

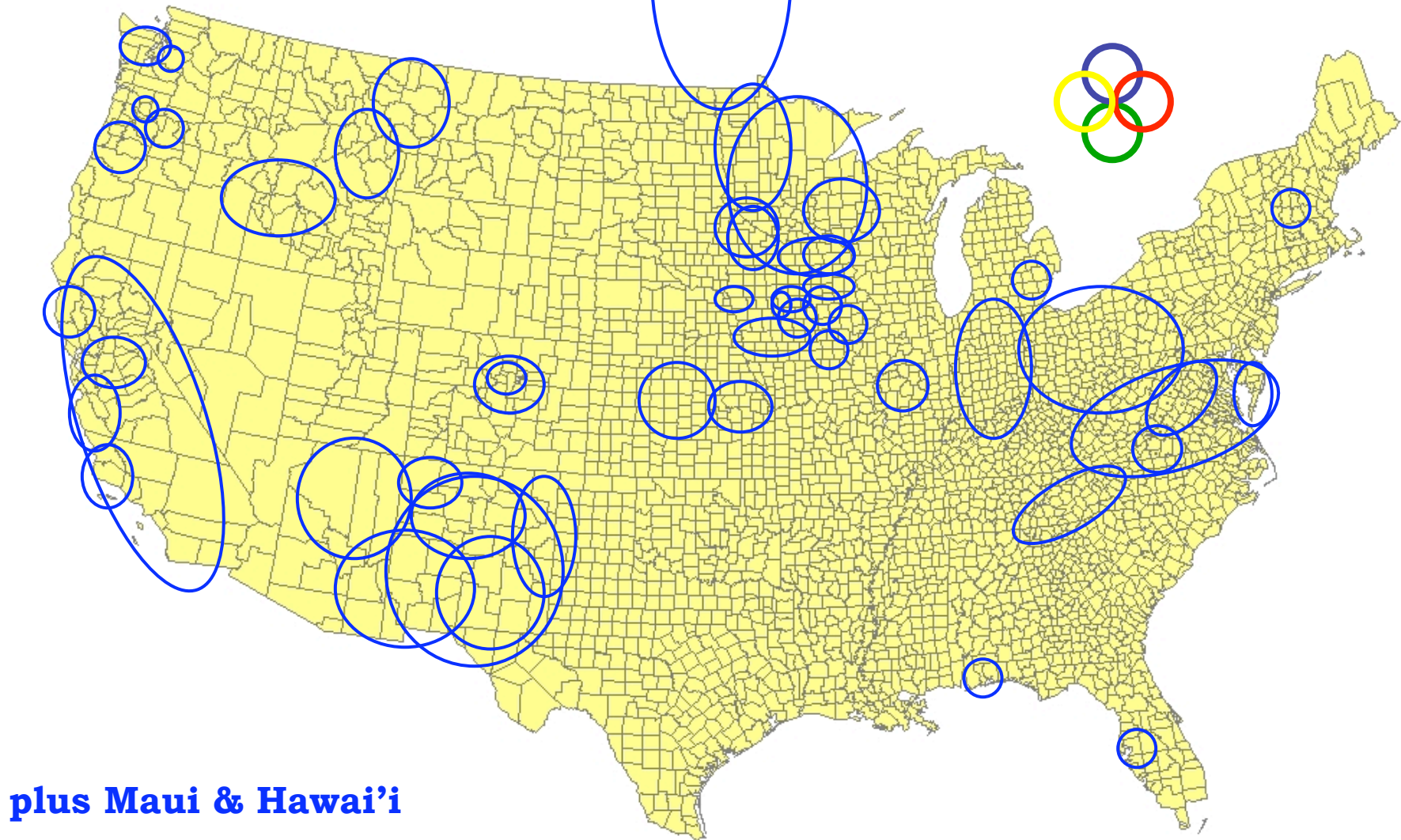


The Role of “Local” Food in Economic Recovery

Ken Meter
Crossroads
Resource Center
(Minneapolis)

Dunn County, WI
Local Food Summit
March 4, 2011

“Finding Food in Farm Country” Studies



58 regions in 25 states & one province



Local Farm & Food Economies

**The perspectives of the
communities where food is
produced and eaten...**

...are often overlooked



Vision for local food economies

Build:

Health

Wealth

Connection

Capacity



**The current food system takes
wealth out of our communities**





“Local” foods may be the best path toward economic recovery

“Local” is a shorthand....



Photo: DSC



**Goal: to build
Community-Based
Food Systems**



Photo: DSC



Lorentz Meats (Cannon Falls)

**Thriving niche markets:
60 employees**

- **Beef & pork processing**
 - **Organic processing**
 - **Own national brand**
- **Custom work for nearby farms**



Lorentz Meats (Cannon Falls)

Beef processing:

Costs 35 cents/lb

Competes with 3 cents/lb



Lorentz Meats (Cannon Falls)

Helps launch other businesses:



Thousand Hills Cattle Co.



Hillside Farmers' Co-op





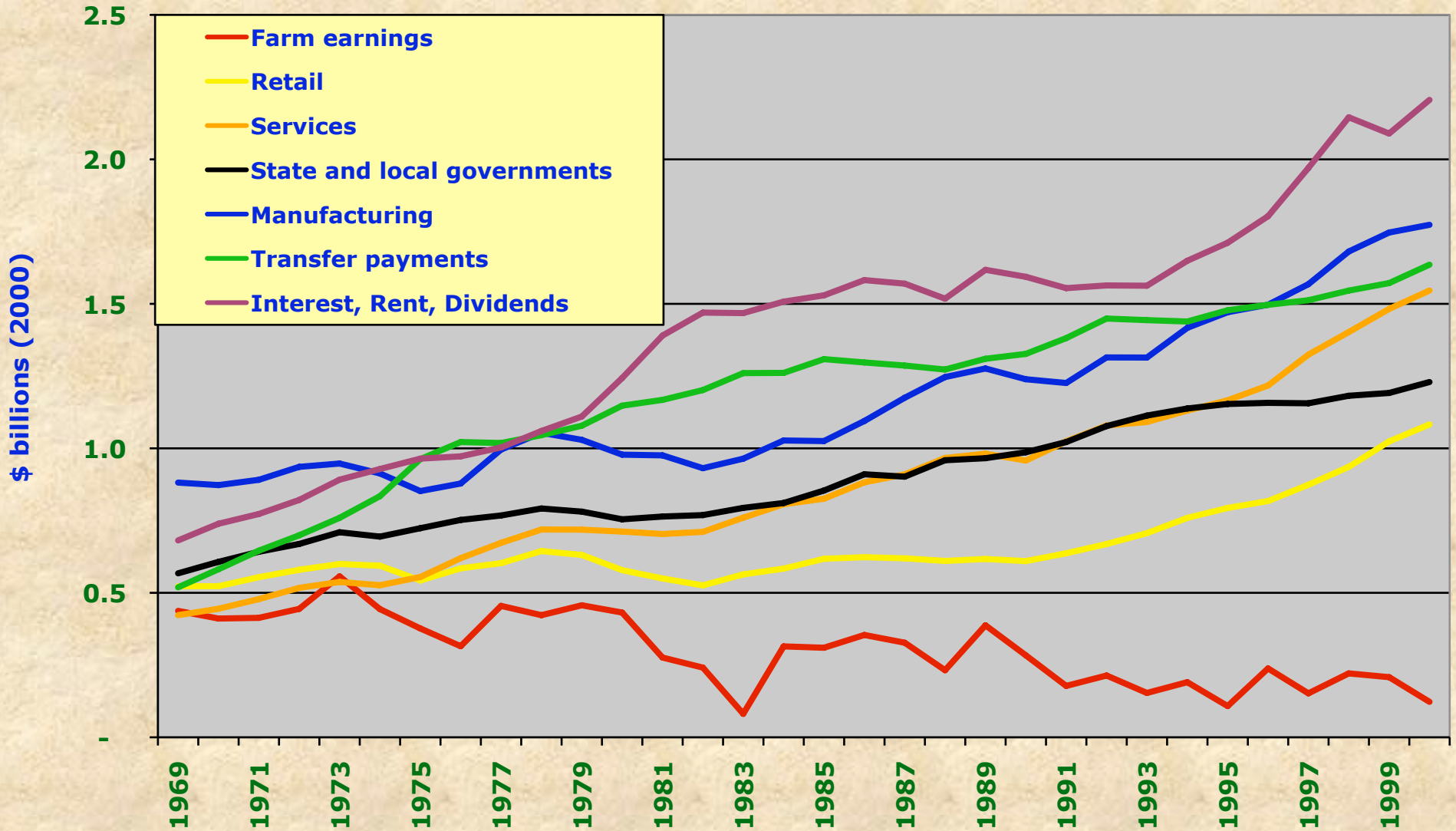
Northwest Wisconsin

- **450,000 residents**
- **Earn \$9 billion income each year**

Source: Federal Census 2000, BEA

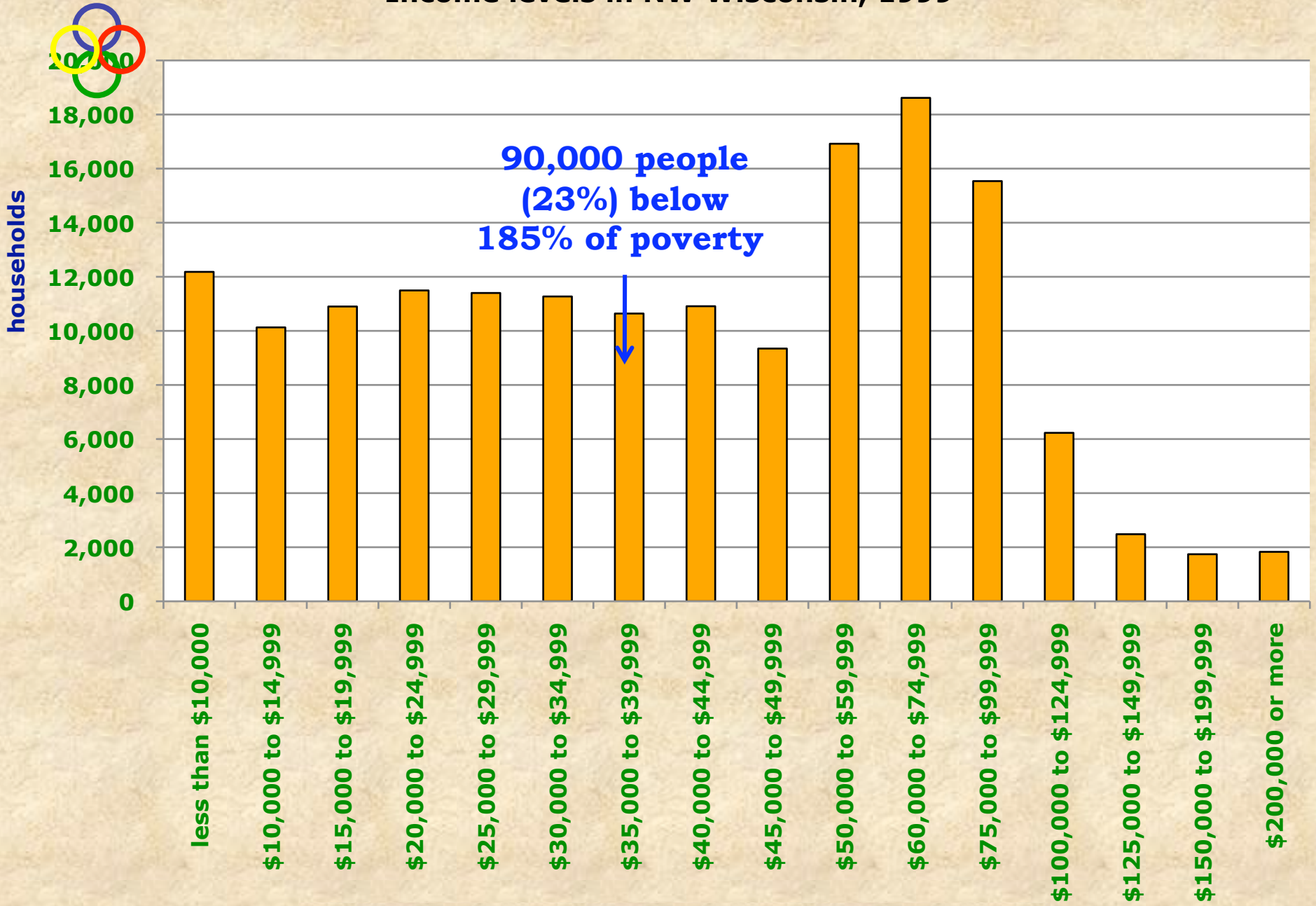


Personal income in key industries for Northwest Wisconsin, 1969-2000



Source: Federal Census 2000, BEA

Income levels in NW Wisconsin, 1999



Source: Federal Census



Northwest Wisconsin's Food & Farm Economy

- **12,795 farms**

- **Average size 201 acres
(same as Wisconsin average)**

Source: USDA Agriculture Census 2002



Northwest Wisconsin's Food & Farm Economy

- **60% of farms sell less than \$10,000**
- **14% sell more than \$100,000**

Source: USDA Agriculture Census 2002



Northwest Wisconsin's Food & Farm Economy

- **17% of Wisconsin's farmland**
- **20% of state cattle**
- **40% of spring wheat**
- **100% of dry edible beans**



