



# **Building Economic Recovery Through “Local” Food Systems**

**Ken Meter**  
Crossroads  
Resource Center  
(Minneapolis)

**Normal, Illinois**  
**Edible Economy Project**  
**June 28, 2011**



# **Sponsors**

**Edible Economy Project**

**Bloomington-Normal Farmers' Market**

**Heartland Community College**

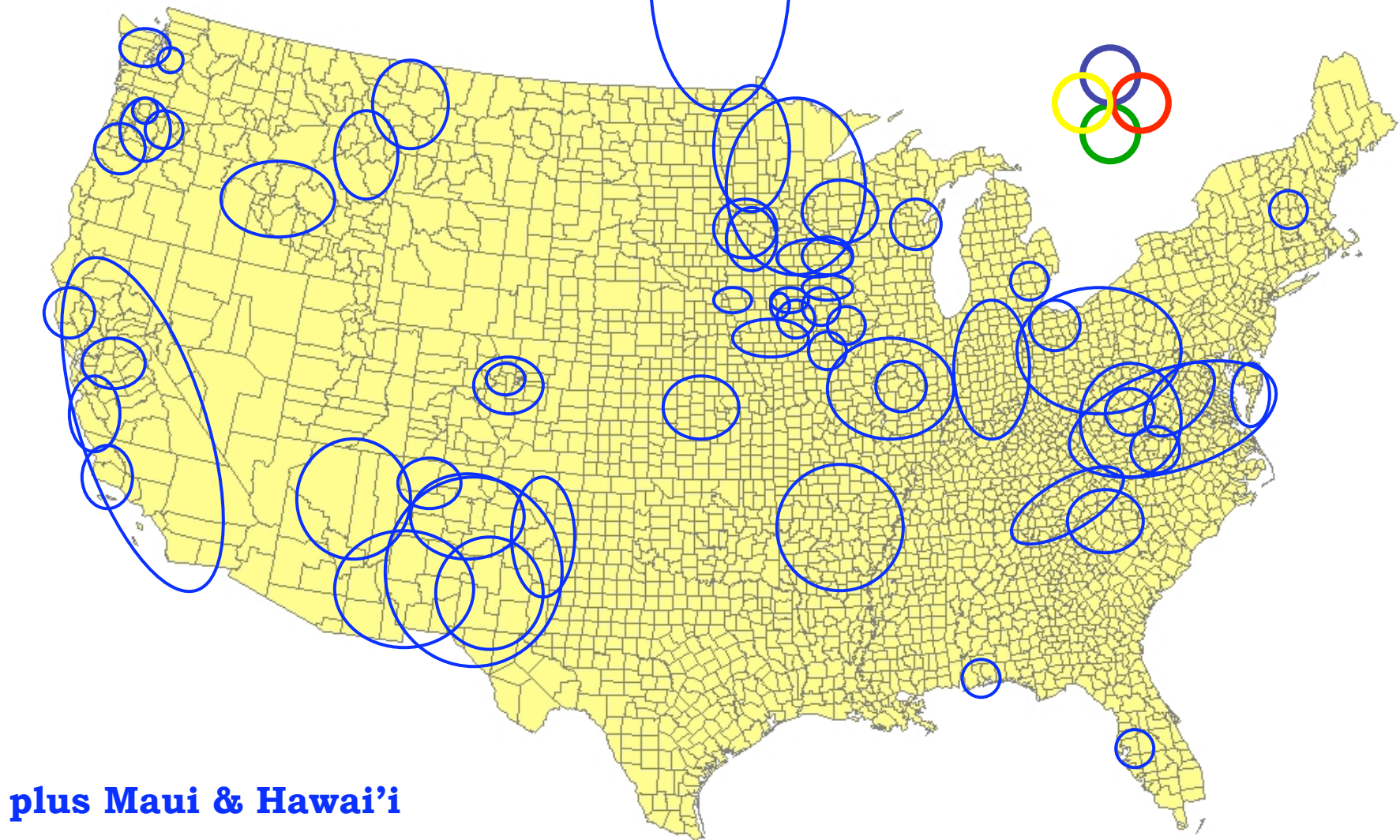
**The Land Connection**

**Bloomington-Normal  
Economic Development Council**

**Trailside Market**



# “Finding Food in Farm Country” Studies



**63 regions in 26 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.**



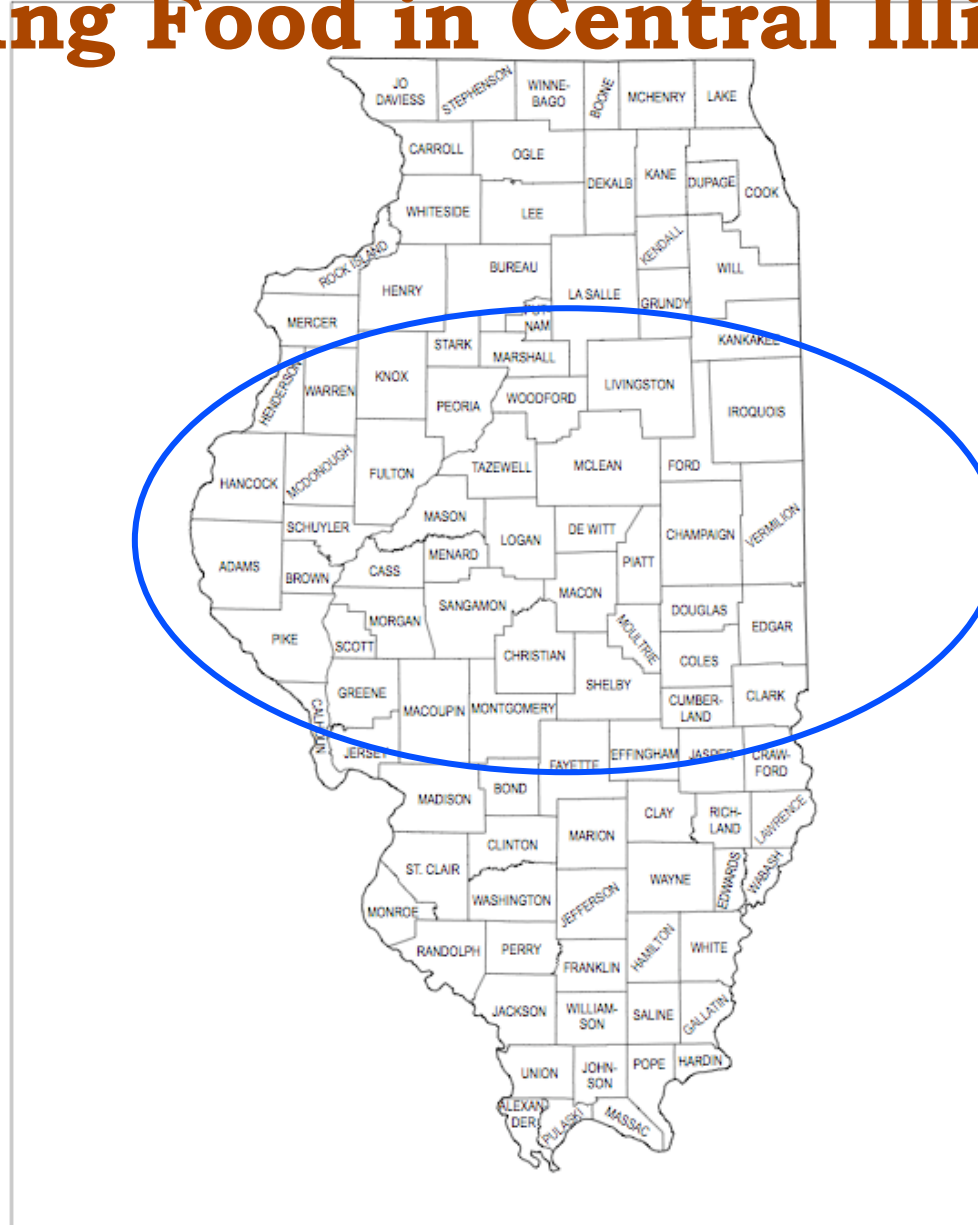
**Hillside Farmers' Co-op**







# Finding Food in Central Illinois



**32 Counties**

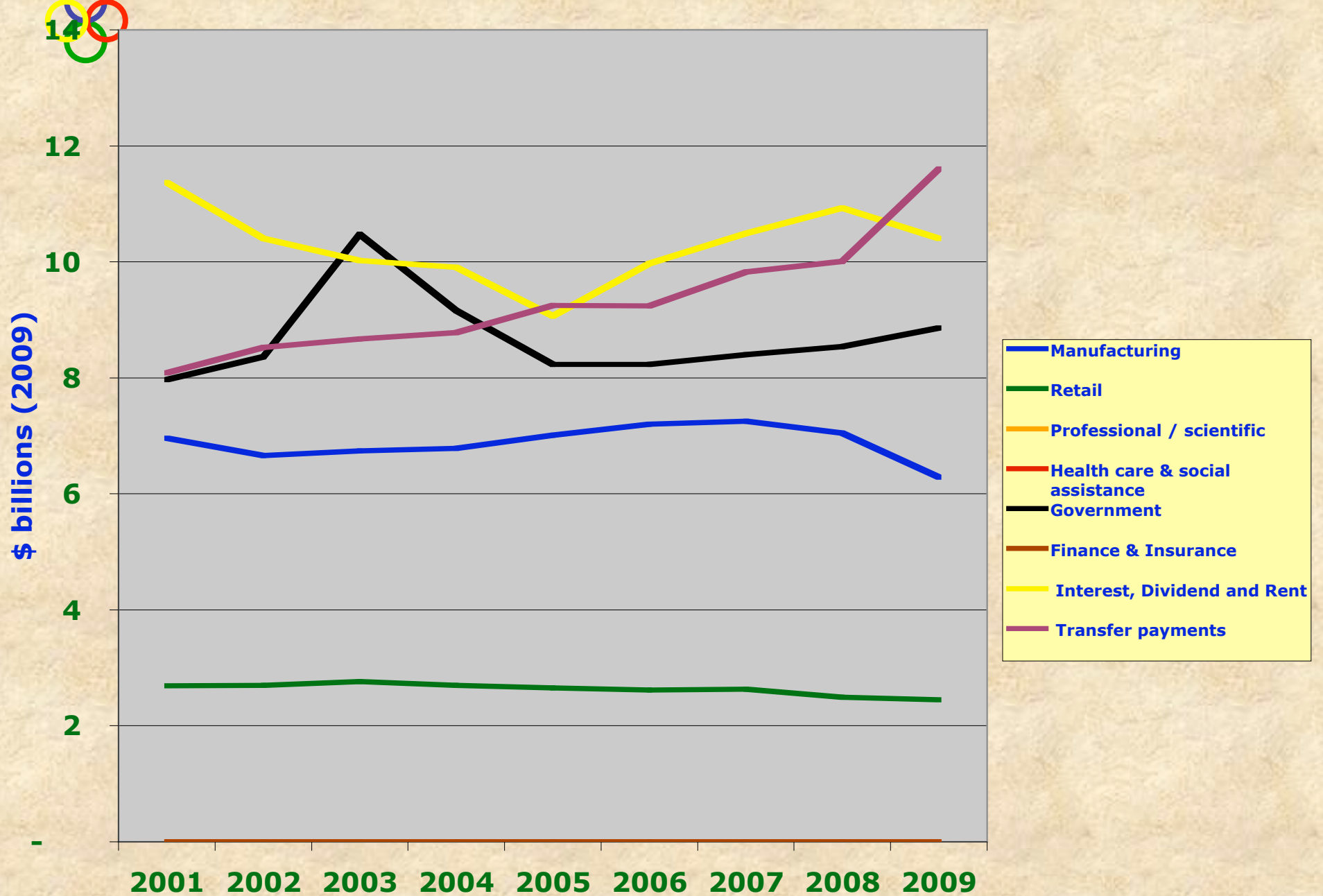




# Central Illinois

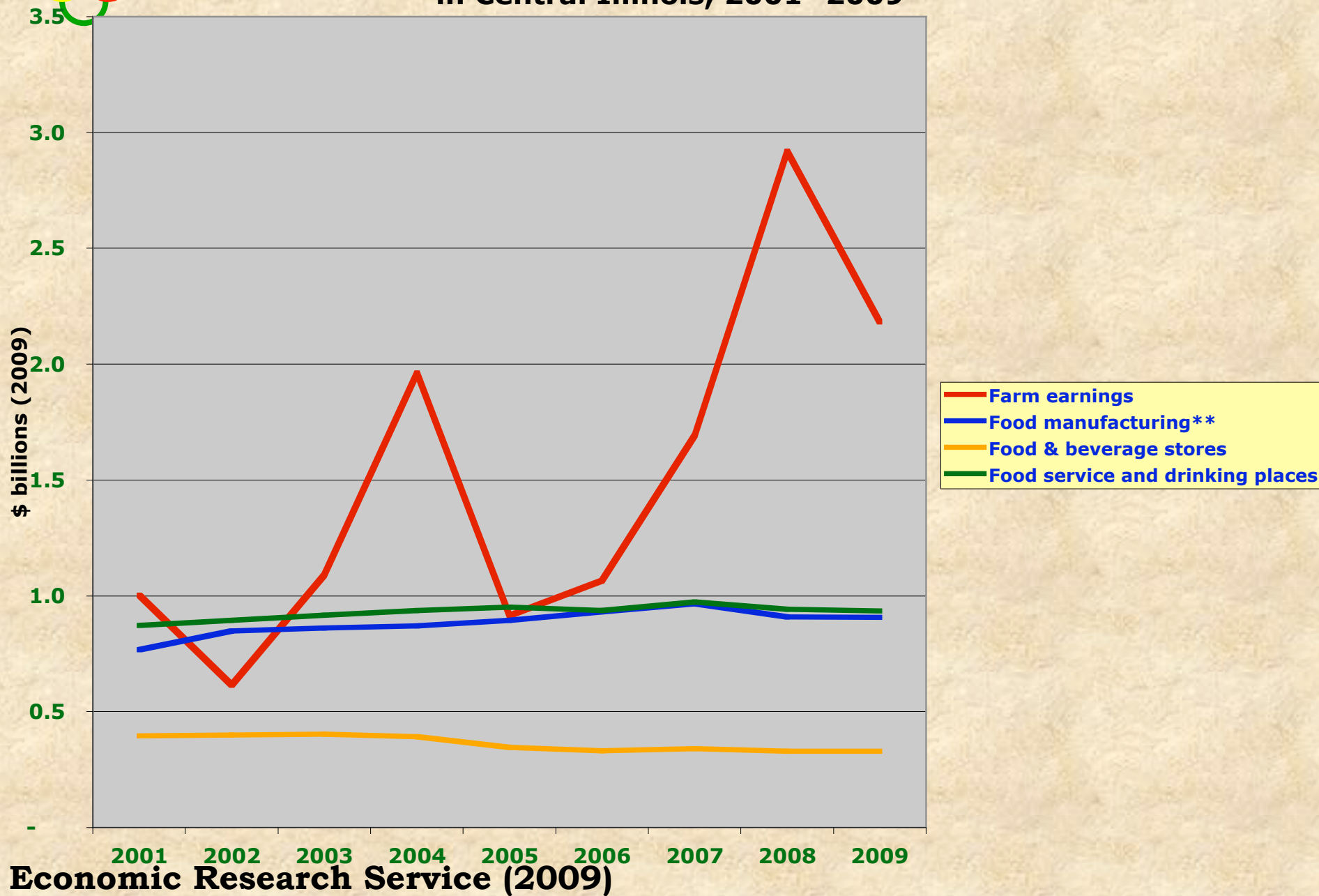
- 1.7 million residents
- Receive \$62 billion of income each year

## Personal income in Central Illinois, 2001 - 2009

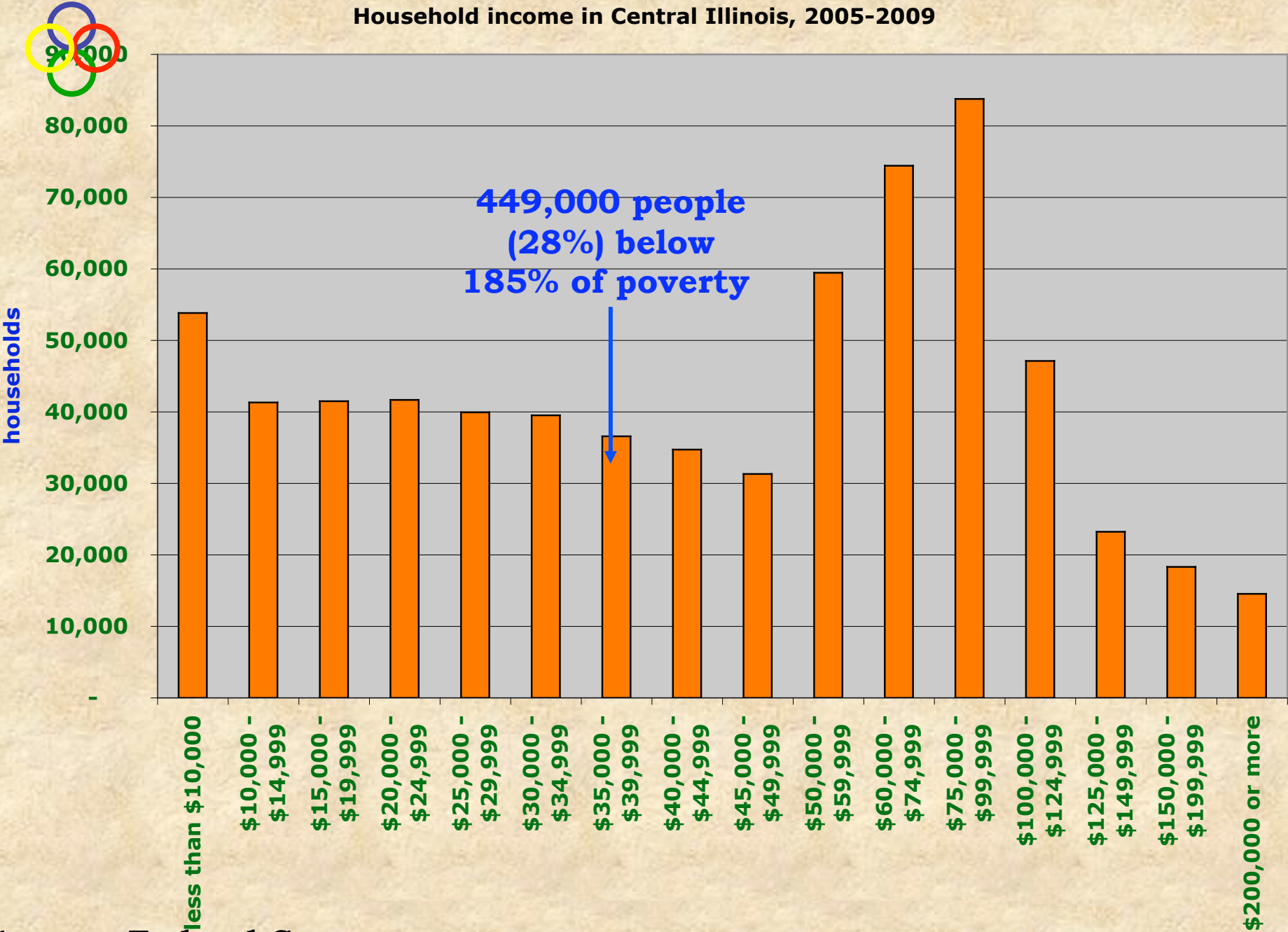




