

Community Economic Development Success Stories from Nova Scotia

The Atlantic Canada Opportunities Agency (ACOA) was established by the federal government in 1987 to help build the region's economic capacity. Headquartered in Moncton, New Brunswick, ACOA works with many partner organizations to provide entrepreneurs in Atlantic Canada with access to the funds they need to start or expand a business. ACOA also coordinates programs designed to stimulate the development and commercialization of new technologies and the climate for business growth generally in the region.

This community story highlights four projects which ACOA Nova Scotia has funded over the past few years. All four operate in rural communities which have had to deal with high levels of youth out-migration and an uncertain local economy. All prove that with the right kinds of support, businesses can thrive and communities can flourish.

Cornwallis – from base to business park

The 1994 closure of Canadian Forces Base Cornwallis in the Annapolis Valley was a long-term outcome of the decision to unify the air force, army

and naval service branches and reduce funding to the Department of National Defence. Since the end of the Second World War, more than 500,000 soldiers had trained and lived at the base. The loss of 450 jobs at Cornwallis and the downturn in the fishery in the region had devastated the local economy. Funds from National Defence and ACOA were made available to redevelop the former base lands into a business development park and gradually the foundation for a different kind of future was laid.

The Cornwallis Park Development Agency's first action was to conduct the sale of the base's houses in a bid to attract investment and divest itself of the maintenance of vacant buildings. Happily, all 246 houses sold within eight weeks, and the new owners spent more than \$3 million on repair materials and services. More new residents, initially attracted by the sale of base housing, purchased other homes in the area.

The base's leftover commercial properties were transformed into a business park. Businesses were offered the opportunity to purchase buildings at the end of a 10-year period for the price of \$1, in exchange for assuming building maintenance

costs and meeting mutually-agreed employment targets. Today, more than 40 businesses and agencies operate from Cornwallis Park, and more than 900 jobs have been created.

One of those agencies, the Western Valley Development Authority, won an Industry Canada competition in 2000 to develop a Smart Communities Demonstration Project. The communities of Digby County and Annapolis County, ACOA, and local and provincial governments matched the \$4.5 million from Industry Canada to create – among other things – a publicly owned fibre optics network infrastructure which will provide broadband Internet access to most of the two counties. Community ownership is what distinguishes this plan from other similar efforts to broaden Internet access. In the four years since receiving Industry Canada approval, project manager Leslee Fredericks and her staff have created a unique governance model and developed strategic alliances that have revolutionized the delivery of broadband connectivity. The network is expected to be completed and operational by fall 2004. The success of this venture has paved the way for the establishment of other, Internet-dependent enterprises in the business park and throughout the region.

In 2002, Peter MacLellan, a communications consultant, suggested that another way to capitalize on both the area's rich history of surviving tough times and its cultural diversity would be to apply for funding from ACOA and matching organizations to host an international conference on community development in coastal regions. The newly-formed Annapolis Basin Conference Centre (ABCC) Board approved the plan and funds from ACOA and six other organizations got the project on its way.

A four-day Community Congress took place in September 2003 and attracted 200 participants from North, Central and South America and Europe. The success of this first venture con-

vinced ABCC's board that they had the makings of a world class venue for examining issues of community-based economic restructuring. Planning for the 2004 Kespuwick¹ Community Congress began as soon as the first one ended. This year's event examined youth out-migration – its causes, effects and effective community development responses. Peter MacLellan, now ABCC's Market Development Manager, says: "Several years ago, the idea of creating such a facility had been discussed, but this time many community organizations were invited to participate in the planning and operation of the centre. Mutual support has replaced competition in very significant ways. We know that our success depends on combining our energies and our creativity."