Northwest Wisconsin's Food & Farm Economy

- **17% of Wisconsin's farmland**
- **10% of vegetable farms**
- **14% of orchards**



Northwest Wisconsin's Food & Farm Economy

Other crops
3%

Dairy
48%

Cattle
11%

Hay
2%

Grains,
oilseeds, beans
17%

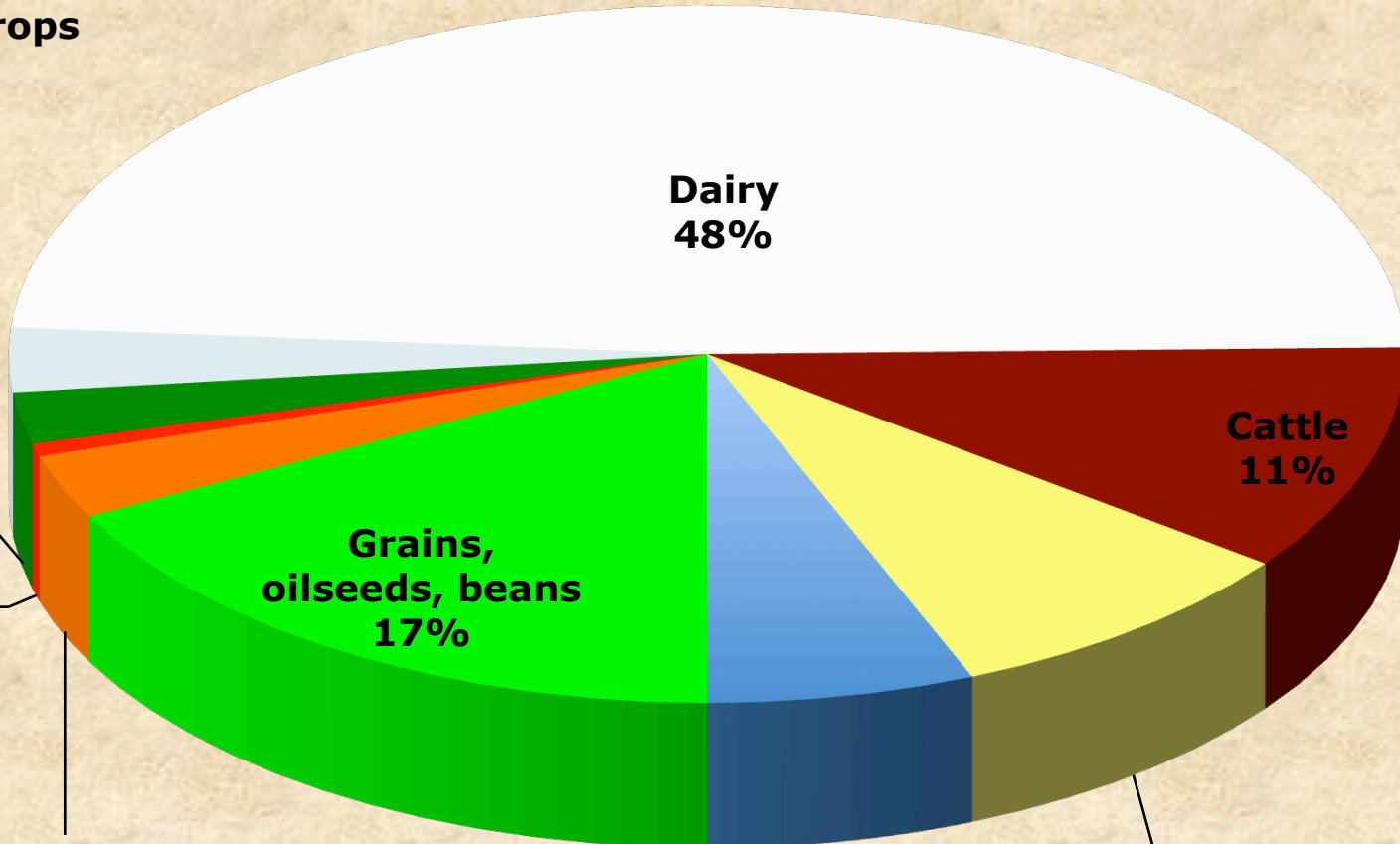
fruits &
berries
1%

vegetables &
potatoes
3%

Other livestock
6%

Poultry & eggs
9%

**Over 80% of sales
involve livestock**





Northwest Wisconsin's Food & Farm Economy

Yet...

- **Number of dairy farms fell 32%**
- **Receipts fell 13%**

(1997-2002)

Source: USDA Agriculture Census 2002



Northwest Wisconsin's Food & Farm Economy

Yet...

- **Number of farms selling
cattle fell 30%**

- **Receipts fell 11%**

(1997-2002)

Source: USDA Agriculture Census 2002



Northwest Wisconsin's Food & Farm Economy

Yet...

- **Number of farms selling poultry rose 31%**
- **Receipts fell 23%**

(1997-2002)

Source: USDA Agriculture Census 2002



Northwest Wisconsin's Food & Farm Economy

- **295 vegetable farms
(10% of Wisconsin's)**
- **\$21 million sales
(6% of state's)**

Source: USDA Agriculture Census 2002



Northwest Wisconsin's Food & Farm Economy

- **154 orchards
(12% of Wisconsin's)**
- **\$4.2 million sales
(4% of state's)**

Source: USDA Agriculture Census 2002



Northwest Wisconsin's Food & Farm Economy

- **783 farms sell direct to consumers
(10% of Wisconsin's)**
- **\$3 million sales
(6% of state's)**

willy street co-op



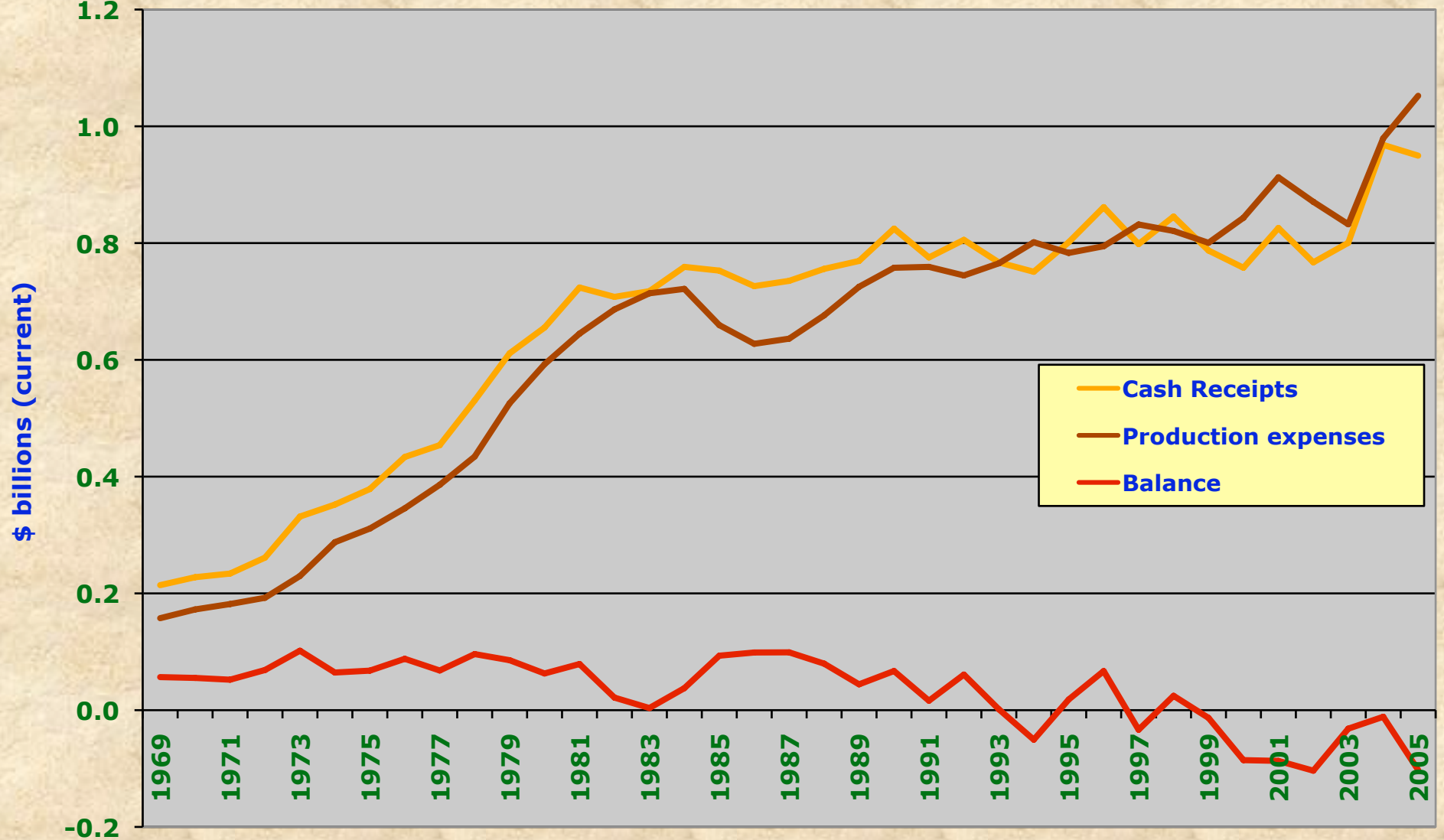
Northwest Wisconsin's Food & Farm Economy

- **70 farms sell organic products
(12% of Wisconsin's)**
- **\$1 million sales
(6% of state's)**





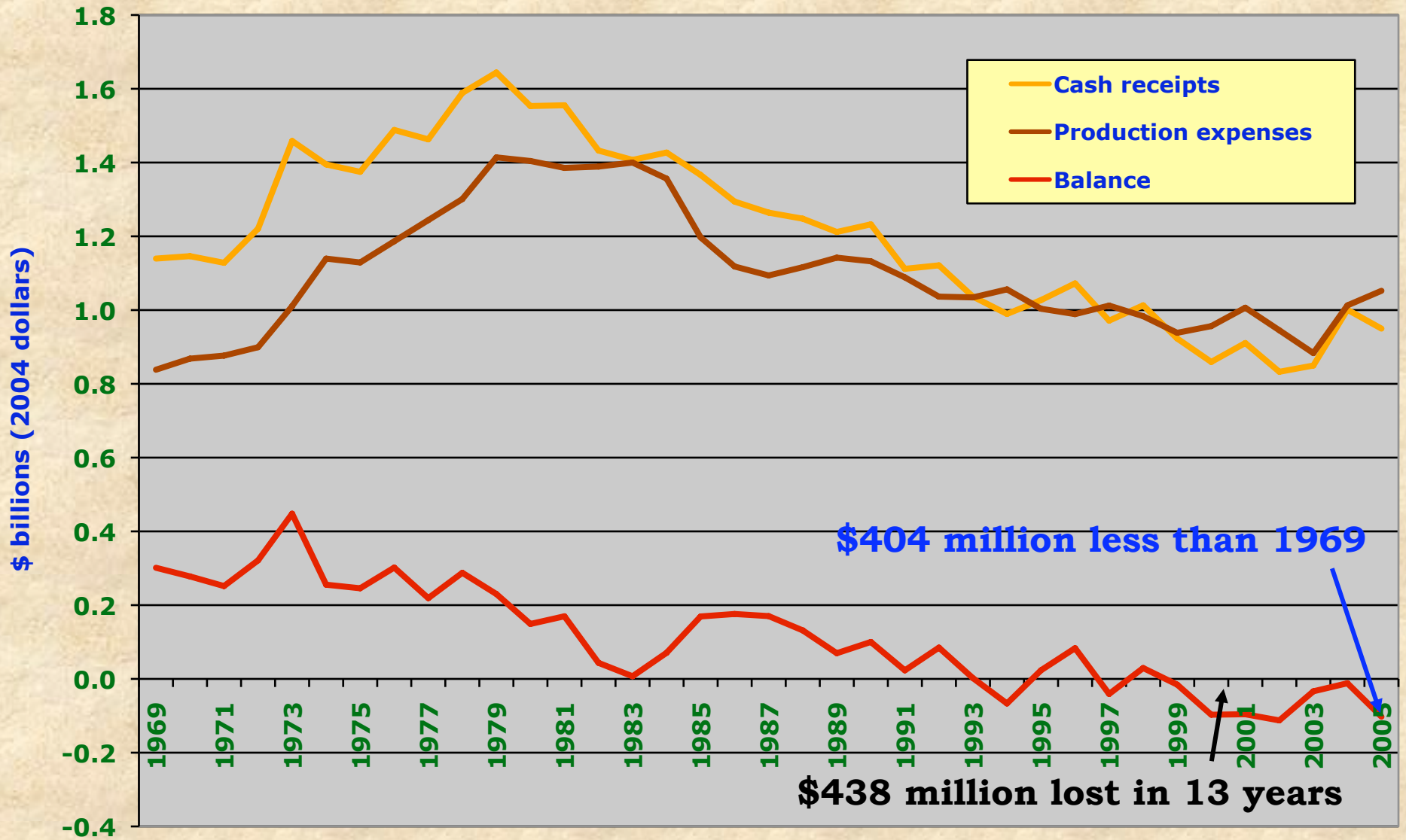
Farm Production Balance in Northwest Wisconsin, 1969-2005



Source: Bureau of Economic Analysis



Farm Production Balance in Northwest Wisconsin, 1969-2005



Source: Bureau of Economic Analysis



Northwest Wisconsin's Food & Farm Economy

- **Region's farmers produce \$957 million of commodities per year**

Yet...