## Personal income in food-related industries in Central Illinois, 2001- 2009



Household income in Central Illinois, 2005-2009



Source: Federal Census





# **Central Illinois Food & Farm Economy**

- **26,537 farms**
- **35% of Illinois' farms**

**Source: USDA Agriculture Census 2007**



## **Central Illinois Food & Farm Economy**

- **40% of farms sell less than \$10,000**
- **37% sell more than \$100,000**

**Source: USDA Agriculture Census 2007**





# **Central Illinois Food & Farm Economy**

- **36% of farms are less than 50 acres**





# Central Illinois Food & Farm Economy

Main Products	\$millions
Corn	3,400
Soybeans	1,400
Hogs**	322
Cattle & calves**	180

**\*\* incomplete data**









# Central Illinois Food & Farm Economy

**Largest Production Expense is  
Chemical Fertilizers and Lime**

**\$629 million (19%)**

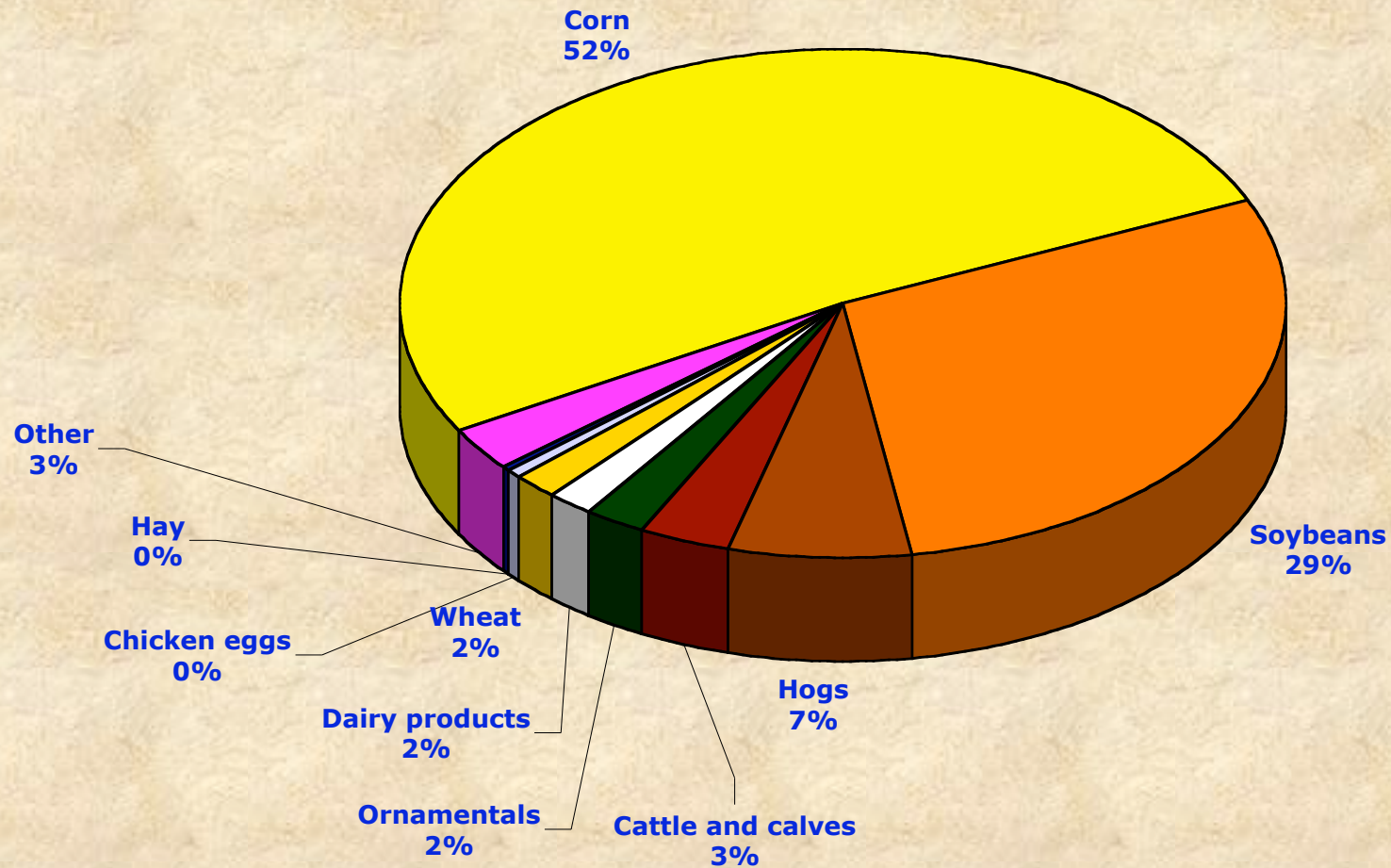
**Source: USDA Agriculture Census 2007**





