the same degree of trust (34%) compared to those produced elsewhere.

Quebecers were asked what values mattered the most to them with respect to food. They were given a choice of 15 values, which they had to prioritize. It's worth noting that, while 73% of the respondents selected "eating healthily to maintain or improve my health," 60% of the respondents chose "buying at the best price possible," which came in second. Furthermore, the survey revealed that Quebecers' perception with respect to food produced locally compared to imported food wasn't always to Quebec's advantage. In fact, 63% of the respondents felt that Quebec products cost a little more (48%), or a lot more (15%) (graph 5). It can be assumed that the perception varied based on the respondents' food habits and volumes purchased.

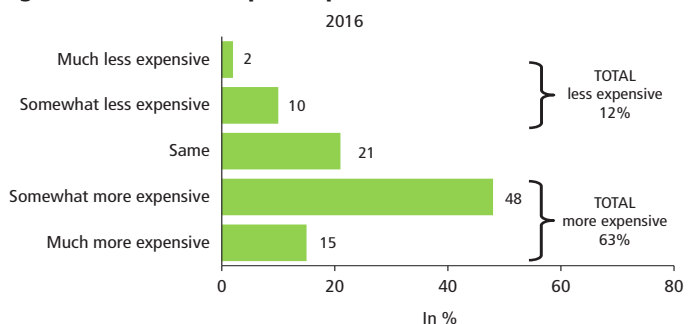
Lastly, respondents were asked how often they bought foods bearing the "Aliments du Québec" logo. Two thirds of the respondents stated that they bought them at least every two weeks (13% more than once a week, 41% once a week and 12% every two weeks) (graph 6 on page 4).

GRAPH 3
Trust in Quebec food is high in 2019



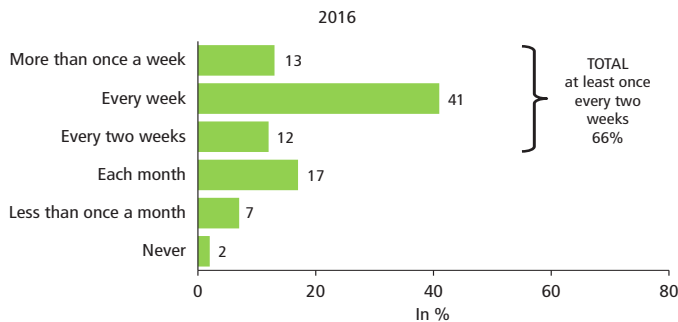
Source: Centre interuniversitaire de recherche en analyse des organisations

GRAPH 5
63% of Quebecers feel that the prices of Quebec foods are higher than those of imported products



Note: Totals may not equal 100% due to nonresponse or rounding to the next whole number. Sources: Ministère de l'Agriculture, des Pêcheries et de l'Alimentation and Léger

GRAPH 6
66% of Quebecers buy foods bearing the Aliments du Québec logo at least once every two weeks



Note: Totals may not equal 100% due to nonresponse or rounding to the next whole number.
 Sources: Ministère de l’Agriculture, des Pêcheries et de l’Alimentation and Léger

How can we calculate the share of Quebec content in food products sold in Quebec? The MAPAQ has examined this issue and analyzed [several methods](#), selecting one that made it possible to estimate this share at 57% for 2016 (table 1). As for the [food processing industry](#), the ministry looked at the issue using the Quebec intersectoral model, which showed that 33% of food product inputs came from outside the province in 2017. Notable differences were observed from one sector to another, estimated at between 15 and 75%, depending on the type of industry.

TABLE 1
Quebec content in food products sold in Quebec between 2012 and 2016

	2012	2014	2015	2016
Food demand in Quebec (\$B)	37.6	39.1	40.5	42.8
Quebec content (\$B)	21.7	22.4	22.9	24.2
In %	58	58	57	57

Source: Ministère de l’Agriculture, des Pêcheries et de l’Alimentation du Québec

Buying local with respect to food meets a large number of objectives targeted by consumers and processors. In light of the different surveys, Quebec products clearly inspire trust regarding quality and safety. Still, price is one thing that continues to weigh heavily on purchasing decisions. For this reason, the way the price is perceived sometimes works against local products.