Oxford Frozen Foods

Oxford Frozen Foods, a family-operated business based in rural Nova Scotia, opened its first freezing facility to process locally-grown wild blueberries in 1968. Today, Oxford is the largest processor of wild blueberries in the world. The company employs 600 people year round (1,500 during harvest season), owns or leases 6,000 hectares of land and manages growing operations equalling that area in Nova Scotia, New Brunswick, Quebec, PEI and Maine. The company has more than 100 million pounds of storage capacity and has expanded its product line to include frozen carrot products and cranberries, cheese products, and battered and breaded vegetables. Besides serving the North American market, Oxford's wares are increasingly popular in Western Europe, Japan and Australia.

Locally-owned companies have not had a smooth ride in recent years. Competition for markets and the high cost of North American labour have driven many Canadian firms out of the country or out of business. What distinguishes Oxford Frozen Foods are the entrepreneurship and inno-

vative spirit of its founders and its development of a local resource (blueberries are indigenous to northeast North America). By working closely with growers who are committed to their communities and sharing improvements in blueberry farming technology, the company has built a power base which proves that international significance is a matter of attitude, not latitude.

Oxford's management has established an effective customer feedback loop to ensure product satisfaction, and company employees are continually working with researchers and customers to improve production systems and product quality. As part of the company's development efforts, management has secured ACOA support to initiate a five-year research program to increase blueberry and carrot yields and quality. Internationally, Oxford already is considered the quality leader in the frozen wild

blueberry industry. The company has achieved this position by successfully marketing a product which is unique to its part of the world and by dedicating its operations to a course of continuous improvement.

Ocean Nutrition Canada

Located on the mainland side of the Strait of Canso – the ribbon of ocean that separates mainland Nova Scotia from Cape Breton – the town of Mulgrave has long depended on the fruits of the ocean and marine transportation for its livelihood. The construction of the Canso Causeway in 1952 and the ongoing decline of the Atlantic fishery dealt heavy blows to the town's economy, but recent developments hold out hope for a more promising future.



Blueberries are indigenous to northeast North America.

Ocean Nutrition Canada Ltd. (ONC), a subsidiary of seafood giant Clearwater Fine Foods, opened its first production facility in Mulgrave in 1999 with financial assistance from ACOA. Recognizing the growing demand for fish-based nutritional supplements among health-conscious consumers, the company began producing capsules of fish oil concentrate and glucosamine.² ONC now is recognized as a leading dietary supplement and functional food³ ingredient manufacturer, serving clients in North America, Europe and Asia.

In April 2004, ONC opened a \$10 million, 35,000 square foot expansion to its Mulgrave facility which increased its output of active omega-3 fatty acids Eicosapentaenoic Acid (EPA) and Docosahexaenoic Acid (DHA) – two health-promoting components of fish oil. The expanded facility will allow a 400 percent increase in production, and its completion happily coincided with the American Food and Drug Administration’s qualified health claim and endorsement of omega 3’s (EPA and DHA) positive impact on cardiovascular health. Recent studies have continued to heap praise on the health benefits of EPA/DHA, so the company is well-positioned to take advantage of increasing demands for the product – both as a dietary supplement and a functional food ingredient.

ONC also operates North America’s largest, privately-owned marine research facility. In seven years, the company has grown from four employees to more than 240. It has formulated a comprehensive business strategy which emphasizes the development of proprietary products and technologies. The strategy also includes a commitment to science-based research and clinical validation, continuous innovation and industry-leading quality standards (combined with educational and technical support for its marketing partners). Other company facilities have been opened in Bedford, Halifax and Dartmouth.

Jodrey Centre

Université de Sainte-Anne in the Municipality of Clare (Digby County) is the only French language university in Nova Scotia, and serves a full-time student population of 350. In the mid-1980s, the Jodrey family donated funds to the university to create a bilingual resource centre for local businesses. In 1985, the centre expanded its mandate in order to provide a link between the resources, knowledge and tools of universities and the business community, and to provide students with learning opportunities in the business world. Now called a University Business Development Centre (UBDC), the Jodrey Centre led the way for the founding of four other Nova Scotia UBDCs at Acadia, St. Mary’s, Mount St. Vincent and St. Francis Xavier. Each centre offers support services to small- and medium-sized businesses during start up and expansion phases. Services include small business counselling, business plan development and access to business-related training. The Jodrey Centre’s geographical area of responsibility includes communities in southwest Nova Scotia – from Shelburne County to Annapolis County – as well as the province’s seven Acadian communities.