## Top farm products in Illinois, 2009

### Illinois



**Economic Research Service (2009)**



# Central Illinois Food & Farm Economy

- 408 vegetable farms

- sales data incomplete

Source: USDA Agriculture Census 2007





# **Central Illinois Food & Farm Economy**

- **214 orchards**
- **sales data incomplete**

**Source: USDA Agriculture Census 2007**





**972 farms sell  
direct to consumers**

**over \$6 million  
sales**

**28% rise in farms  
74% rise in sales  
2002 - 2007**

**Source: Census of Agriculture 2007**





## **Central Illinois Food & Farm Economy**

- **99 farms sell organic products**
- **sales data incomplete**

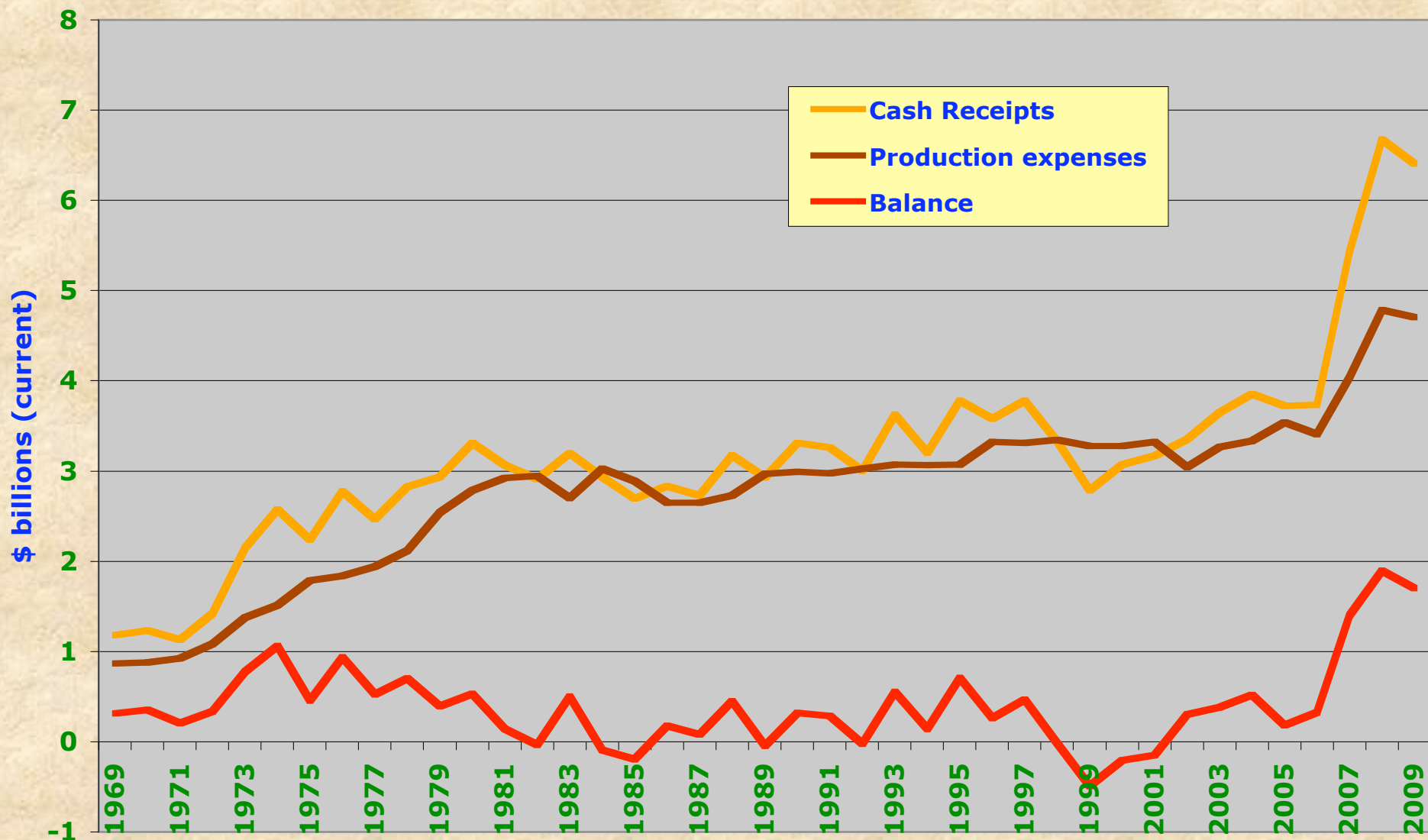








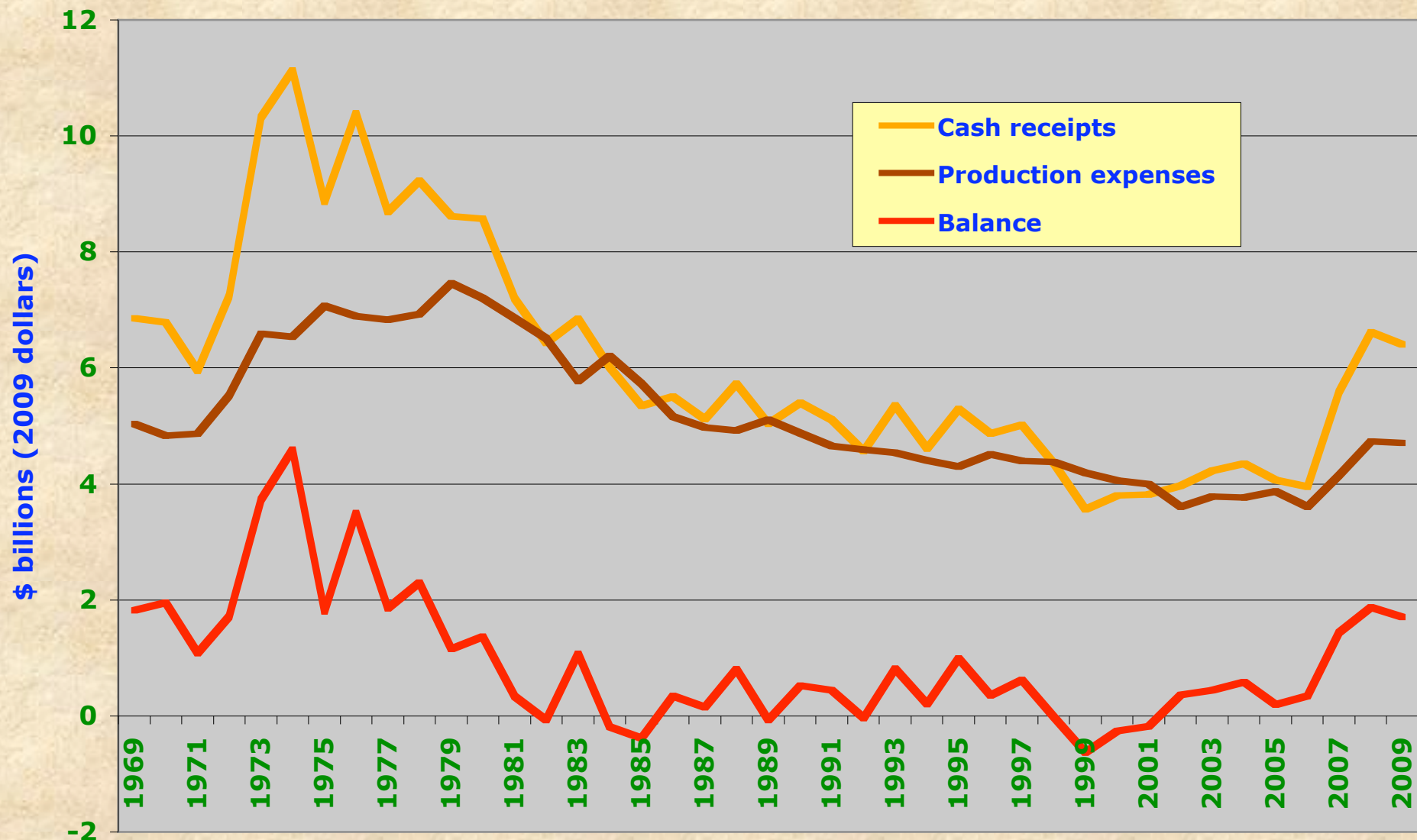
## Farm Production Balance in Central Illinois, 1969-2009