- **Spend \$990 million to raise them**

Lose \$34 million in production costs

Averages for (1993-2005)

Source: Bureau of Economic Analysis



Northwest Wisconsin's Food & Farm Economy

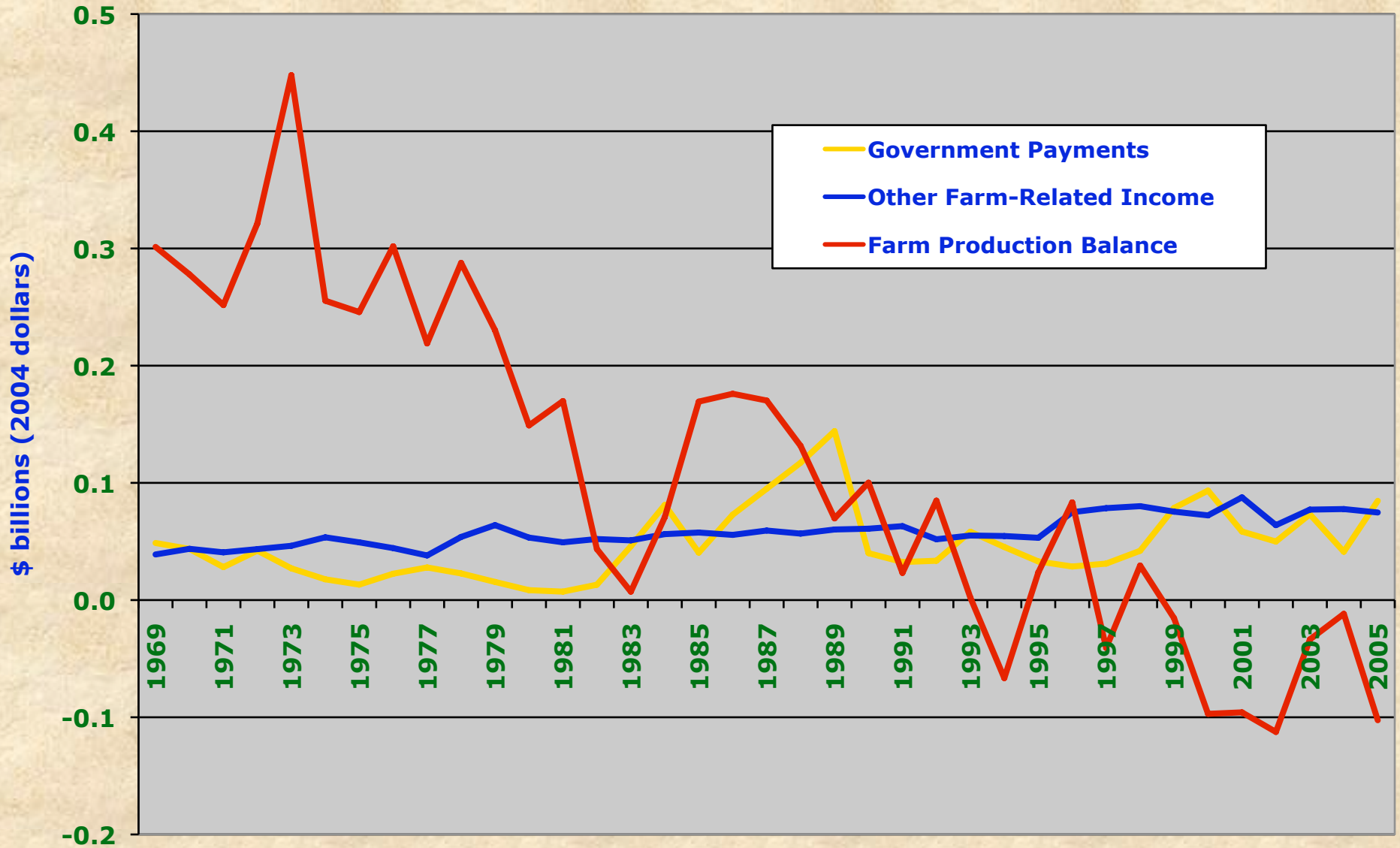
So...

- **Farm families earn \$71 million of other farm-related income**
- **And receive \$55 million in federal supports each year**

Source: Bureau of Economic Analysis



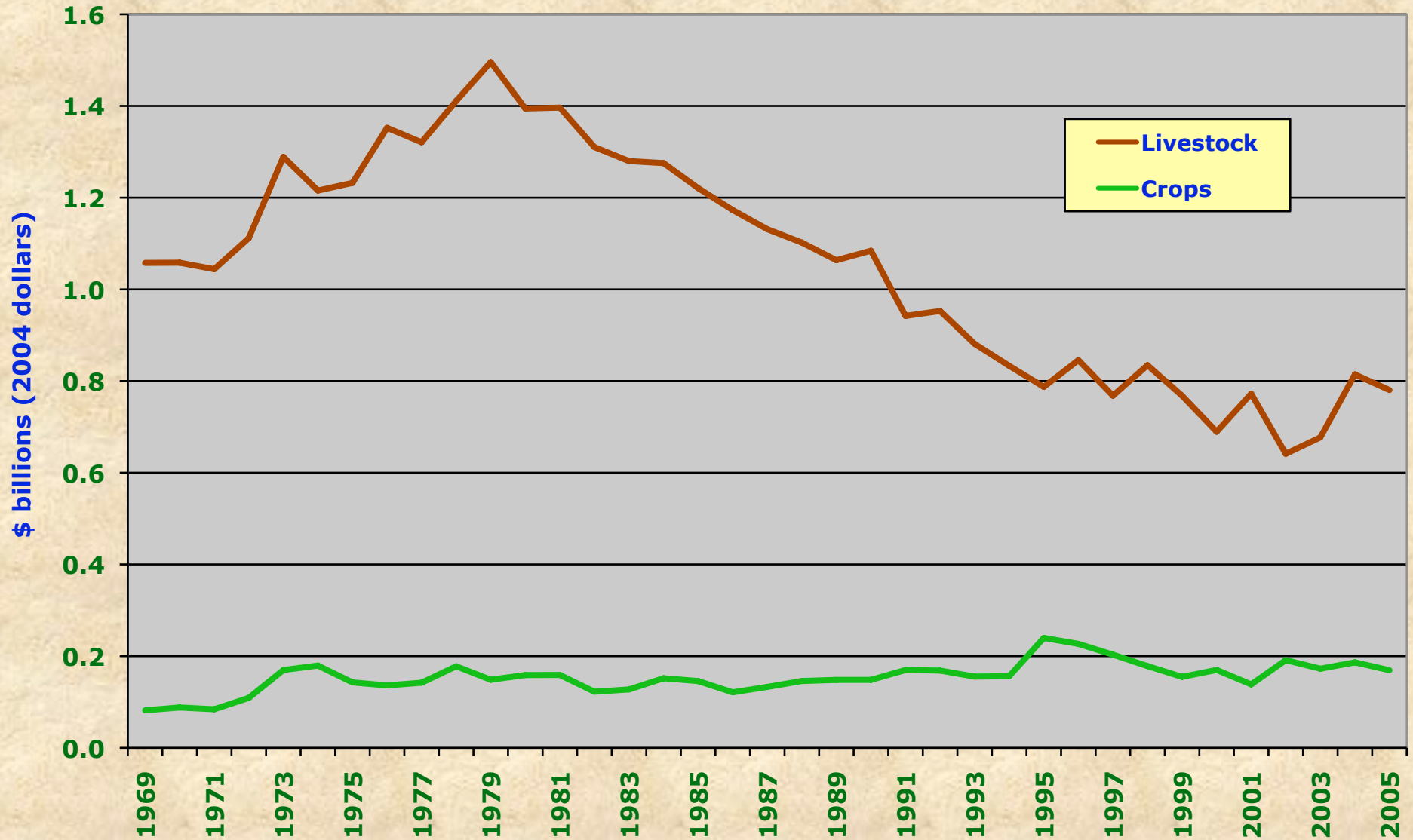
Northwest Wisconsin farm income by type, 1969-2005



Source: Bureau of Economic Analysis



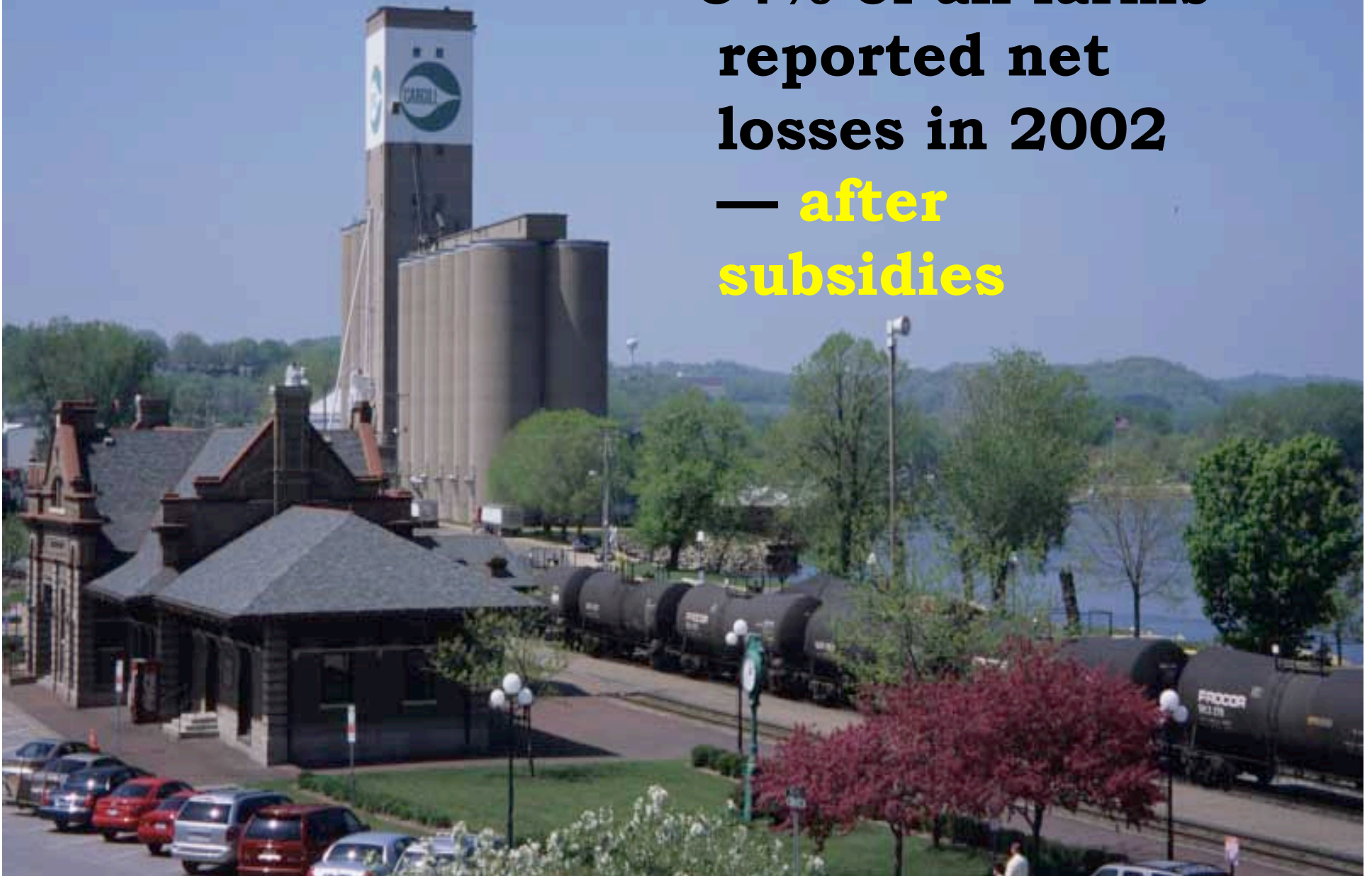
Crop and livestock sales in Northwest Wisconsin, 1969-2005