In 1994, Ron Robichaud was hired by the Jodrey Centre to see whether it was possible to use centre resources to improve the area’s economic outlook. Ron assembled an *ad hoc* group of ten community representatives to investigate import substitution possibilities. Says Ron: “Canada imports 10,000 products every year. I assigned 1,000 products to each committee member and asked them to consider whether we had the local resources to make any of these products ourselves. The group narrowed the list to ten products, and each one was assigned to a university student as the subject of a manufacturing feasibility study. We took the results out to the community, explaining why five of the ideas were

viable and why the remaining five were not. By the fall of 1995, all five of the viable ideas were picked up by local entrepreneurs – all five are successful businesses today.”

In 1996 and 1997, Ron repeated the exercise, focusing on export opportunities and value-added natural resource development. Another five businesses were launched. “Using community representatives from a variety of backgrounds meant that our messages and ideas were percolating through a broad segment of the local population,” says Ron. “We were getting everyone interested in talking about business and the community outlook began to improve. Funding from ACOA allowed us to expand our staff to seven and demands for our services continue to expand.”

Centre staff knew the importance of spreading the message of entrepreneurship at every opportunity. They offered information sessions on how to identify business opportunities and they worked to help people continue to grow,

both personally and professionally. They visited hundreds of individual businesses, handing out information kits which included industry-specific financial indicators and asking owners what it would take to make them more successful. That exercise led to requests for local training, so the centre produced professional development training modules which they have presented to an average of 30 groups each year for the last five years, reaching between 50 and 60 participants at each session.

To encourage the maintenance of a well-trained labour force, the centre implemented a stay-at-school initiative called “Making the Connection.” Says Ron: “We delivered the message that if students were to drop out of school, they would spend roughly 60 percent of their adult lives unemployed and perhaps limit their choices of career and opportunity. In 2003, our dropout rate had fallen from four percent to one – neighbouring towns are experiencing dropout rates of eight percent.” On a more positive note, the centre continues to visit high schools to promote entre-



Centre Jodrey staff members (left to right): Anne-Claire Tannier, Stephane Cyr, Victor Gaudet, Suzanne Comeau

preneurship. Ron also is involved in working with all of the postsecondary institutions in Atlantic Canada to build an entrepreneurial training component into every university program.⁴ “Ultimately, everyone needs to know how to market their abilities,” says Ron.

The Jody Centre’s Advisory Board is composed of community representatives who are receptive to new opportunities. The centre’s next step will be to encourage companies with export potential to consider value-added or diversification projects. Says Ron: “ACOA’s continued investment in University Business Development Centres is both an affirmation of our successes and an important foundation for building a healthy business and social community.”

Overnight success is rare, but as these community development examples demonstrate, declining fortunes can be opportunities for growth if the right mixture of skills, financial support and learning are applied. ACOA Nova Scotia has helped to prove that Canadians in any location can build their own spiral of success.

Anne Makhoul

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The Western Valley Development Authority website is at <http://wvda.com>

Oxford Frozen Foods’ website address is: www.oxfordfrozenfoods.com

Ocean Nutrition’s website address is: <http://www.ocean-nutrition.com/>

Centre Jodrey’s website address is: <http://www.jodrey.com/en/site/history.html>

Endnotes

1. Kespwick is the Mi’kmaq word for the Cornwallis region and means “where land and water meet.”
2. Glucosamine is a chemical produced in the human body and available as a nutraceutical product which decreases joint and arthritis pain.
3. Functional foods are those which are naturally nutrient-rich and which lower the risk of certain diseases. They include fish, broccoli, tomatoes, soy products, oats, and green and black teas.
4. The initiative is called Entrepreneurializing Atlantic Canadian Universities. A progress report will be published later in 2004. For further information, contact Ron Robichaud at (902)769-3265.

References

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