Source: Bureau of Economic Analysis



## Farm Production Balance in Central Illinois, 1969-2009

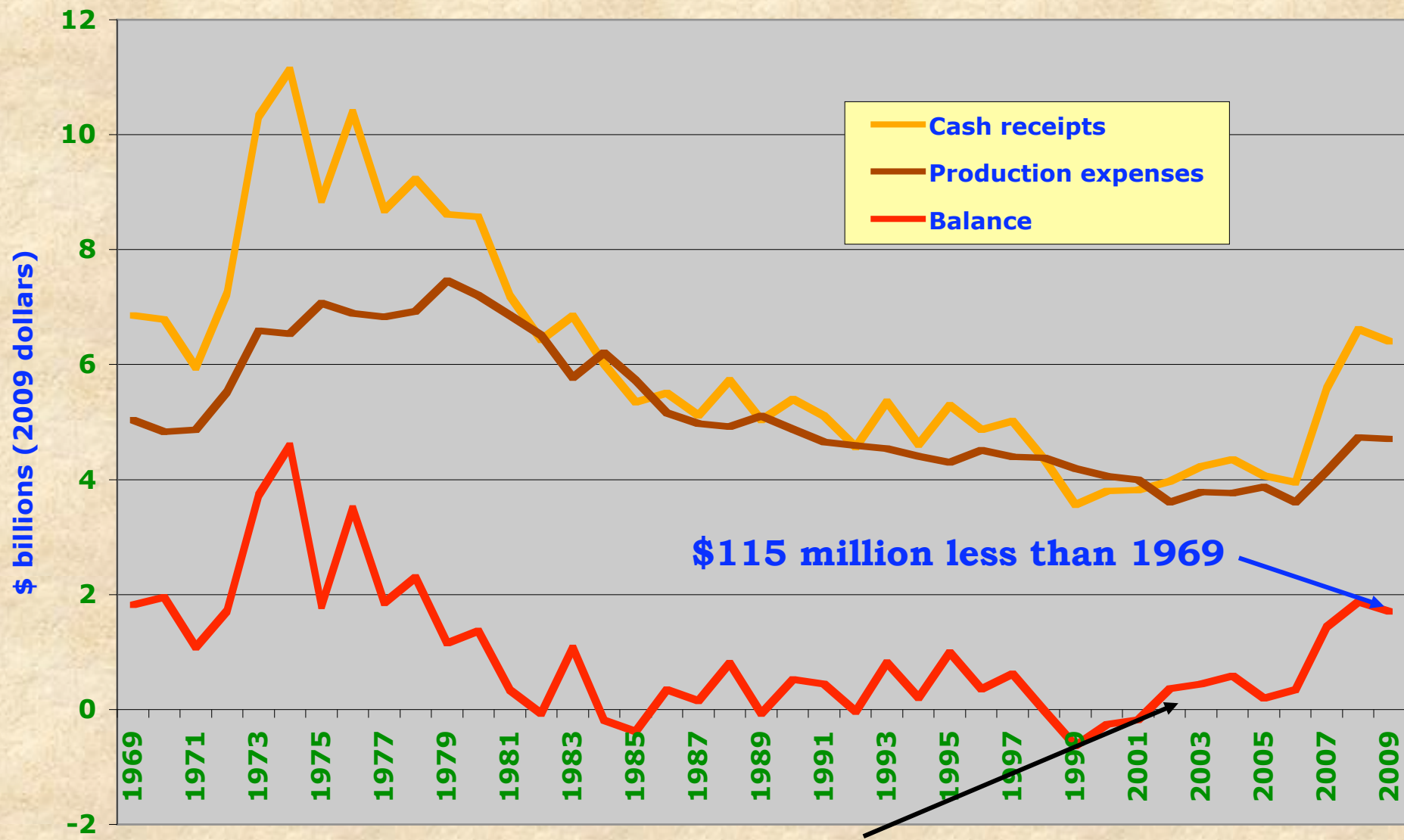


Source: Bureau of Economic Analysis





## Farm Production Balance in Central Illinois, 1969-2009



Source: Bureau of Economic Analysis

\$10.7 billion gained since 1987



## **Central Illinois Food & Farm Economy**

- **Farmers produce \$4.8 billion of products per year**

**And...**

- **Spend \$4.3 billion to raise them**

**Gain \$464 million in production costs**

**Averages for (1987-2009)**

**Source: Bureau of Economic Analysis**





# **Central Illinois Food & Farm Economy**

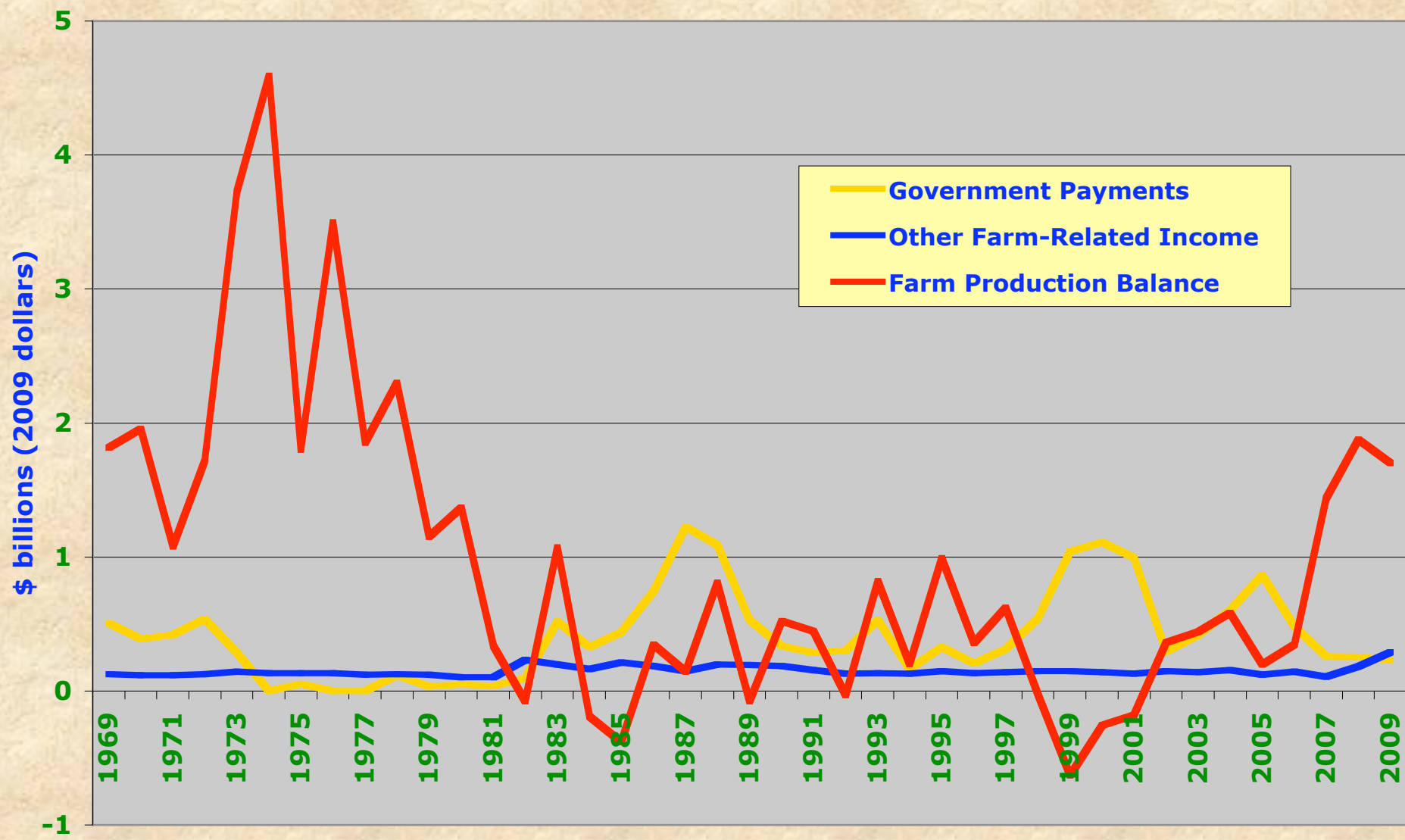
**Plus...**

- **Farm families earn \$154 million of other farm-related income**
- **And receive \$538 million in federal supports each year**

**Source: Bureau of Economic Analysis**



## Central Illinois farm income by type, 1969-2009



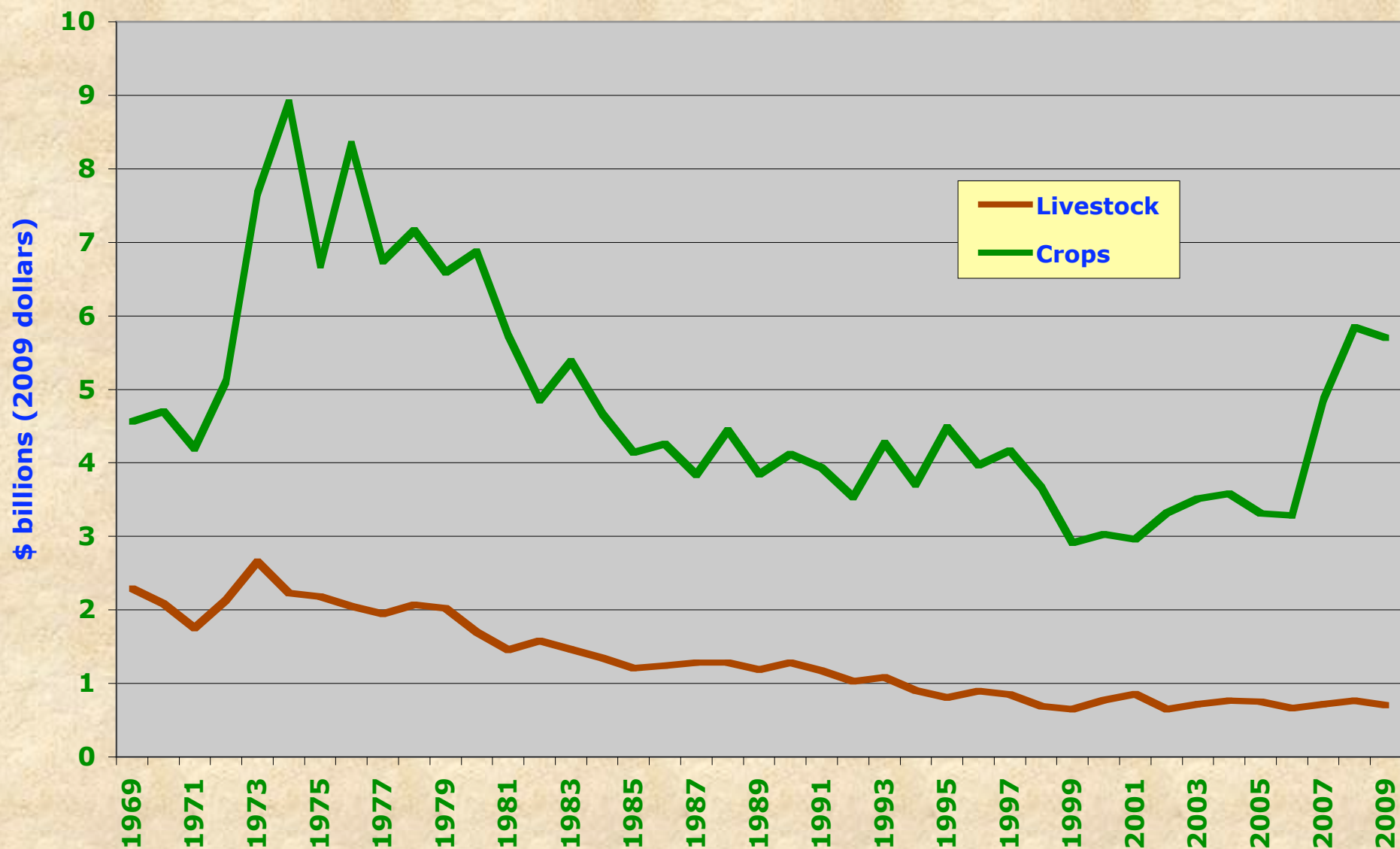
Source: Bureau of Economic Analysis







## Crop and livestock sales in Central Illinois, 1969-2009



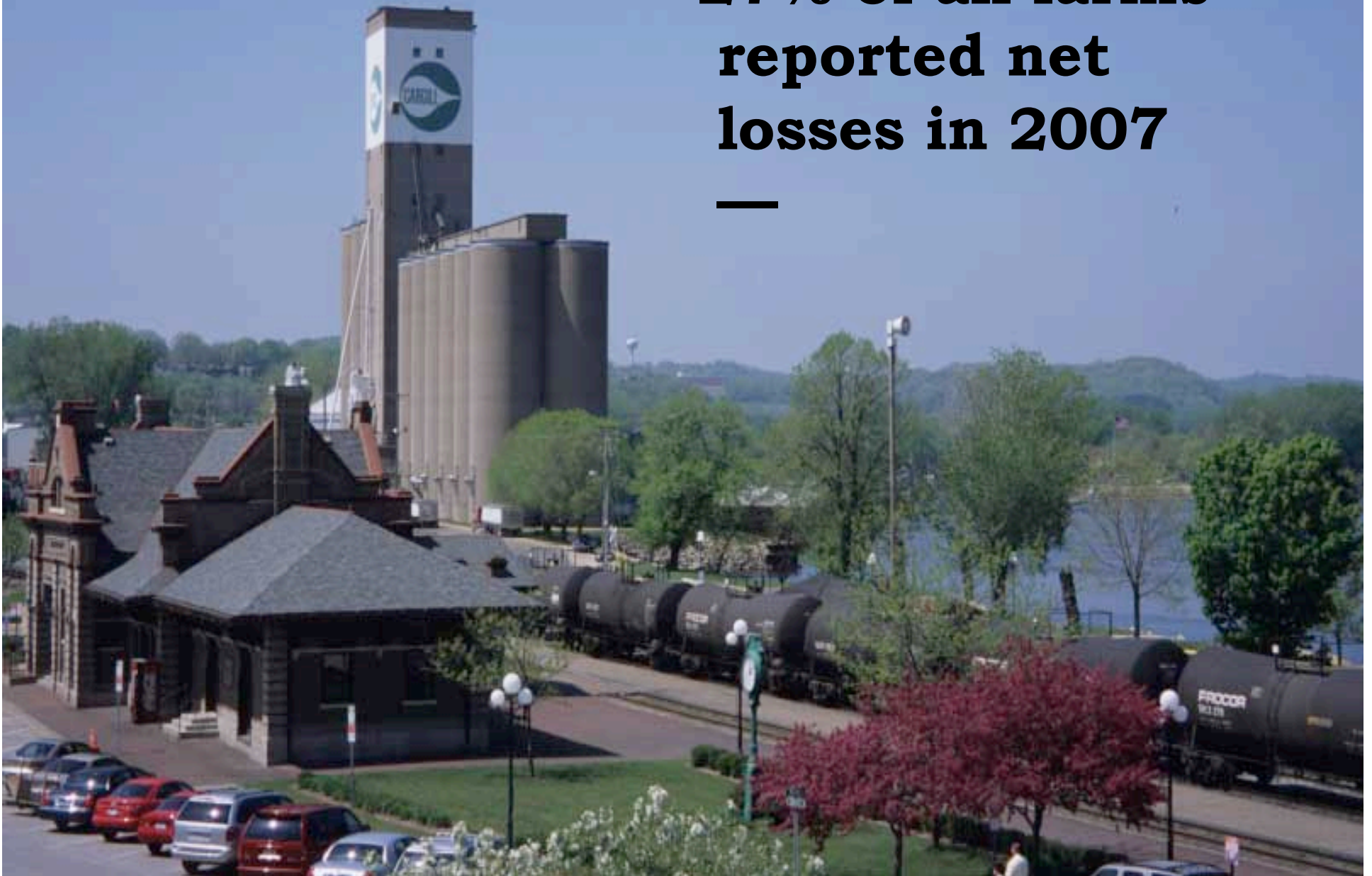
Source: Bureau of Economic Analysis





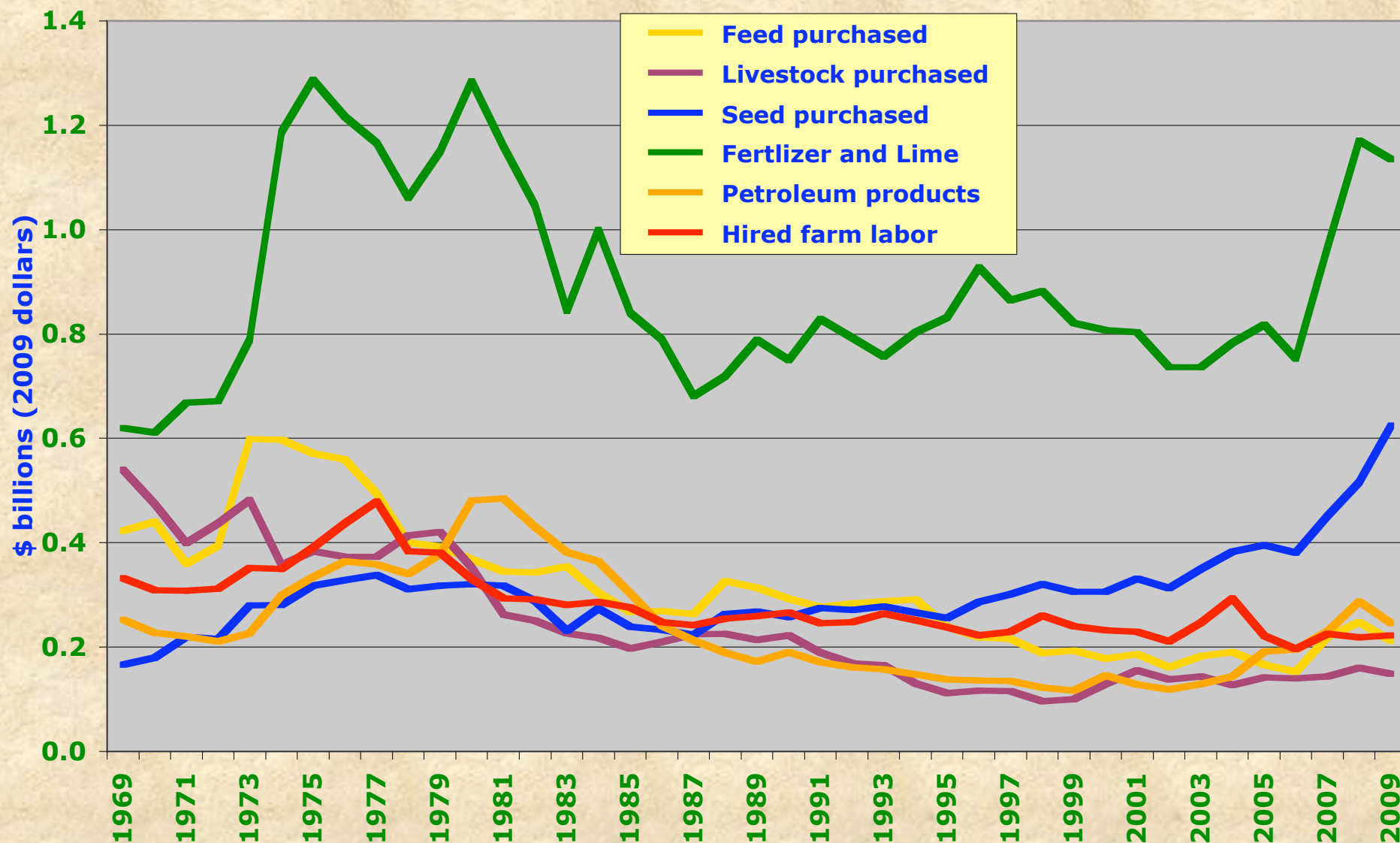
**27% of all farms  
reported net  
losses in 2007**