Source: Bureau of Economic Analysis

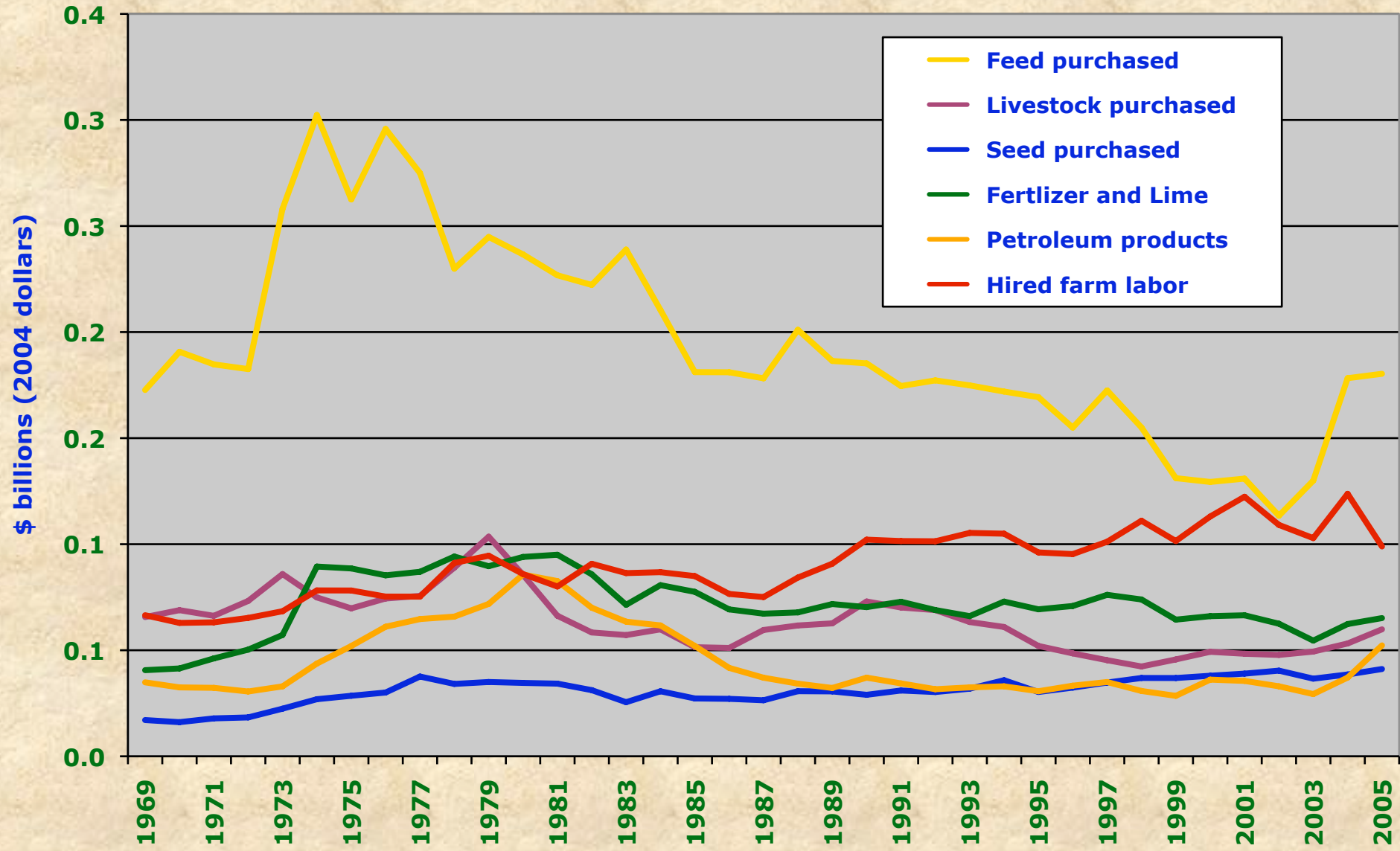


**54% of all farms
reported net
losses in 2002
— after
subsidies**





Farm production expenses in Northwest Wisconsin, 1969-2005



Source: Bureau of Economic Analysis



**\$300 million of these farm inputs
are purchased from outside the region**

Source: Ken Meter using data from Agriculture Census 2002



**Using local inputs
would reduce
these losses**



Also a region of food consumers...



Finding Food in Farm Country

As farmers struggle...

- **Consumers buy \$928 million of food each year**

- **\$800 million from outside region**

Source: Ken Meter using Bureau of Labor Statistics



Finding Food in Northwest Wisconsin

Markets for food eaten at home

	millions
Meats, poultry, fish, and eggs	\$ 115
Fruits & vegetables	83
Cereals and bakery products	73
Dairy products	63
“Other,” incl. sweets, fats, & oils	187

Source: Census & BLS



Finding Food in Farm Country

MAP LEGEND

Wisconsin State Boundary

NAME County Boundary and Name

Source: U.S. Bureau of the Census.

Note: All boundaries and names are as of January 1, 2000.

All told, Northwest Wisconsin...

- Loses **\$34 million** in production
- Loses **\$300 million** buying inputs
- Loses **\$800 million** buying food

Potential wealth lost each year



Finding Food in Farm Country

Total loss is:

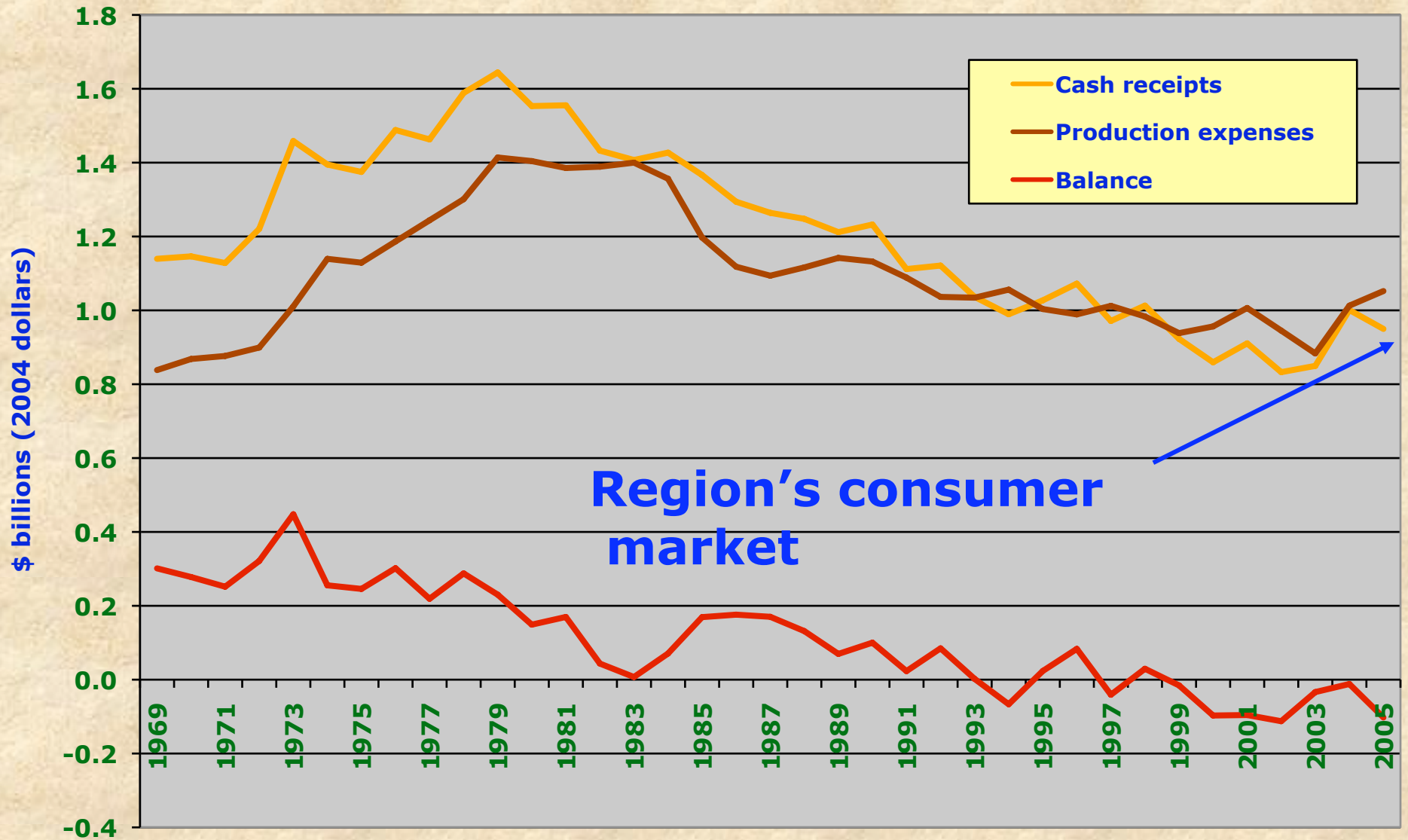
- **\$1.13 billion each year!**
- **Equals 115% of value of all food commodities raised in region**



The good news is...



Current farm income compared to NW Wisconsin consumer market



Source: BEA and BLS

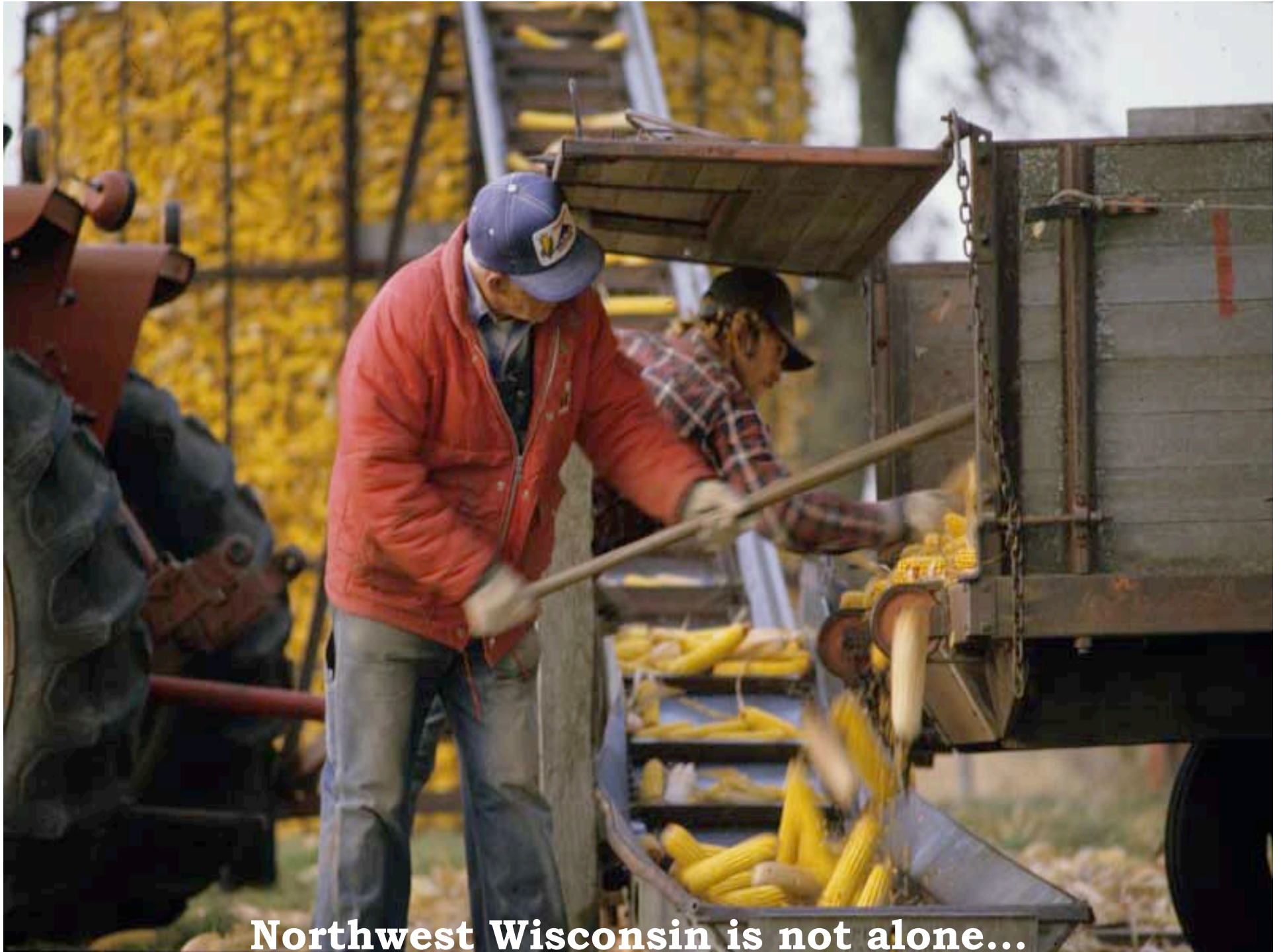


Finding Food in Farm Country

**If consumers bought only 15% of
their food directly from local farms:**

**\$78 million of new farm income
earned each year**

double the amount of current production losses!



Northwest Wisconsin is not alone...