It Pays to Be Seen

The trump card for buying local is information, and greater visibility is key. That’s how we can identify how much effort is made in this regard and which initiatives are local, regional and provincial. Nonetheless, information can’t do it all. Governments are also taking steps to promote buying local products. Drawing up a complete list would be tough, but it is possible to refer to the [Quebec government’s recent 2018–2025 bio-food policy](#). One of the target objectives is to promote and increase the

value of local bio-food products. This objective can be broken down into four avenues, including promoting and differentiating between local foods, and supporting the purchase of local and of eco-responsible foods in public facilities. Mention can also be made of one of the provincial [regulations](#) best known by consumers, i.e., that the origin of fresh fruit and vegetables be clearly indicated as “Produit du Québec,” “Cultivé au Québec” or “Récolté au Québec.”

Among the promotional tools, two of the best known relate to the food sector: “Aliments du Québec” and “Aliments préparés au Québec,” which revamped their images in 2019. There are nearly 12,000 businesses with products certified in Quebec. The number of certifications is increasing in the food sector to, among other things, highlight specific foods (e.g., Pommes Qualité Québec, Le porc du Québec, Bœuf Québec) and to guarantee the origin of a product (PGI: Protected Geographical Indication). The tools used to trace the origin are also expanding. For example, thanks to the codes appearing on eggs, the latter’s origin can be identified all the way back to the farmer! The number of logos for processed foods has also increased (e.g., fromages d’ici and Dairy Farmers of Canada).

The food sector doesn’t have a monopoly on certifications. For example, the goal of the logo “Well Made Here” is to encourage people to buy residential construction materials and hardware made in Canada. Along the same lines, the signature “Meuble du Québec” (Québec Furniture) is making its mark. For its part, the Competition Bureau Canada offers two designations: “Product of Canada” and “Made in Canada” to identify the Canadian origin of goods sold. These are but a few examples.

Certification is not the only tool to promote buying local. Regional and industry initiatives are growing in number throughout Quebec to encourage the practice. Municipalities, RCMs, local and regional merchant associations and even special-interest organizations are all implementing them. One of the most widely known is “Family Farmers,” which prepares weekly food baskets for a limited time using a subscription format. Moreover, there are roughly 20 virtual markets that take orders for local food products to be picked up at a predetermined location, and there are 175 public markets spread across 16 regions of Quebec.

Some municipalities have developed mobile apps to better identify local businesses and offer cross-promotions. Buy local campaigns in the different media (newspapers, weeklies, social media, business association sites, etc.) are not uncommon. There are a growing number of virtual storefronts on the internet, with sites such as Signé Local – La vitrine du fait au Québec (on the web as well as brick-and-mortar stores), [achetonsquebecois.com](#), [faitcheznous.com](#) and [idecadeauquebec.com](#). There are even interactive maps to quickly locate participating businesses in a given town. In addition, there are movements aimed at encouraging regional

industries to buy their supplies in their community. Buying local can take multiple forms.

Lastly, buying local is not exclusive to Quebec or Canada. In the United States, people, and especially public administrations, have long been recognized for encouraging U.S.-made products: the [Buy American Act](#) (since 1933) and Buy America are but two examples. The idea of buying local is also no stranger to Japan. In France, the [Institut national de la statistique et des études économiques](#) released the figures for purchasing “Made in France” items for 2015, which found that French products represent 81% of household spending. Still, when it comes to manufactured goods, 61% are imports. As for food, local spending reached nearly 60% in France, close to the previously mentioned 57% for the Quebec shopping cart.

What’s Next?

Buying local is neither a new nor an isolated phenomenon. People embrace it because it makes sense economically, ecologically and ideologically, and for practical, health, pride and solidarity reasons. Although the phenomenon seems to be growing over time, it is faced with production capacity limits linked to climate, technical factors and producer size, and with consumer price perceptions, especially when it comes to food. It is also marked by signed trade agreements that set out strict rules, especially when it comes to public contracts.

The practice of buying local isn’t an open war on imports for several reasons. First, some goods can’t be produced here and have to be sourced elsewhere. Next, reciprocity in international trade is such that the access granted to Canadian and Quebec products on international markets also has to be guaranteed in Canada and Quebec. The country and the province are open economies in which the market is limited and growth is based, in part, on exports. Does this mean that the idea of buying local has no more room to grow? It may be too early to say for sure, especially since its full extent is not yet wholly understood. Also worth considering is whether the rise in protectionism in trade relations will sharpen the reflex to buy local throughout the world. This is a valid question and only time will tell.

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