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## Farm production expenses in Central Illinois, 1969-2009



Source: Bureau of Economic Analysis





**\$2.3 billion of these farm inputs  
are sourced outside the region**

**Source: Ken Meter using data from Agriculture Census 2007**





**Using local inputs  
would reduce these losses**

*Compost at Pleasantview Farm (Circleville, Ohio)*





**Also a state of food consumers...**





# **Finding Food in Farm Country**

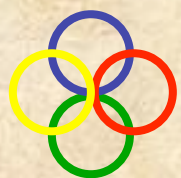
**As farmers struggle...**

- **Consumers buy \$4.3 billion of food each year**

- **\$3.9 billion from outside region**

**Source: Ken Meter using Bureau of Labor Statistics**





## **Finding Food in Central Illinois**

### **Markets for food eaten at home**

	<b>millions</b>
<b>Meats, poultry, fish, and eggs</b>	<b>\$ 538</b>
<b>Fruits &amp; vegetables</b>	<b>435</b>
<b>Cereals and bakery products</b>	<b>360</b>
<b>Dairy products</b>	<b>296</b>
<b>“Other,” incl. sweets, fats, &amp; oils</b>	<b>972</b>

**Source: Census & BLS**



## All told, Central Illinois

- Gains \$464 million in production
- Gains \$538 million in subsidies
- Loses \$2.3 billion buying inputs
- Loses \$3.9 billion buying food

1987 - 2009 averages



Potential wealth lost each year





# Finding Food in Farm Country

**Total loss is:**

- **\$5 billion each year!**
- **more than the value of all food products raised in region**