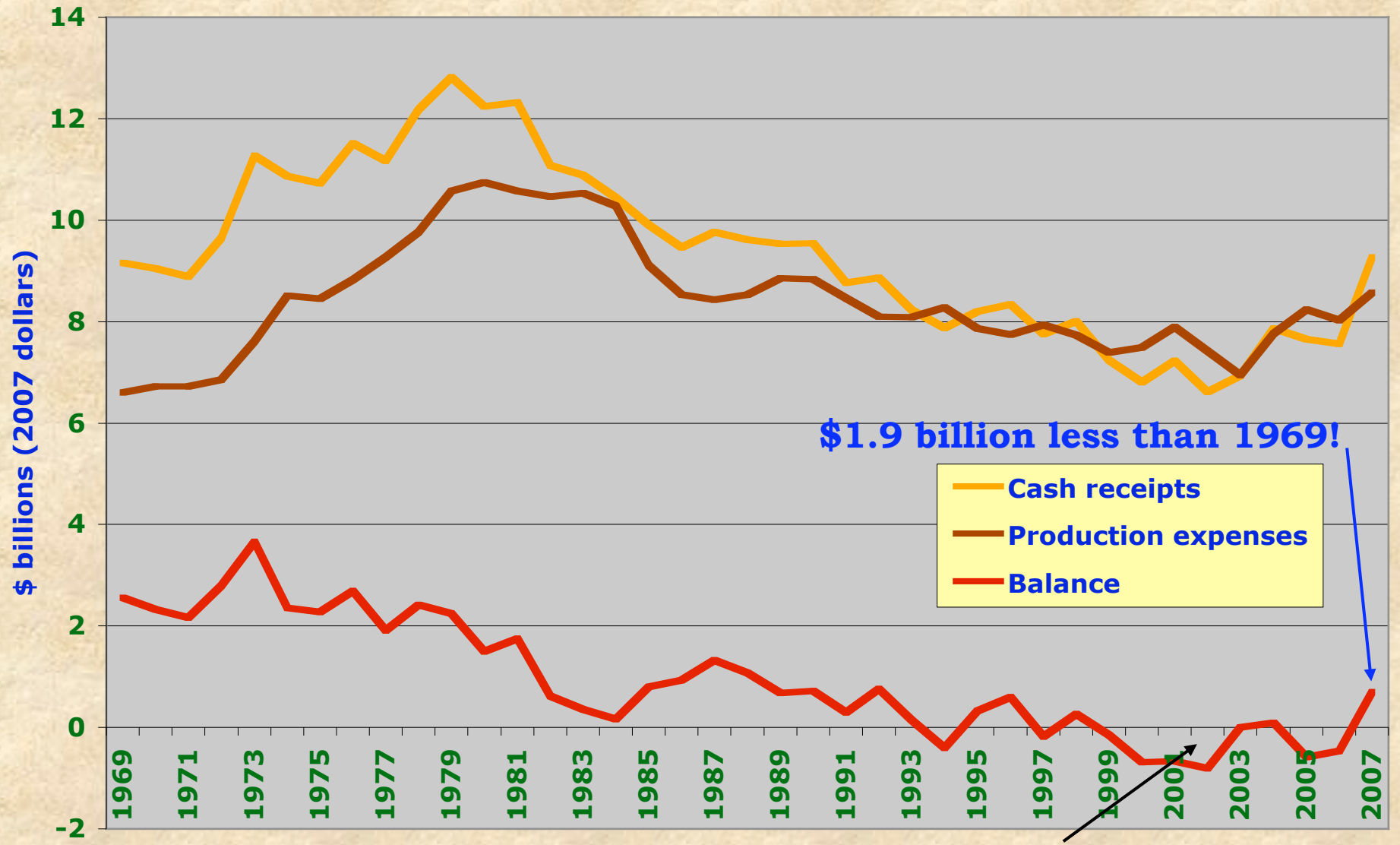


State of Wisconsin

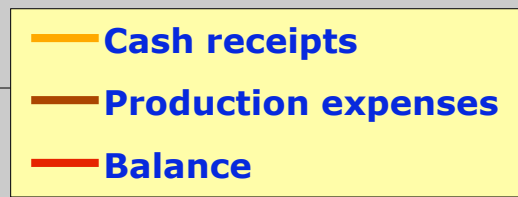




Farm Production Balance in Wisconsin, 1969-2007



\$1.9 billion less than 1969!



\$2 billion lost in last 14 years!

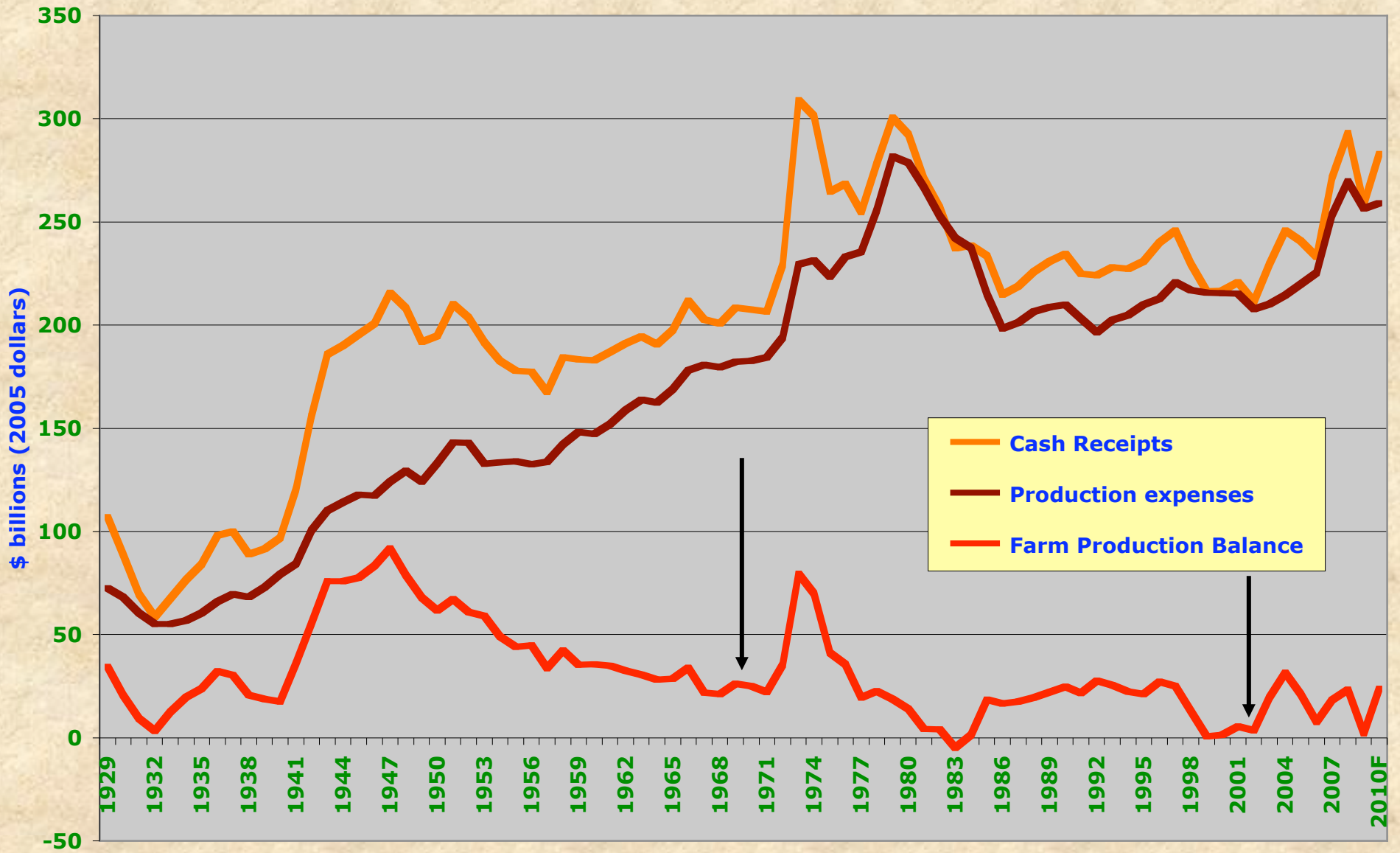
Source: Bureau of Economic Analysis



U.S. data

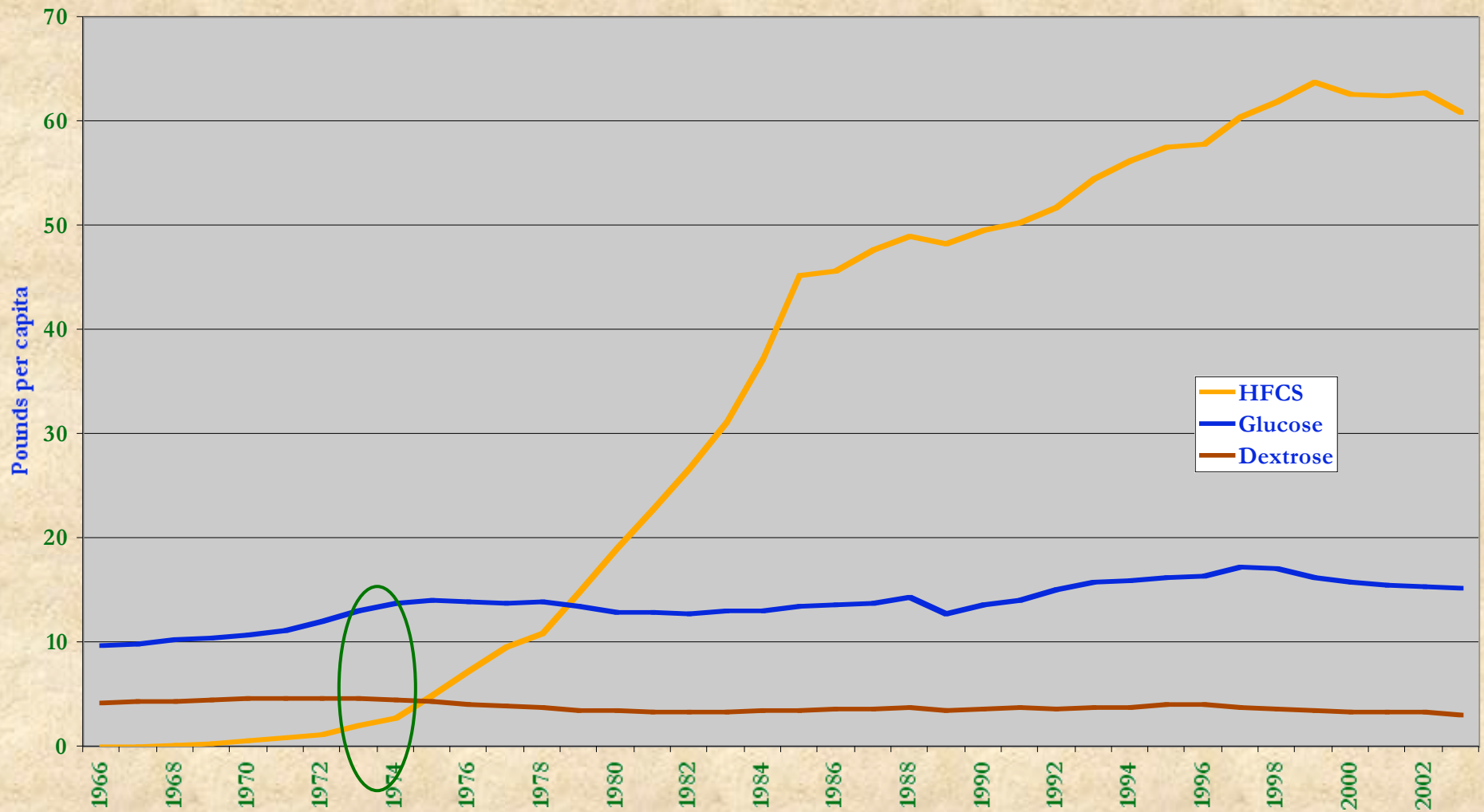


Farm Production Balance for U.S. farms, 1929 - 2010





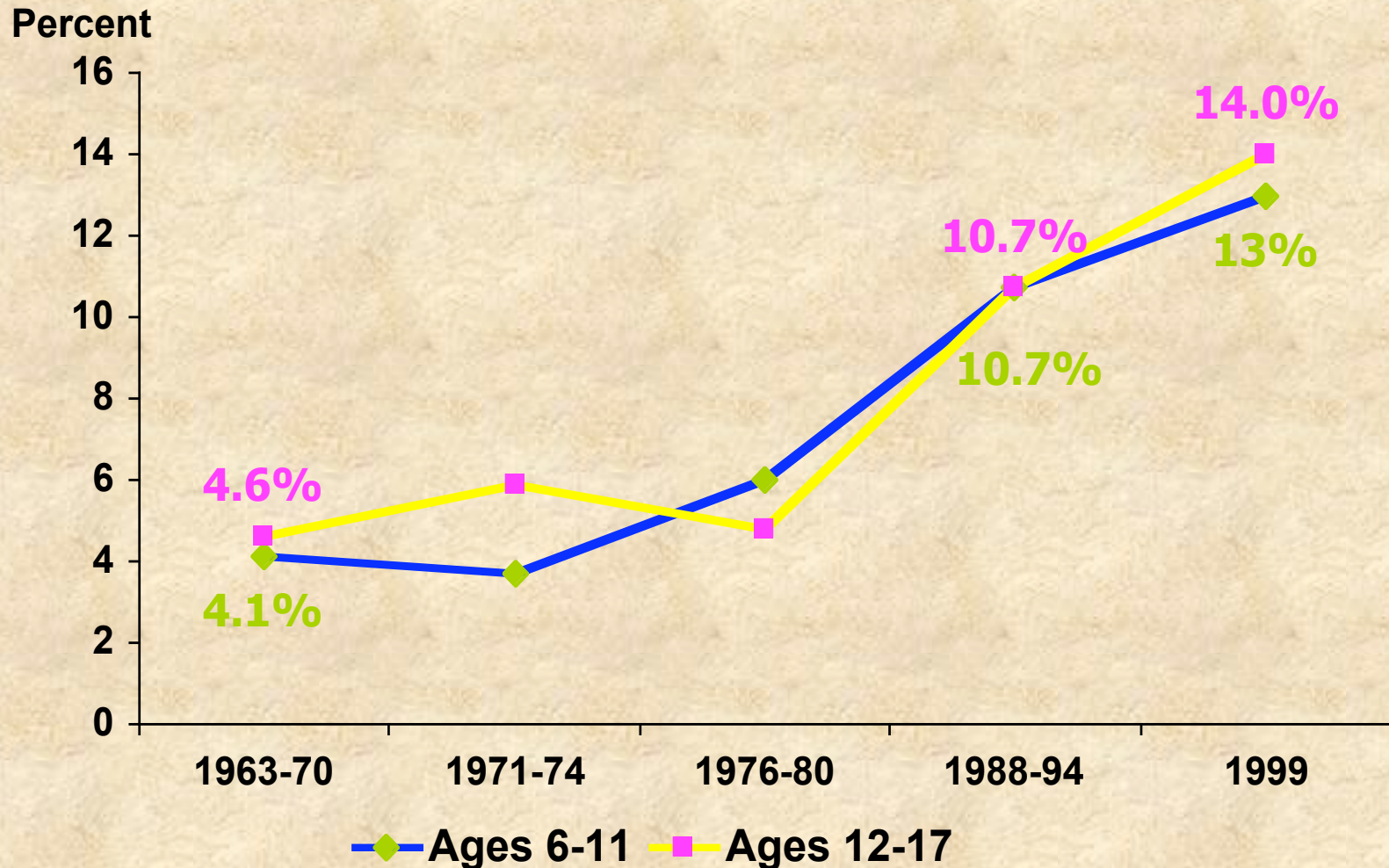
Corn sweeteners consumed in U.S., 1966 - 2002