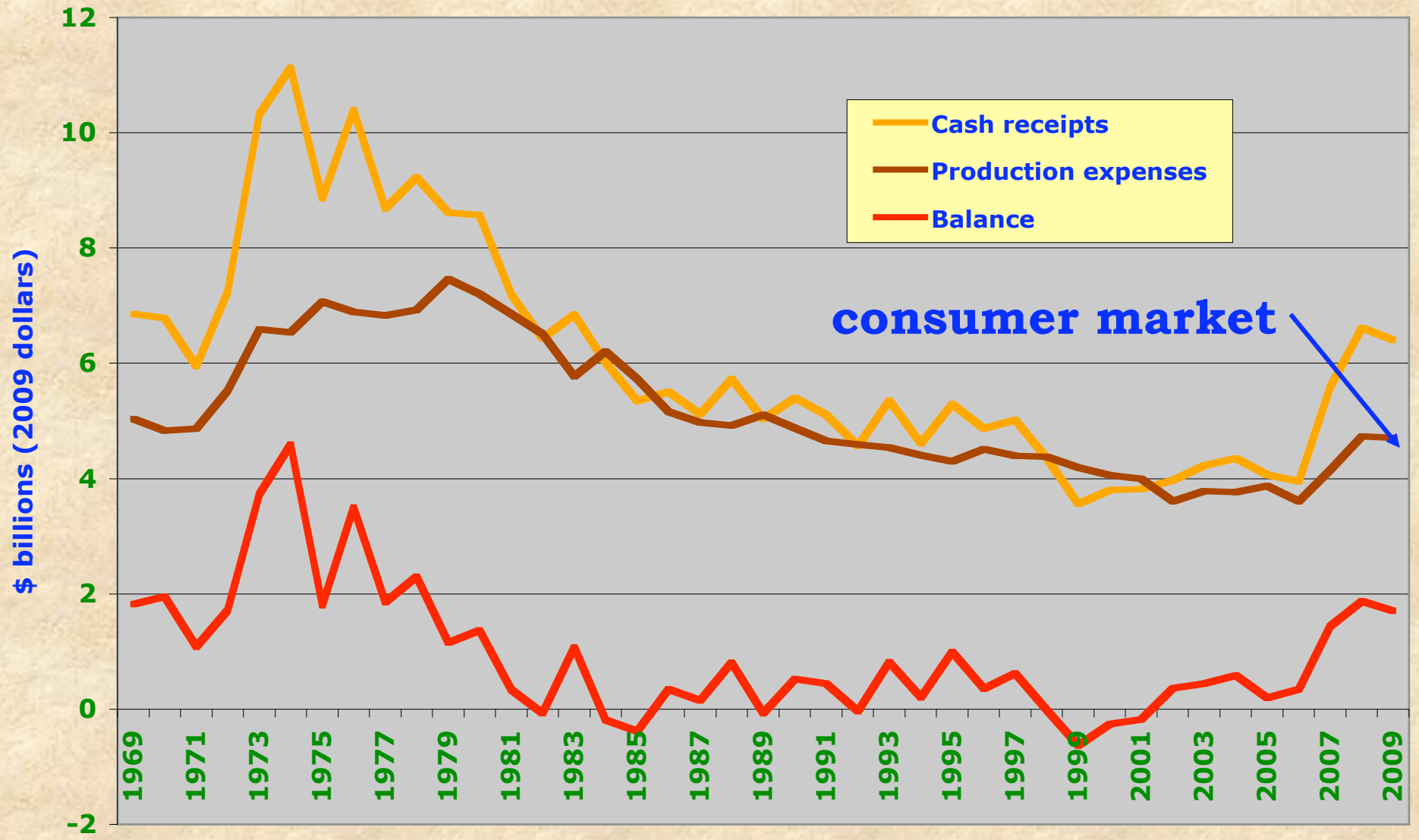


**The good news is...**





## Current farm income compared to Central Illinois consumer market



Source: BEA and BLS

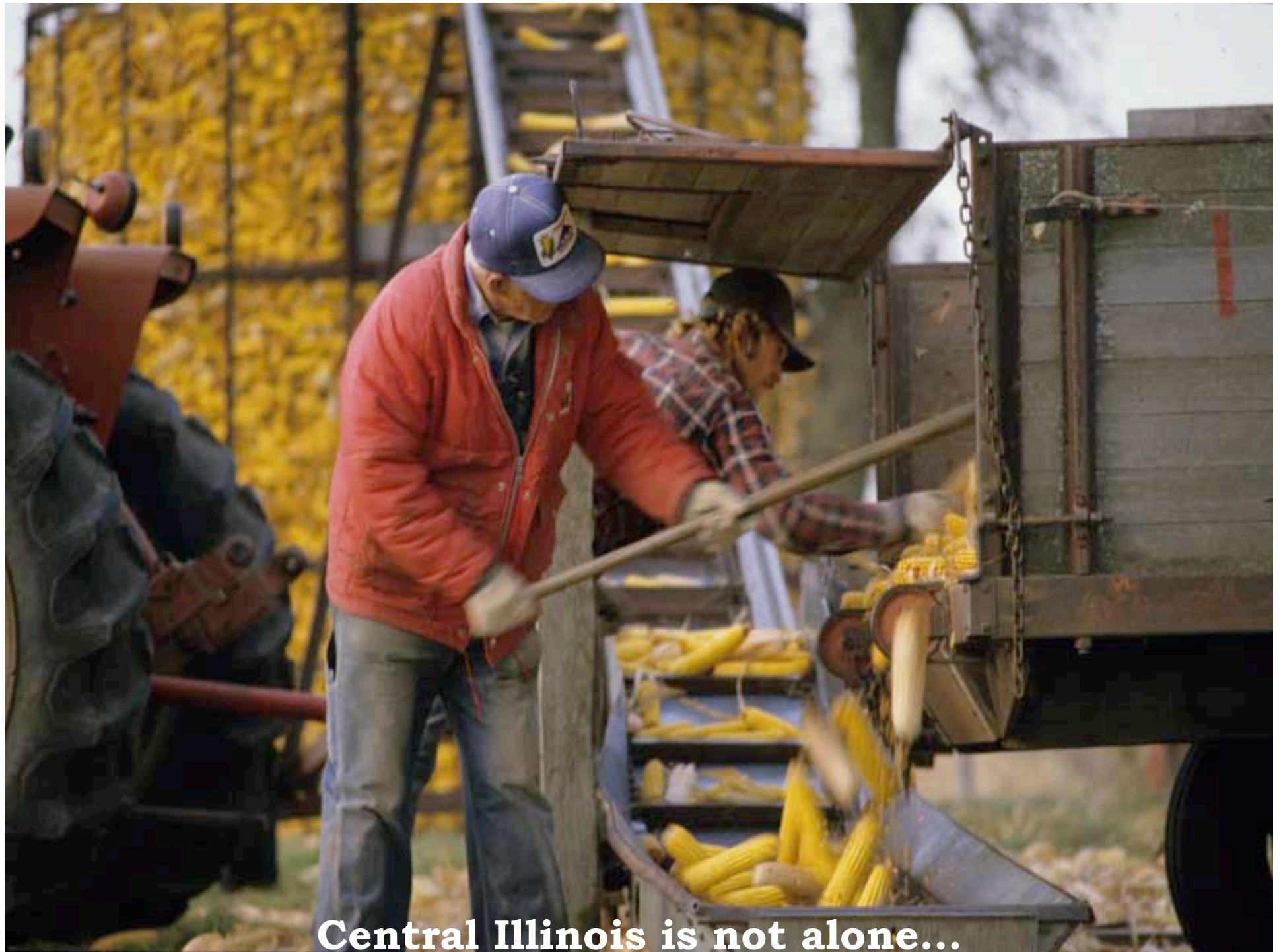


## **Central Illinois**

**If region's consumers bought 15% of  
their food directly from local farms...**

**...farms would earn \$639  
million of new income**





**Central Illinois is not alone...**





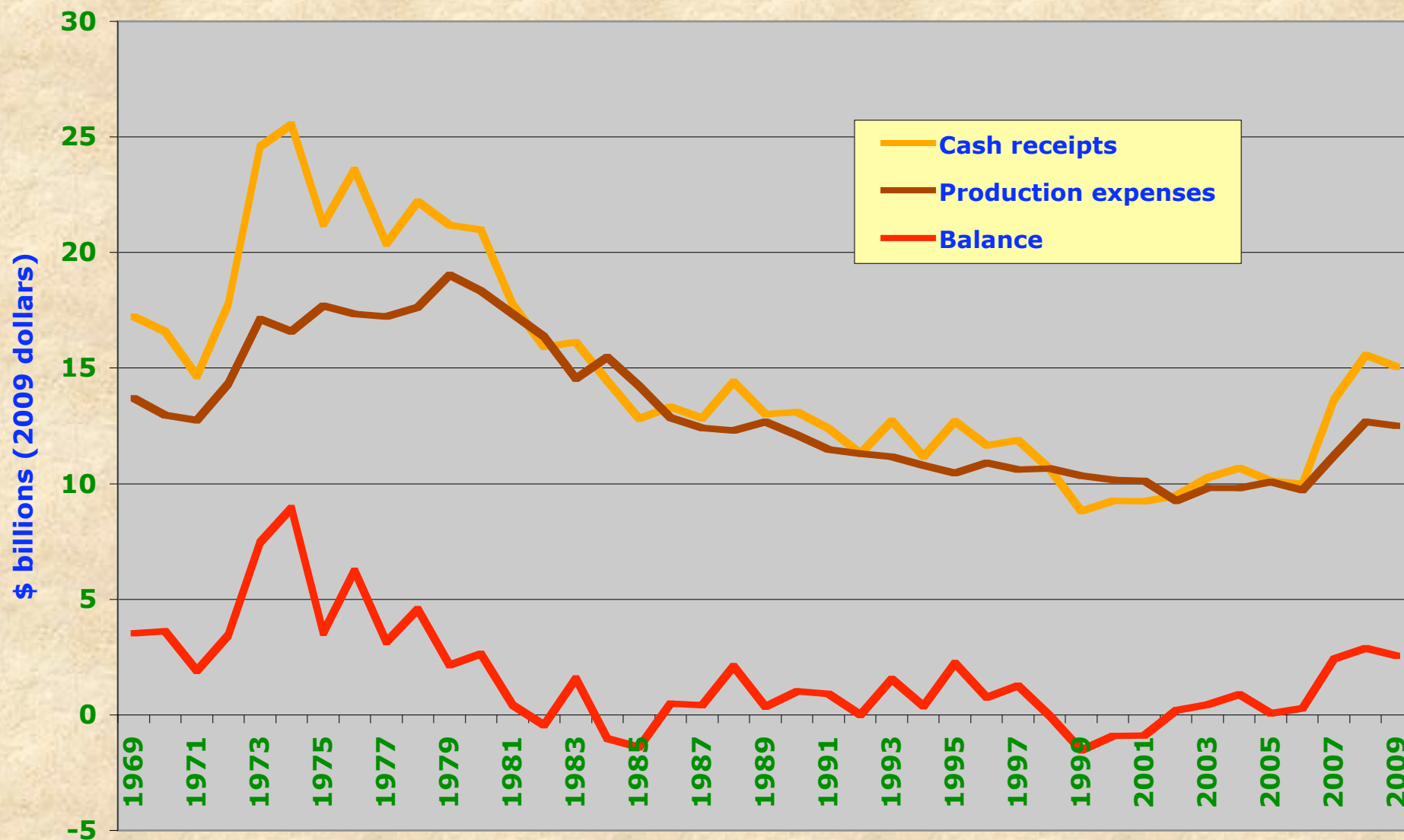
# State of Illinois





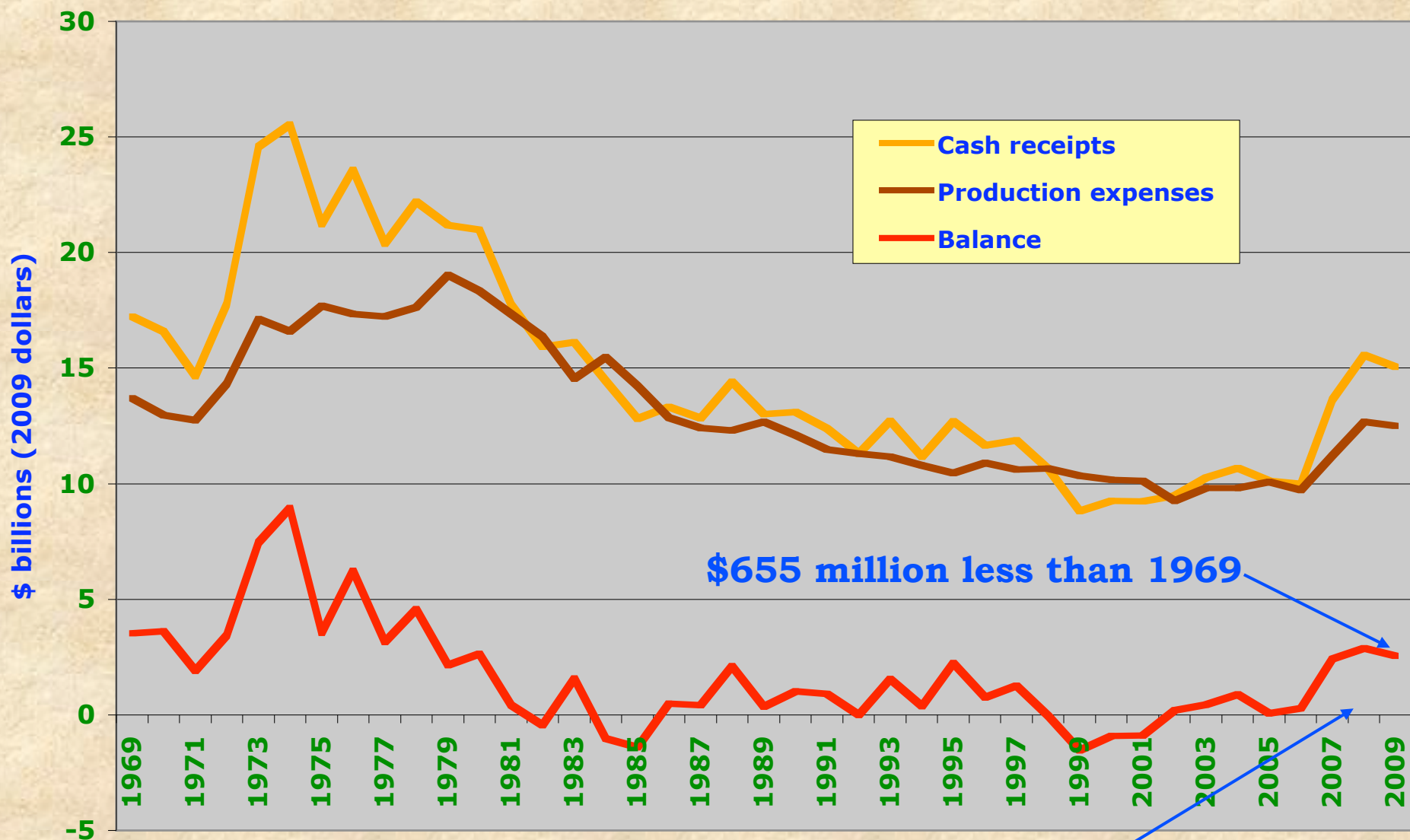


## Farm Production Balance in Illinois, 1969-2009





## Farm Production Balance in Illinois, 1969-2009



\$655 million less than 1969

Bureau of Economic Analysis

\$15 billion gained since 1987

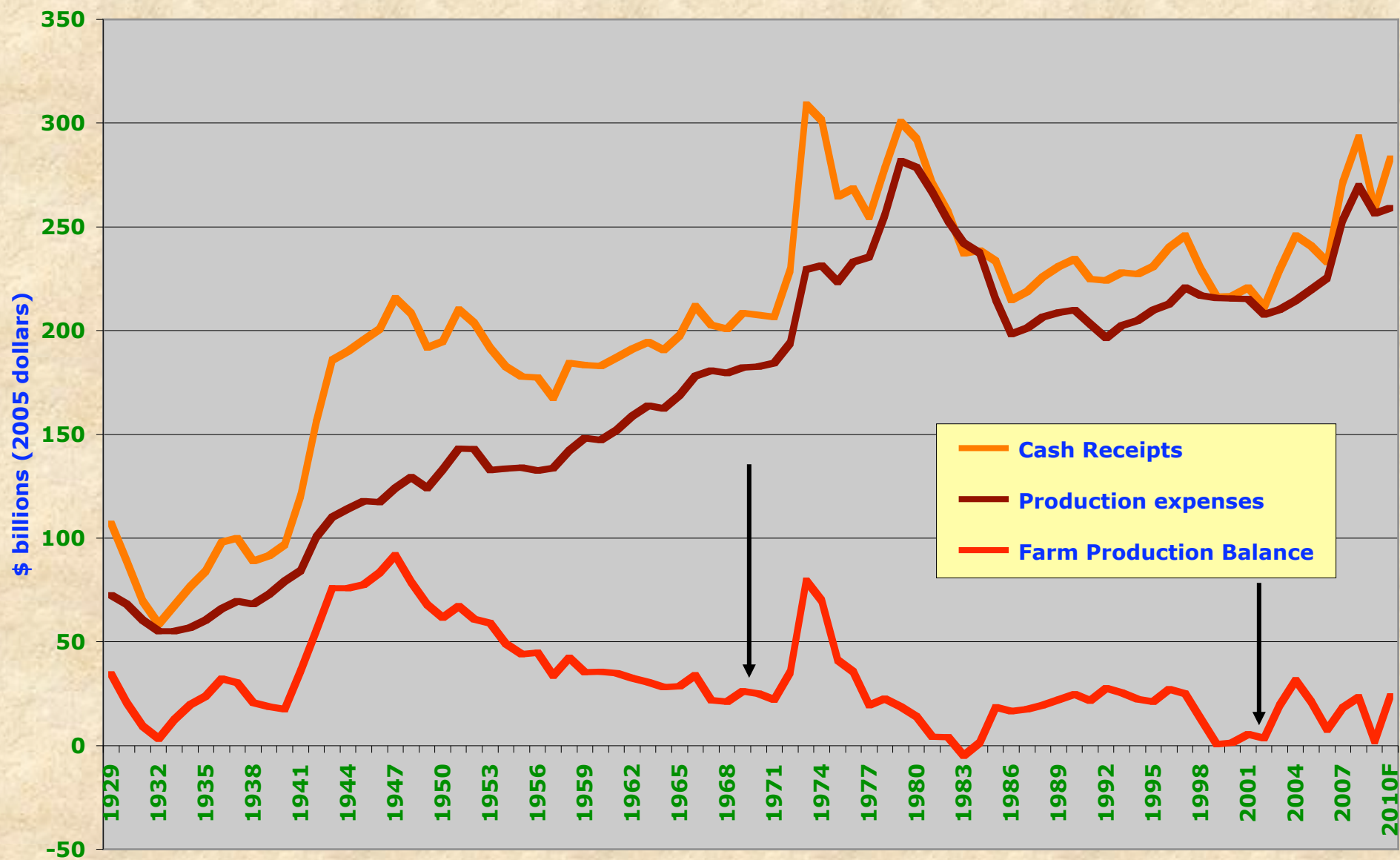




**U.S. data**

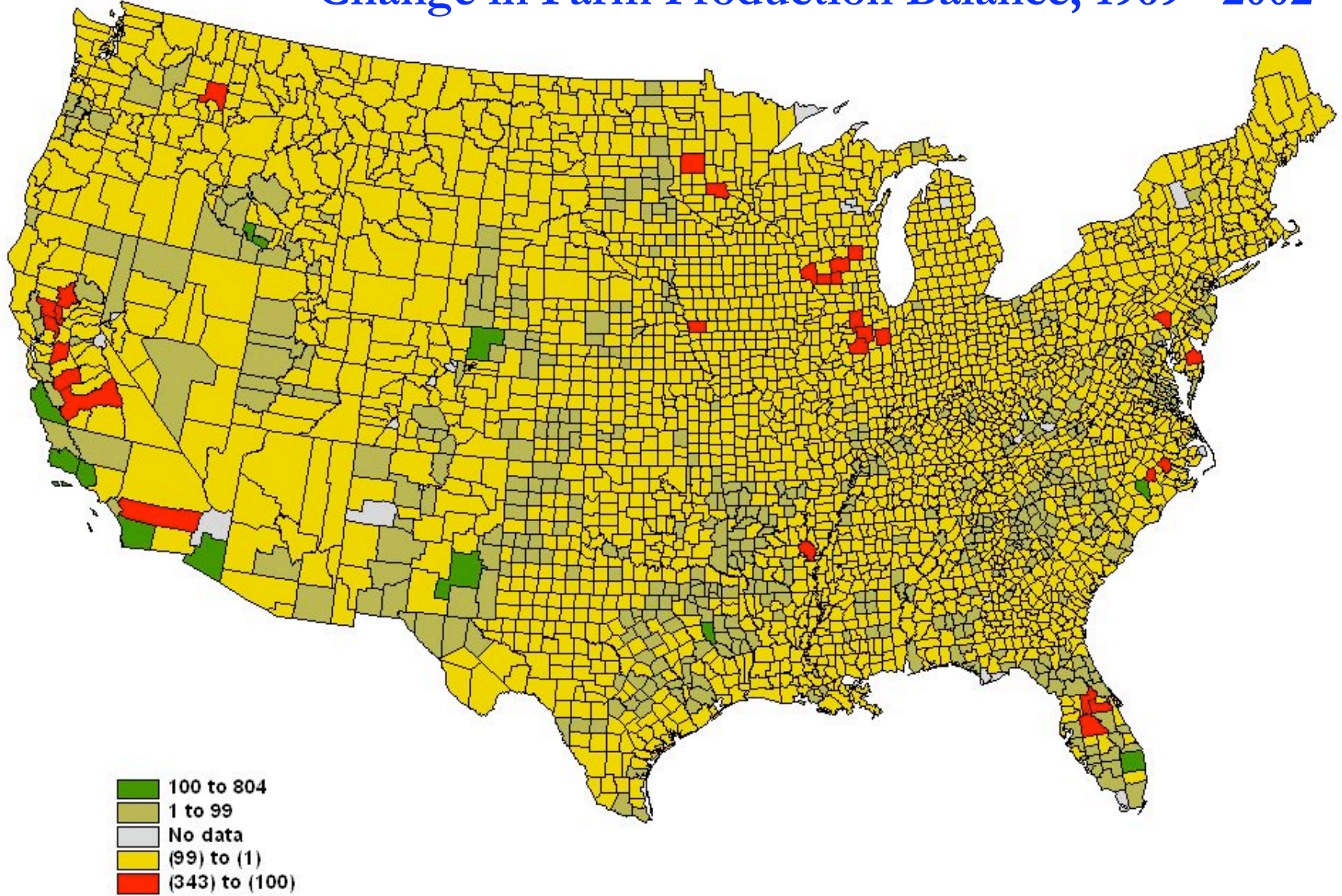


## Farm Production Balance for U.S. farms, 1929 - 2010





## Change in Farm Production Balance, 1969 - 2002

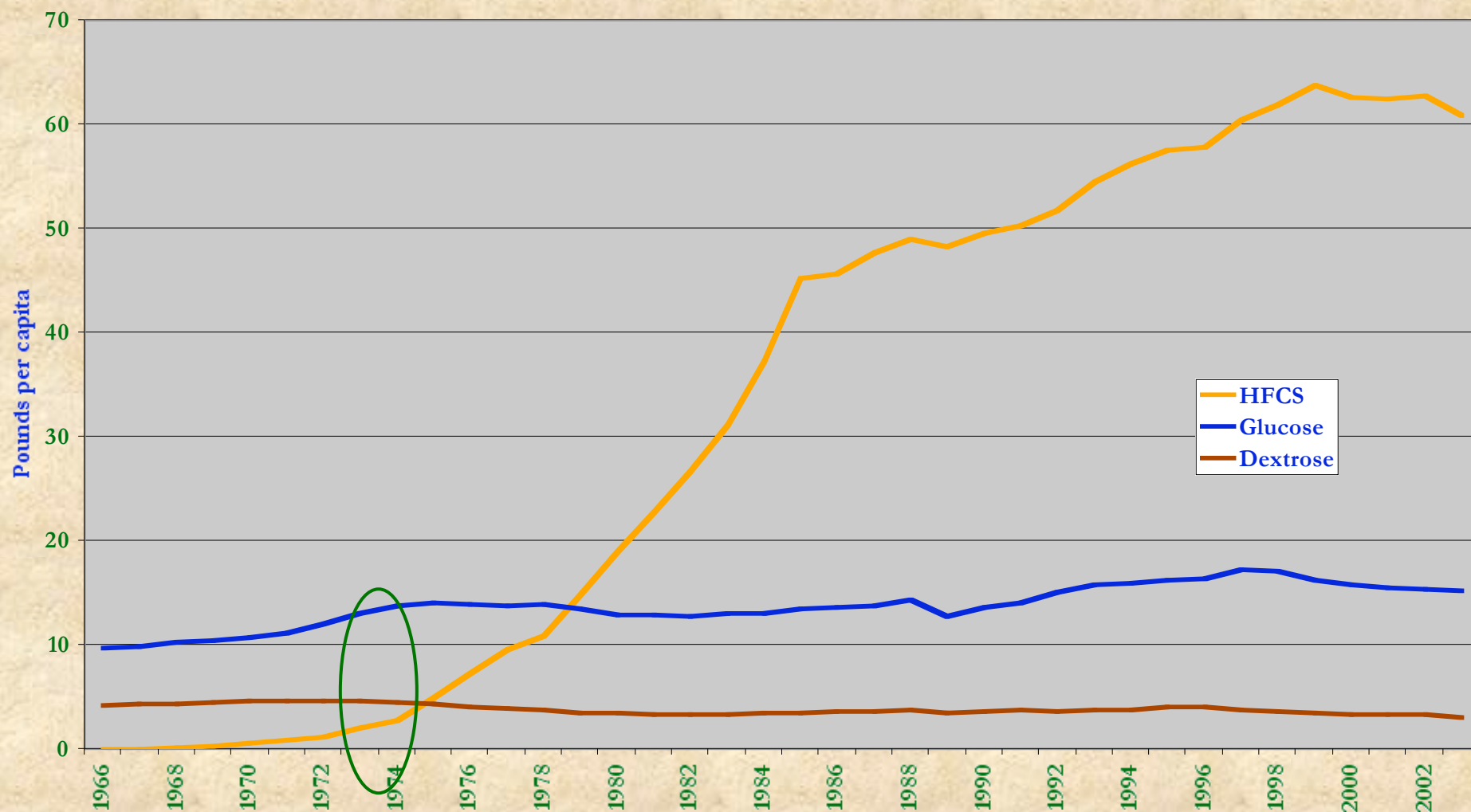


Map by Ken Meter, 2005

**Source: BEA**



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

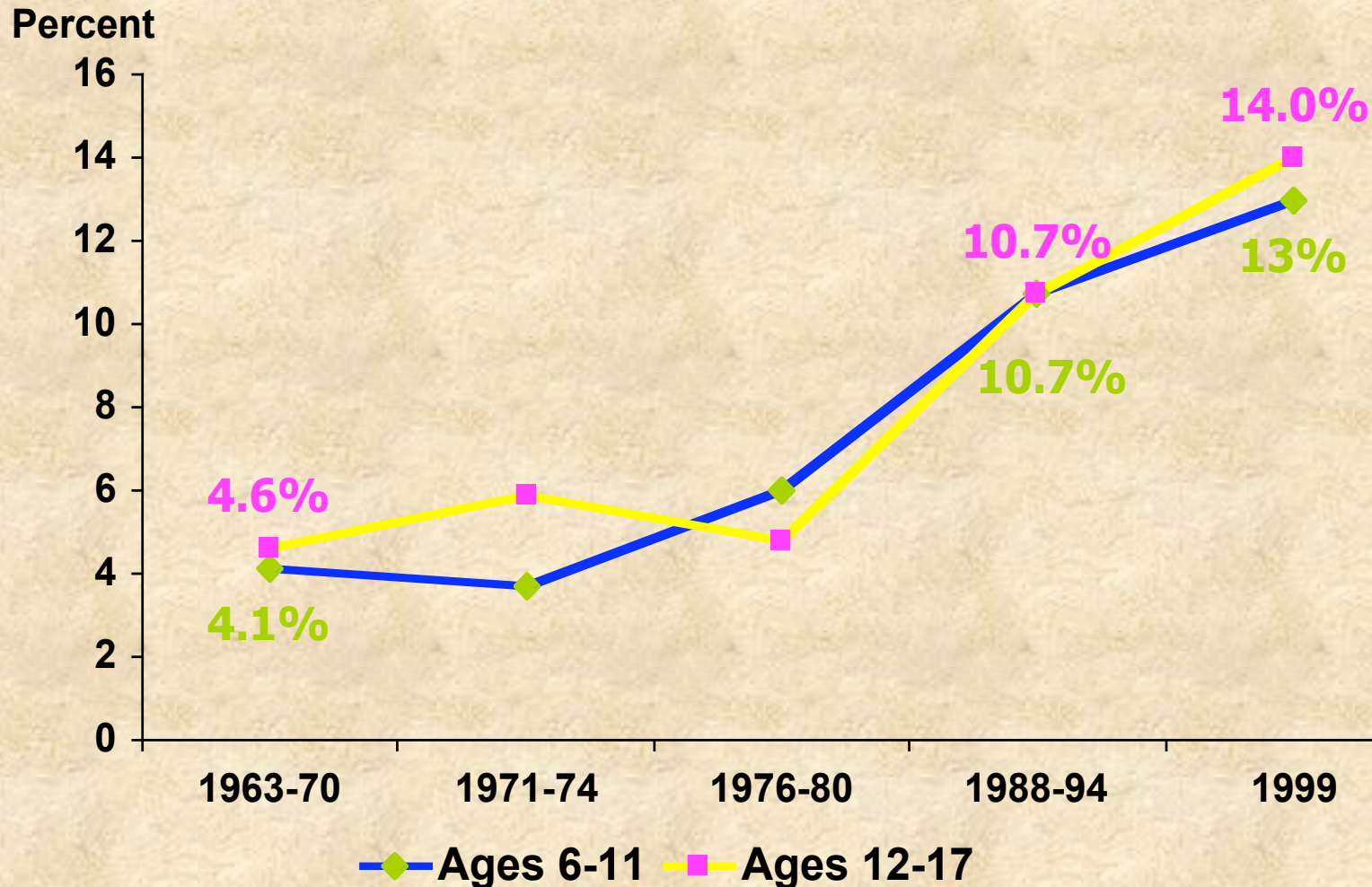


Source: USDA/ERS — chart by Ken Meter, 2006





# 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





**Growing Power, Milwaukee**





## Consumption out of balance

- **50% of U.S. public school students qualify for free / reduced lunch**
- **10% of households are “food insecure”**