Source: USDA/ERS — chart by Ken Meter, 2006



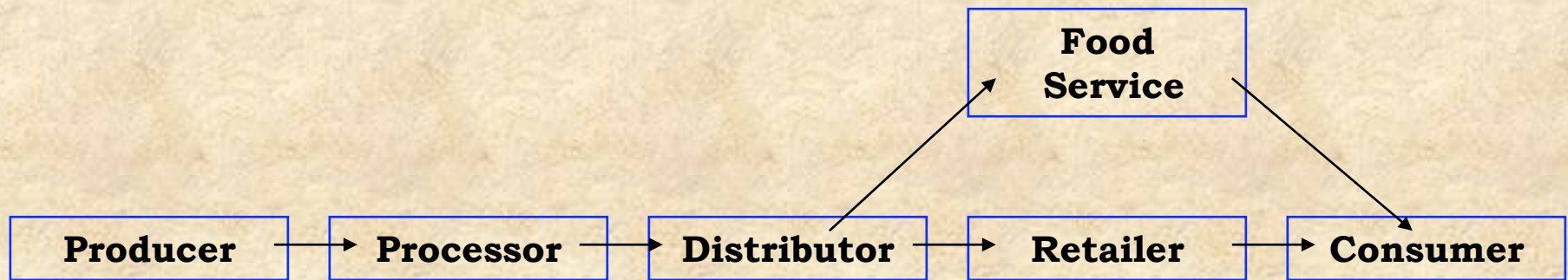
U.S. Youth Who are Overweight Percent by Age



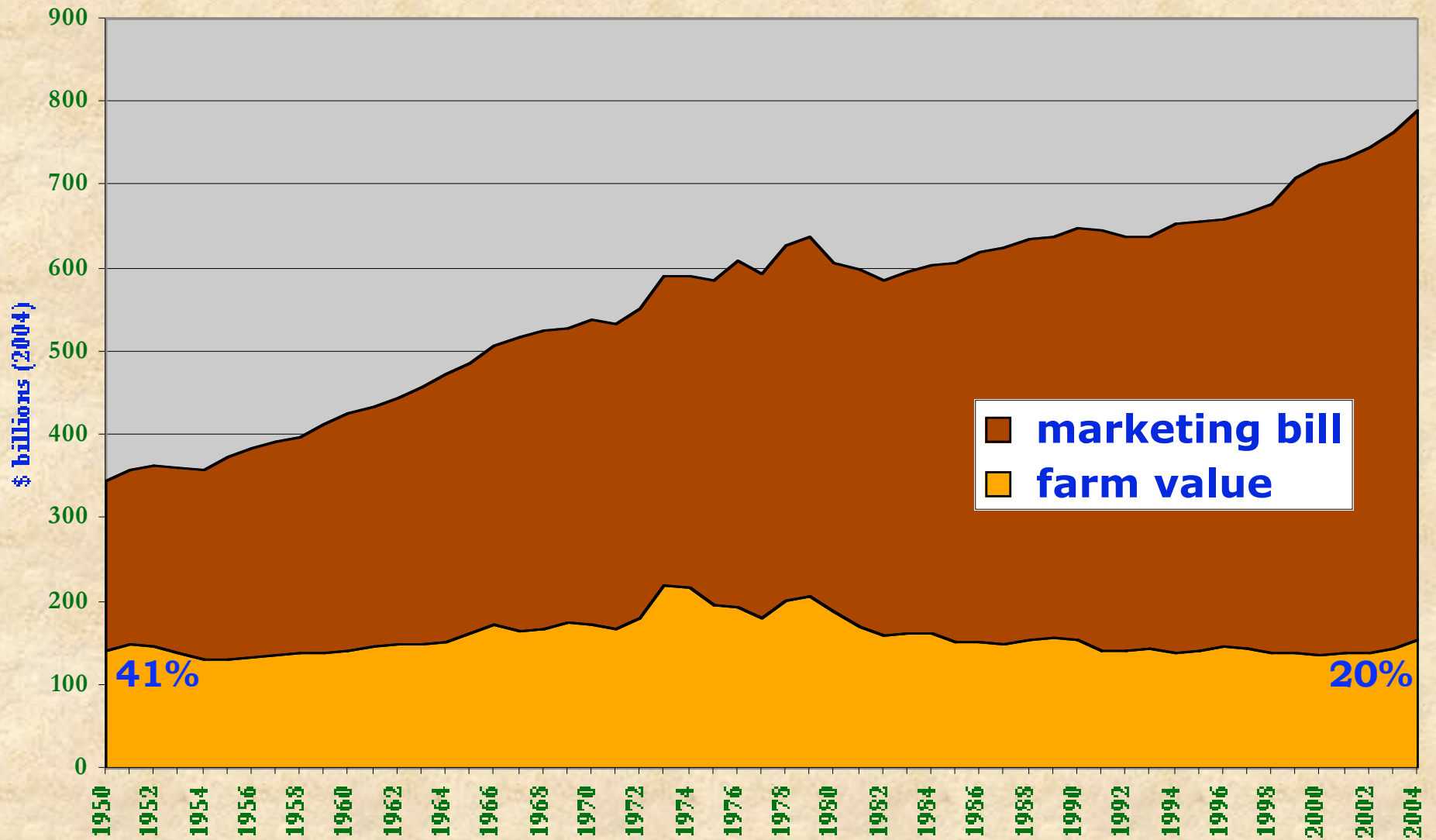
≥95th percentile for BMI by age and sex, based on NHANES I reference data
Source: Troiano RP, Flegal KM. Pediatrics 1998;101(3):497-504. NHANES 1999, National Center for Health Statistics. Chart by Melinda Hemmelgarn



Supply Chain



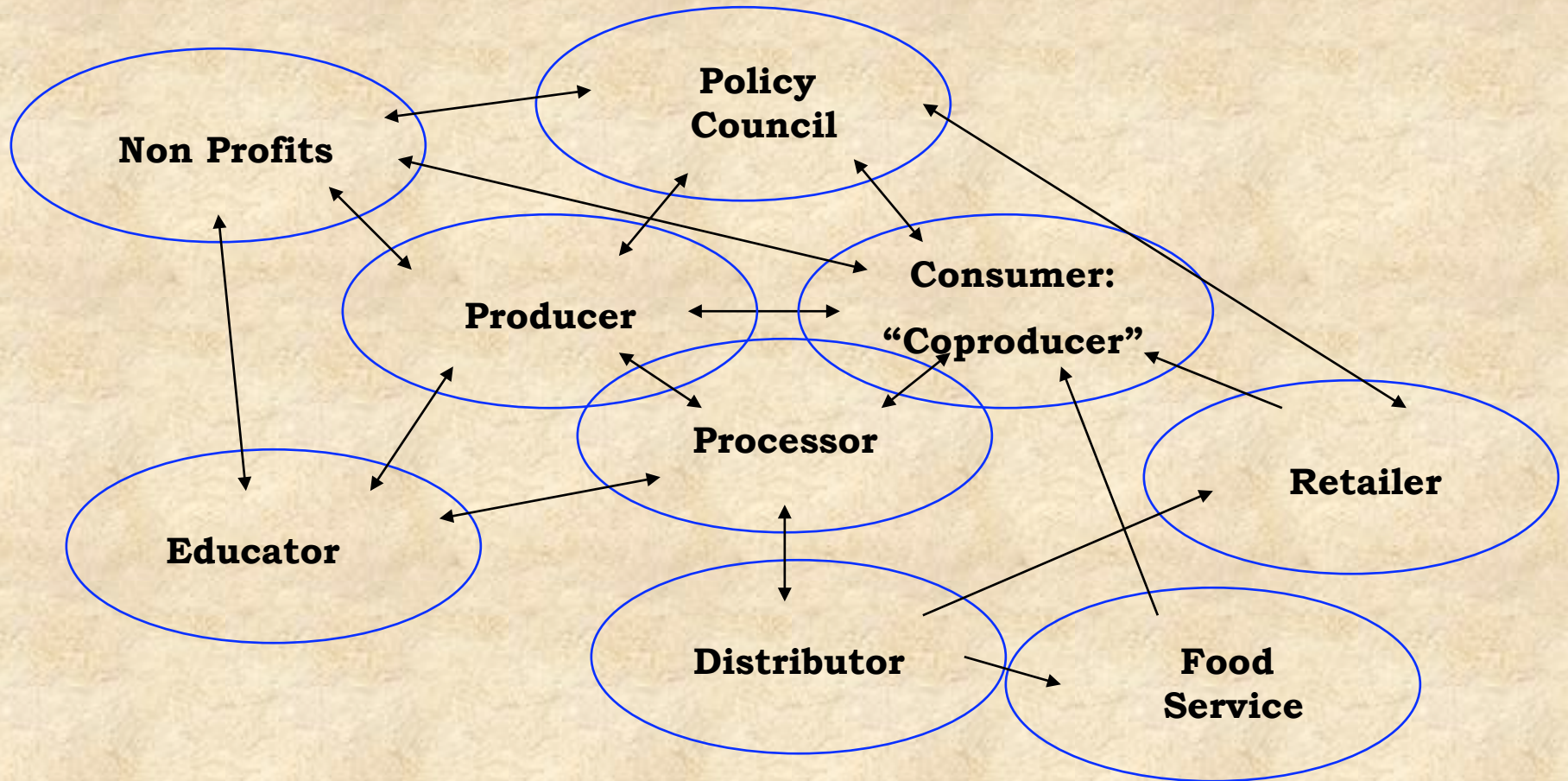
Farmers' share of retail prices paid by consumers, 1950-2004



Source ERS; chart by Ken Meter, 2007



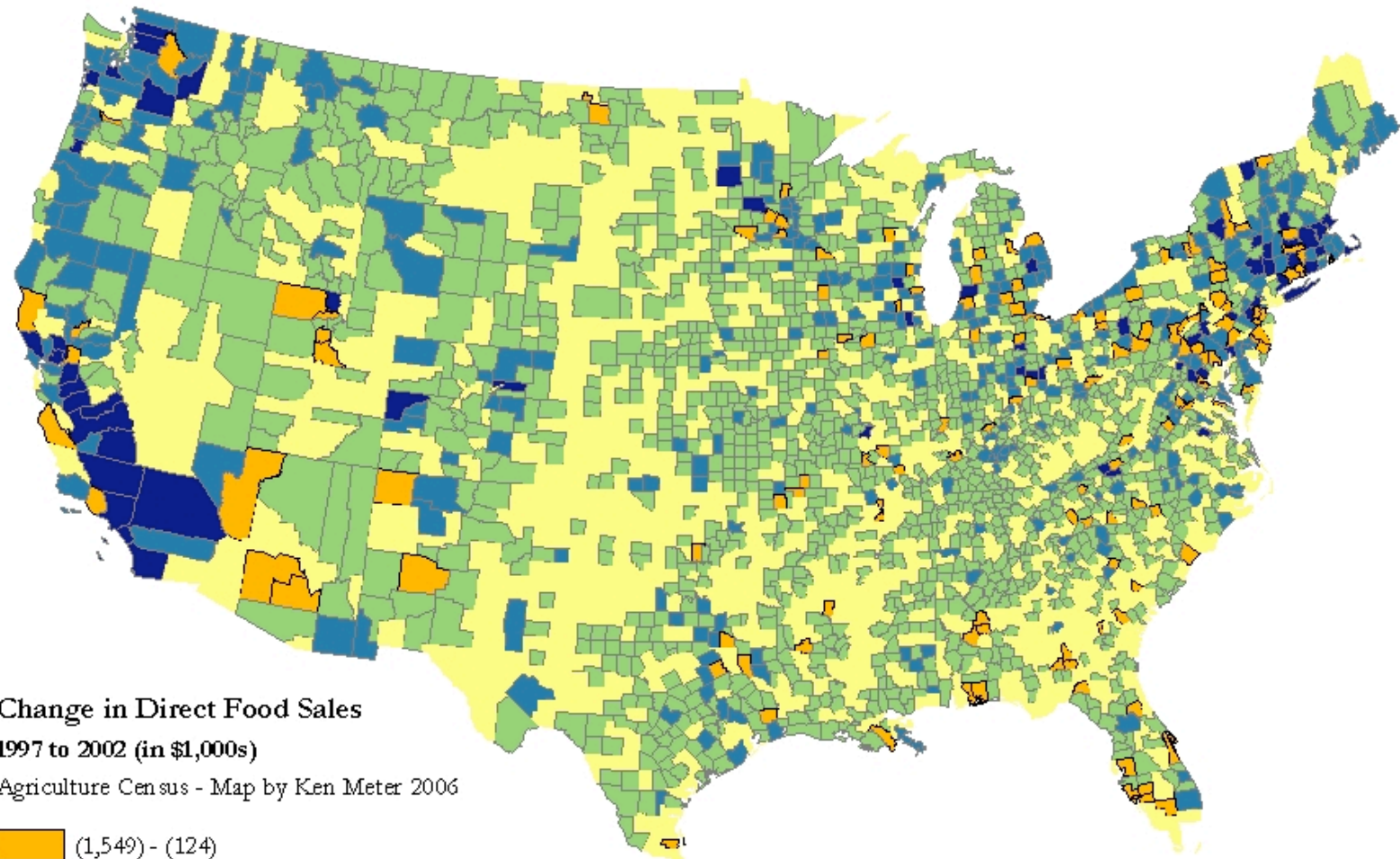
Value Network












Direct Food Sales



Change in Direct Food Sales
1997 to 2002 (in \$1,000s)
Agriculture Census - Map by Ken Meter 2006

-  (1,549) - (124)
-  (123) - 0
-  1 - 164
-  165 - 718
-  719 - 5,621



Innovative farm operations

**Winter CSA
Milan, Minnesota**

**Fresh fresh organic greens
November to April**

Sells only within 30 miles



Winter CSA — Milan, Minnesota



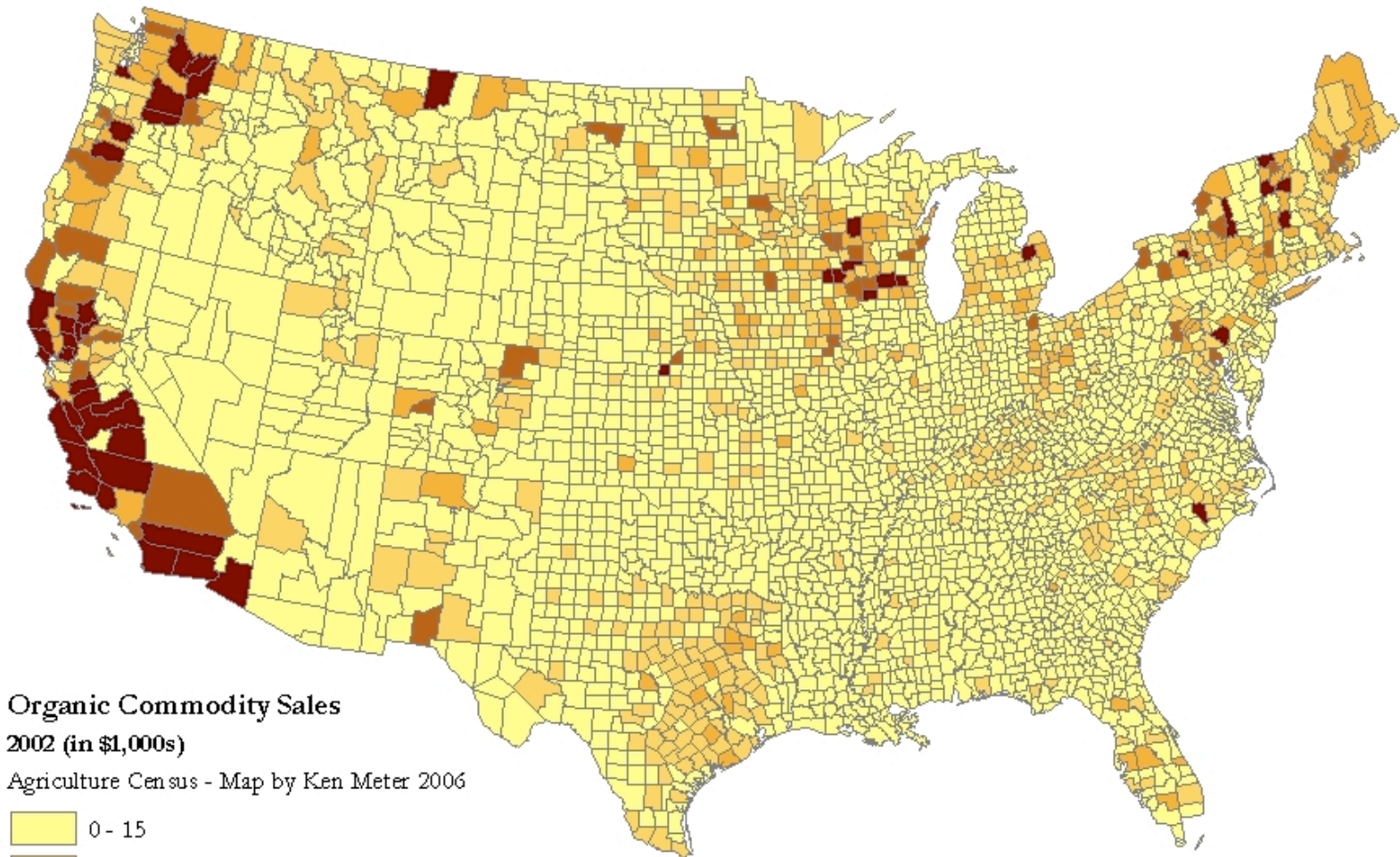


Winter CSA — Milan, Minnesota





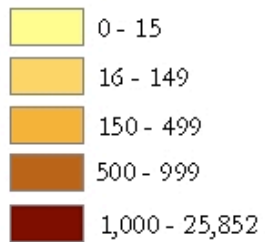
Organic Sales



Organic Commodity Sales

2002 (in \$1,000s)

Agriculture Census - Map by Ken Meter 2006

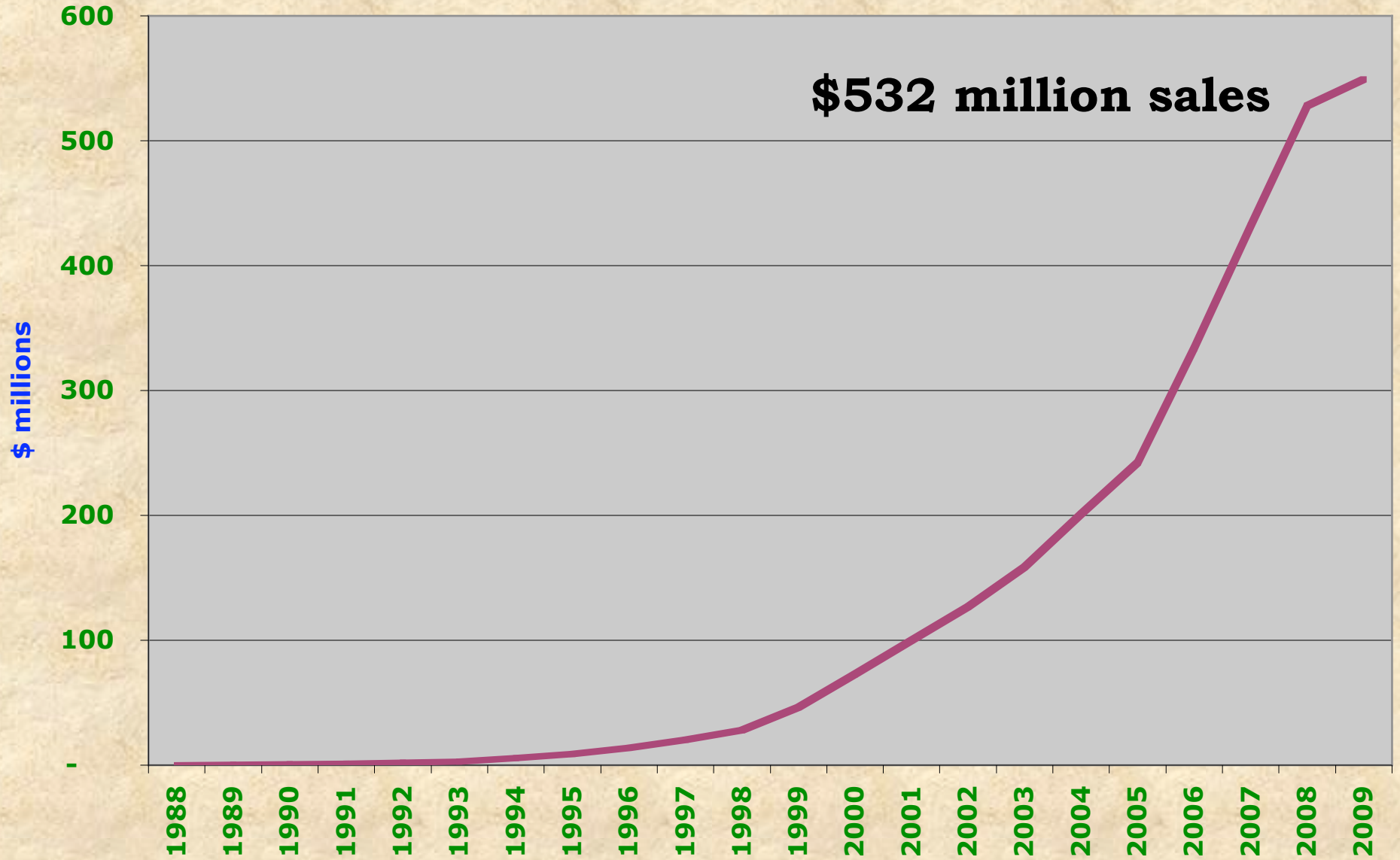




Organic Valley



Organic Valley sales, 1988 - 2009 (est)





UNI Local Food Project

1998

3 institutions

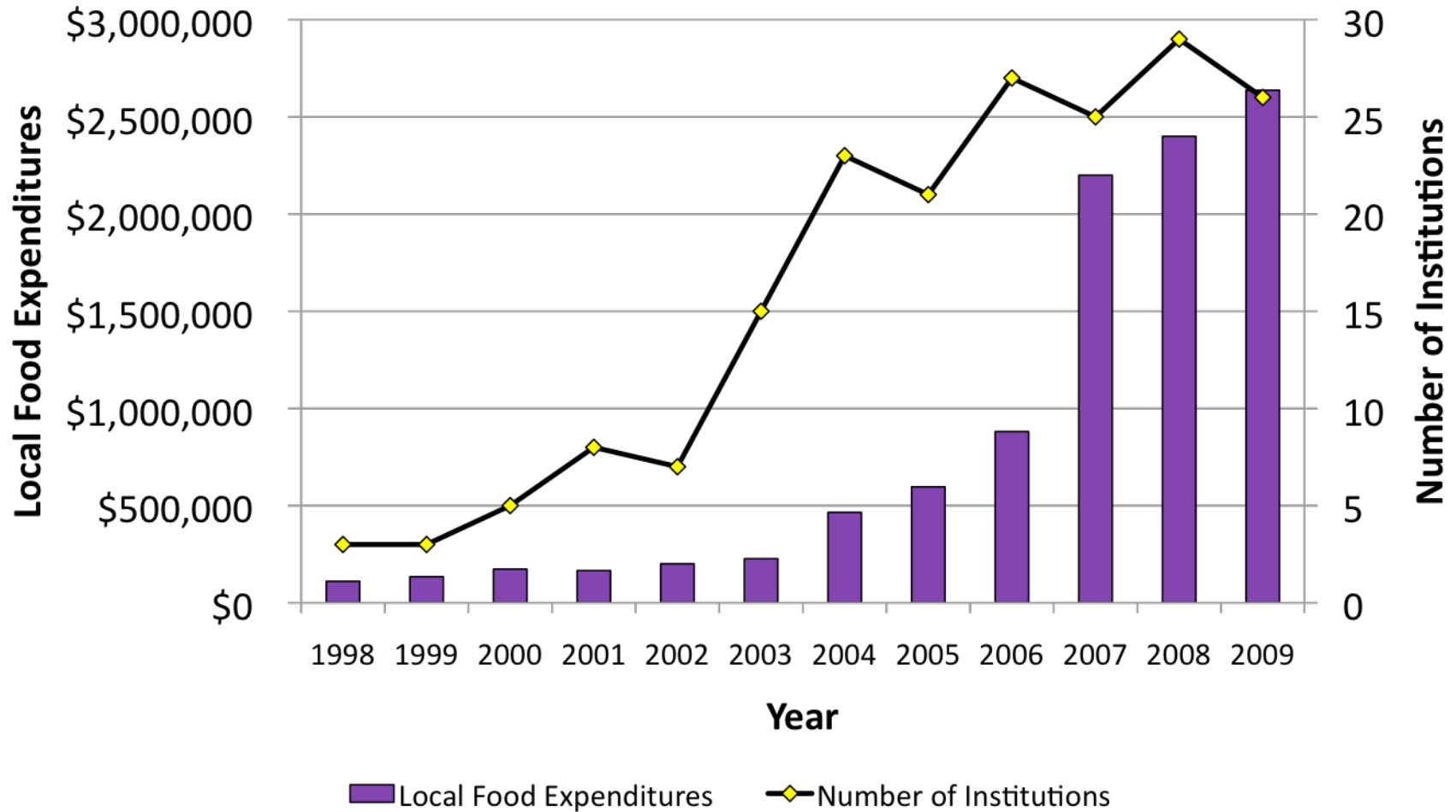
buy \$111,000 of local foods

2009

26 buy \$2,600,000

Local Food Expenditures

by the participating institutions in the
Black Hawk County Area, Iowa 1998-2009



**Northern Iowa Food & Farm
 Partnership**

Jobs, Fruit & Veggies, and Black Hawk County region

**If Black Hawk region residents
purchased locally grown fruits
and vegetables just **3 months** out
of the year:**

- **475 new jobs**
- **\$6.3 million in labor income
added to local economy**

David Swenson, ISU Economist





Will Allen, Growing Power, Milwaukee

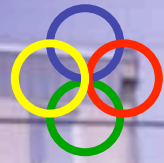




Did you know:
Growing Power distributed over 2 million pounds of produce through the Market Basket program. Market Basket includes products from the Rainbow Farms Cooperative.



Growing Power, Milwaukee



Greensgrow Gardens, Philadelphia





Greensgrow Gardens, Philadelphia





Greensgrow Gardens, Philadelphia



 **Greensgrow Gardens, Philadelphia**





Viroqua, Wisconsin

- **Factory closes**
- **85 of best jobs lost**
- **Printing & packaging firm**



Viroqua, Wisconsin





Viroqua, Wisconsin

- **Economic Development Association buys building**
- **100,000 square feet**
- **Regional food processing center**

Viroqua Business Cluster

**Produce
Distributor 1**

**Produce
Distributor 2**

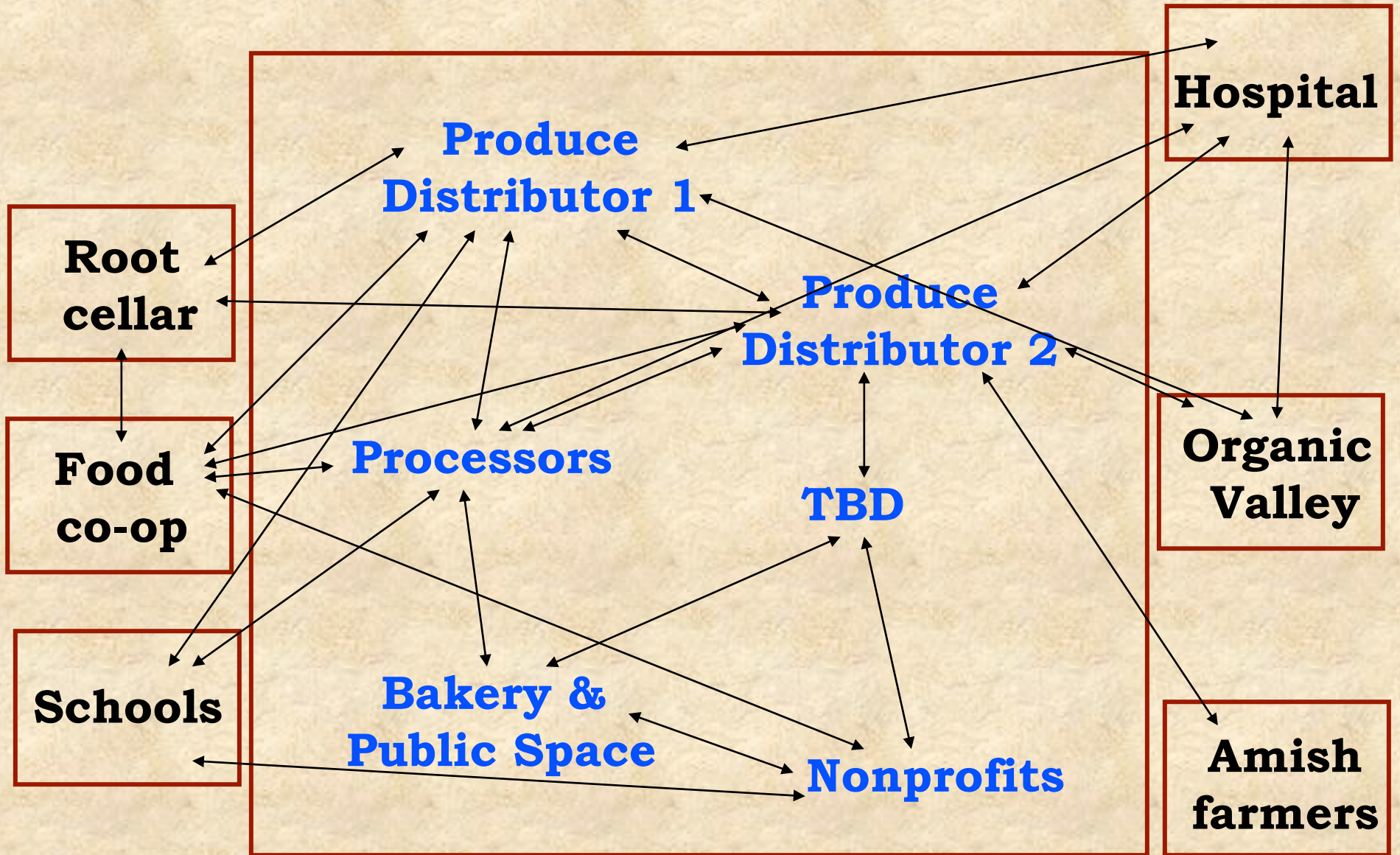
Processors

TBD

**Bakery &
Public Space**

Nonprofits

Viroqua Business Cluster





Viroqua, Wisconsin





Northfield, Minnesota

Hillside Farmers Co-op

Latino/Anglo Poultry Co-op



Hillside Farmers Co-op Northfield, Minnesota





Production on 1/4-acre sites





Process at larger scale, someday



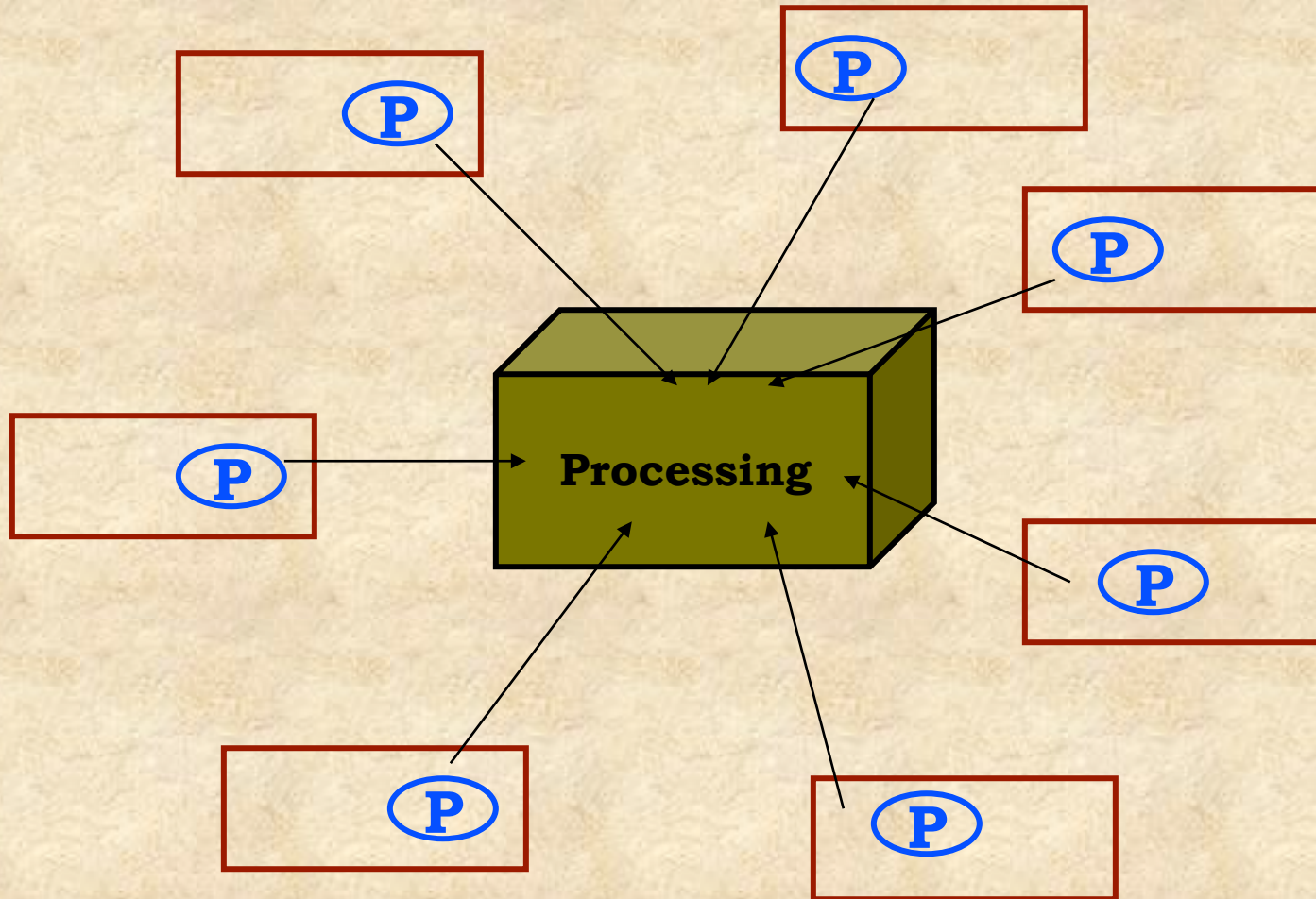


Poultry Business Cluster



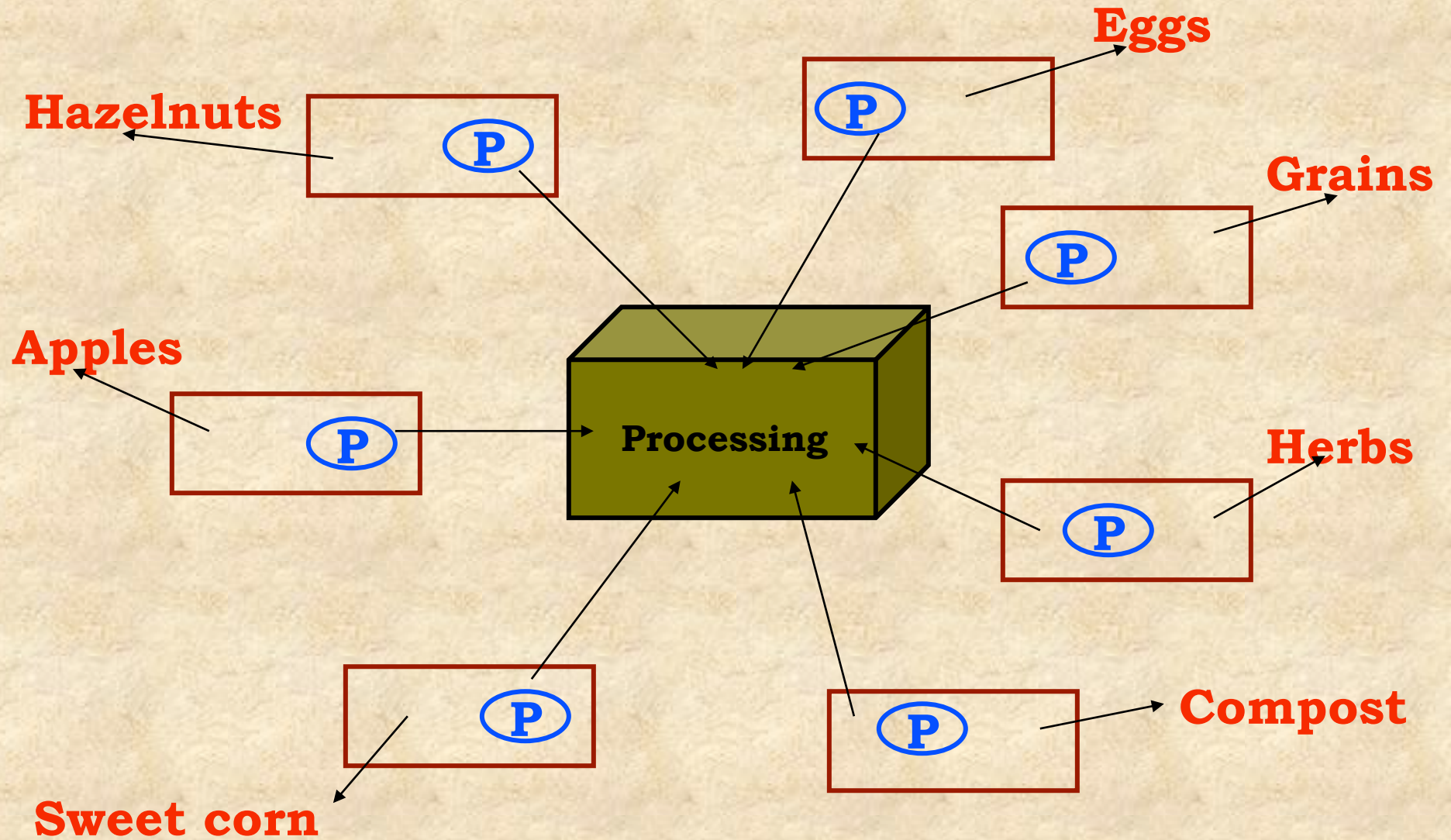


Poultry Business Cluster





Poultry Business Cluster





Elements of Success for Local Food Economies

“Mapping the Minnesota Food Industry”

- **Relationships**
- **Resilience**
- **Recycling**



**H1N1 virus — Wisconsin made
plans to close borders**



U.S. Federal Policy

**Invest in communities
rather than cash for
commodities**



Vision for local food economies

Build:

Health

Wealth

Connection

Capacity

“Finding Food in Farm Country”

www.crcworks.org

(612) 869-8664

kmeter@crcworks.org