## Health suffers

**3,000 deaths due to  
food poisoning each year in U.S.**

**Medical cost:  
\$152 billion per year**

**Sources: CDC/Walters**





## **Health suffers**

**Medical costs of obesity are \$174  
billion per year —**

**Source: CDC/Walters, Harvard Public Health/Colditz**

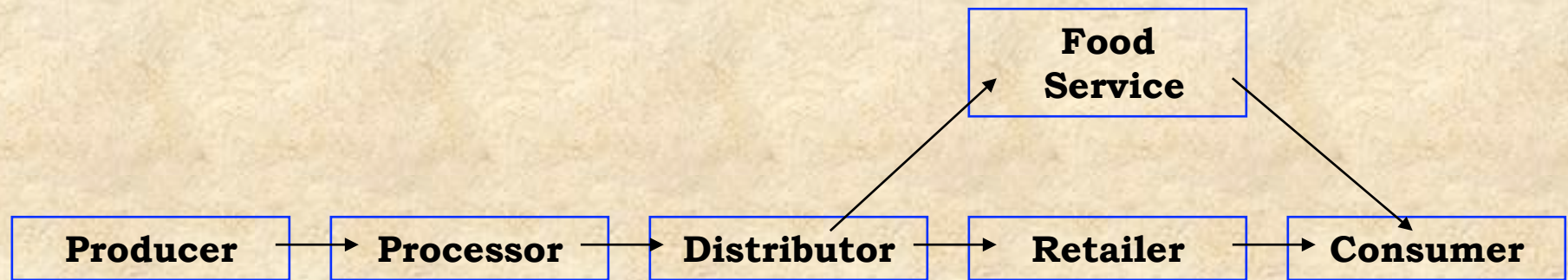




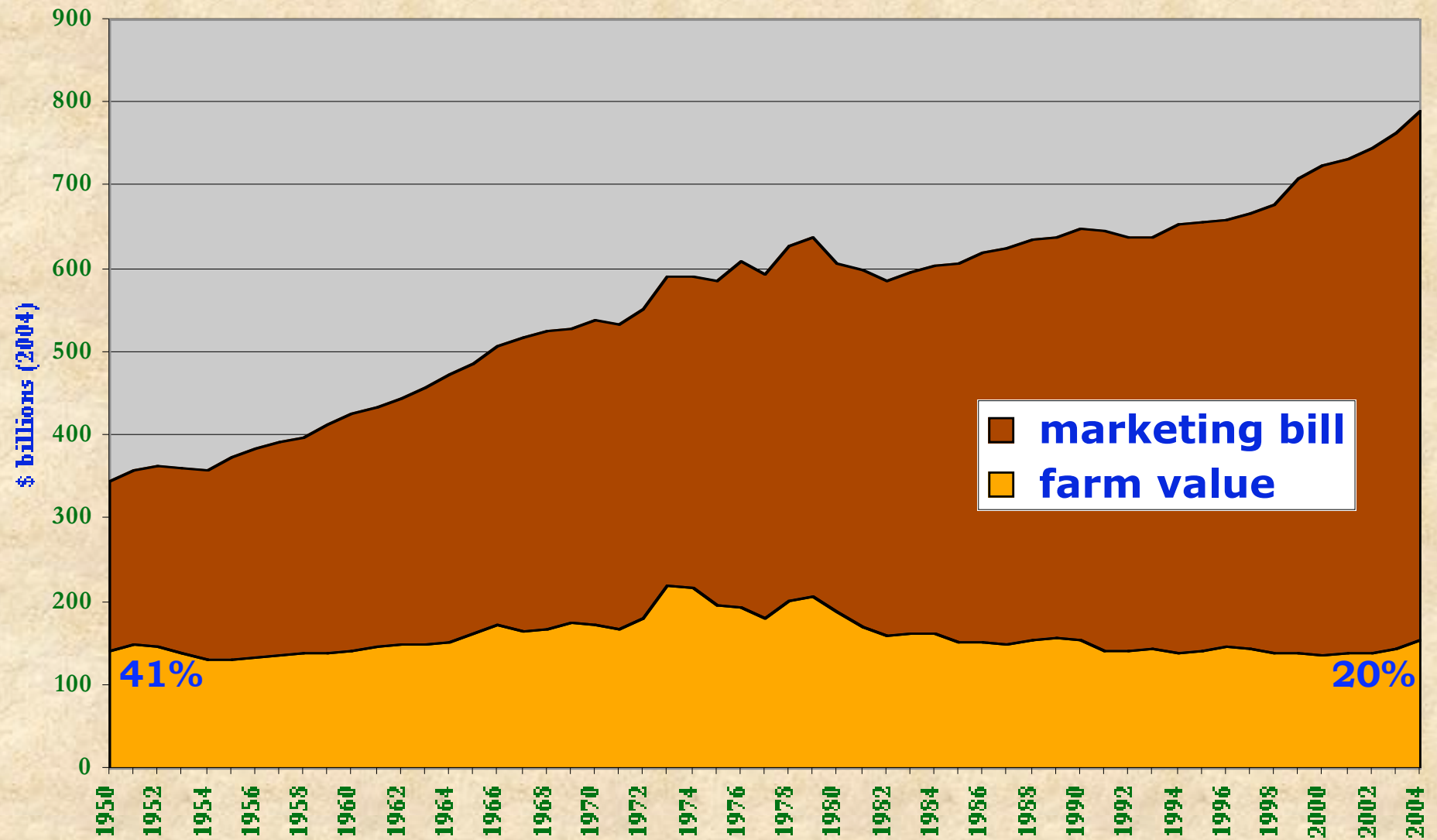




# Supply Chain



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

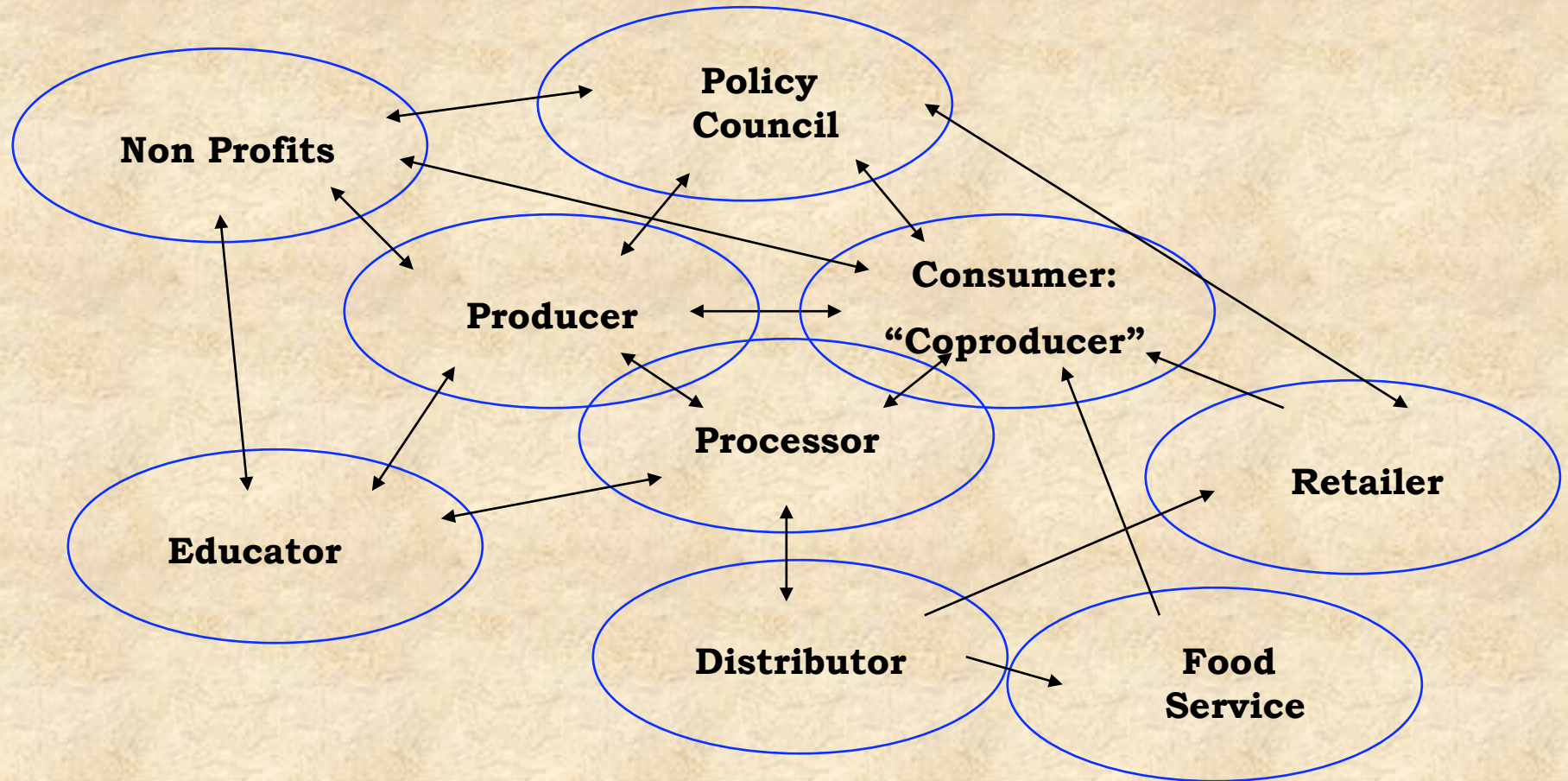


Source ERS; chart by Ken Meter, 2007





## Value Network

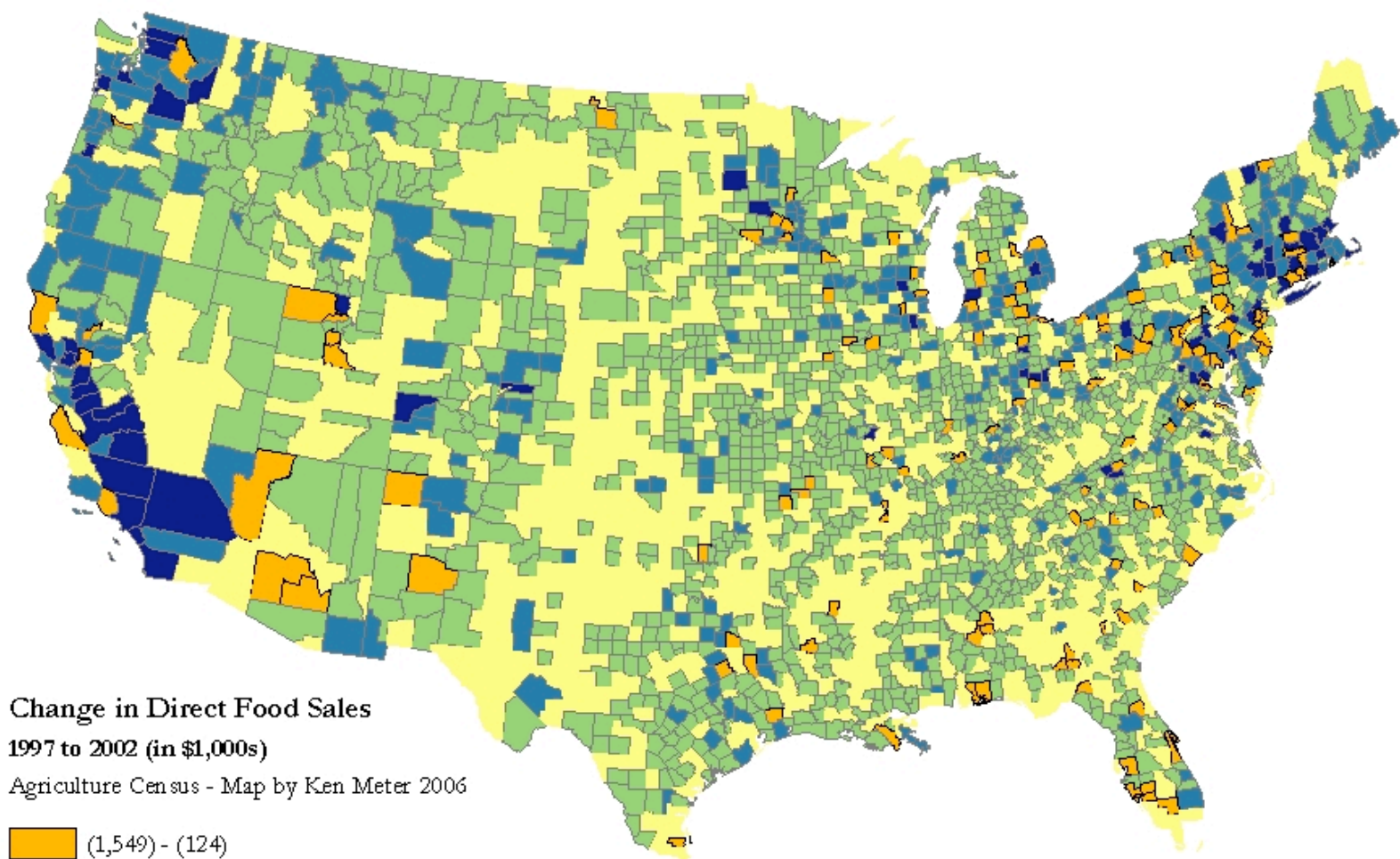








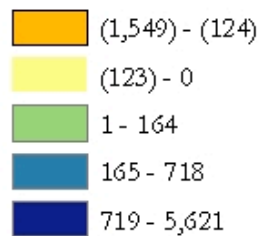
# Direct Food Sales



## Change in Direct Food Sales

1997 to 2002 (in \$1,000s)

Agriculture Census - Map by Ken Meter 2006





# **Innovative farm operations**

**Winter CSA  
Milan, Minnesota**

**Fresh fresh organic greens  
November to April**

**Sells only within 30 miles**



# Winter CSA — Milan, Minnesota



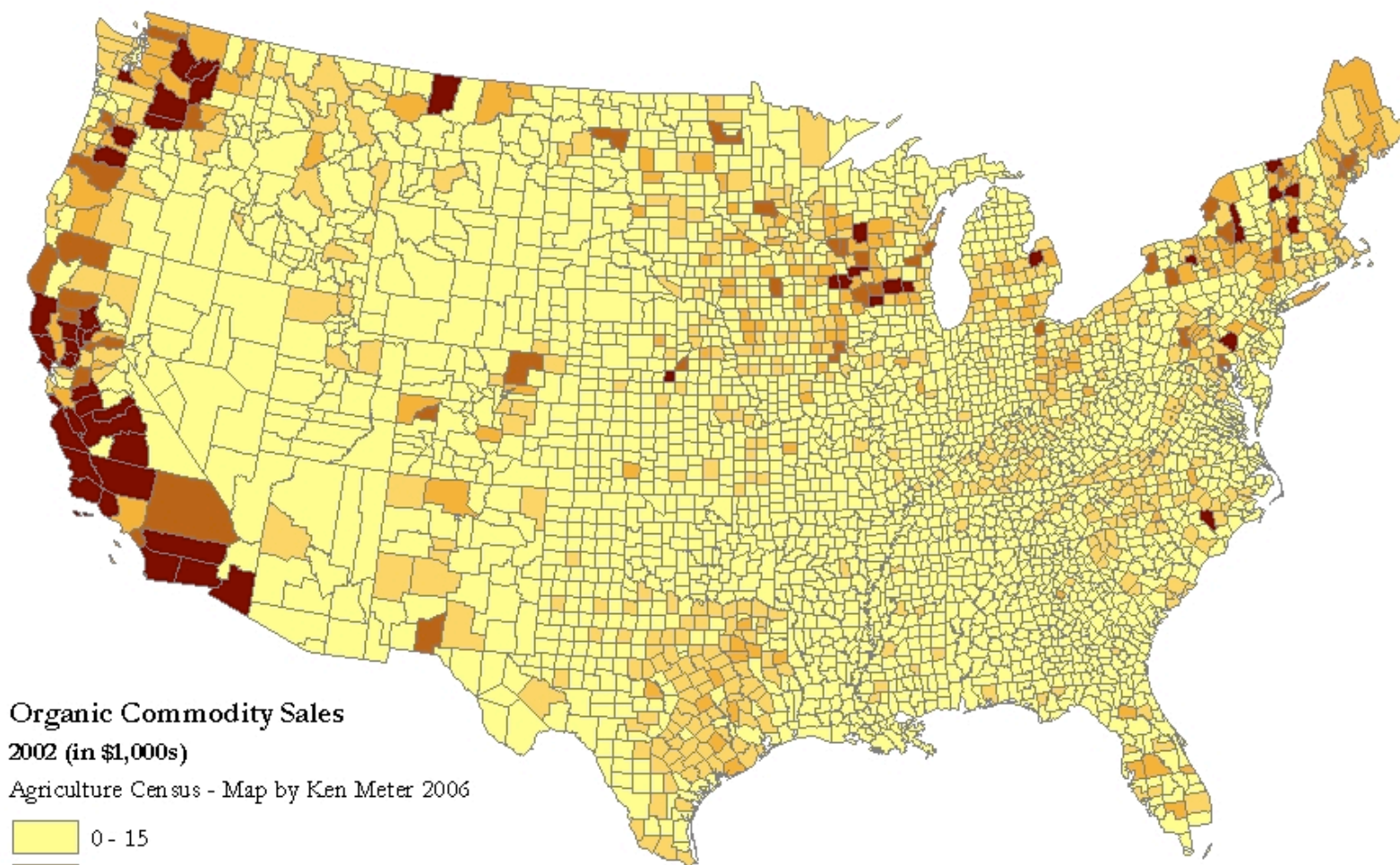
# Winter CSA — Milan, Minnesota







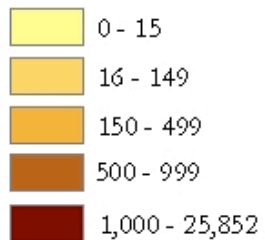
# Organic Sales



## Organic Commodity Sales

2002 (in \$1,000s)

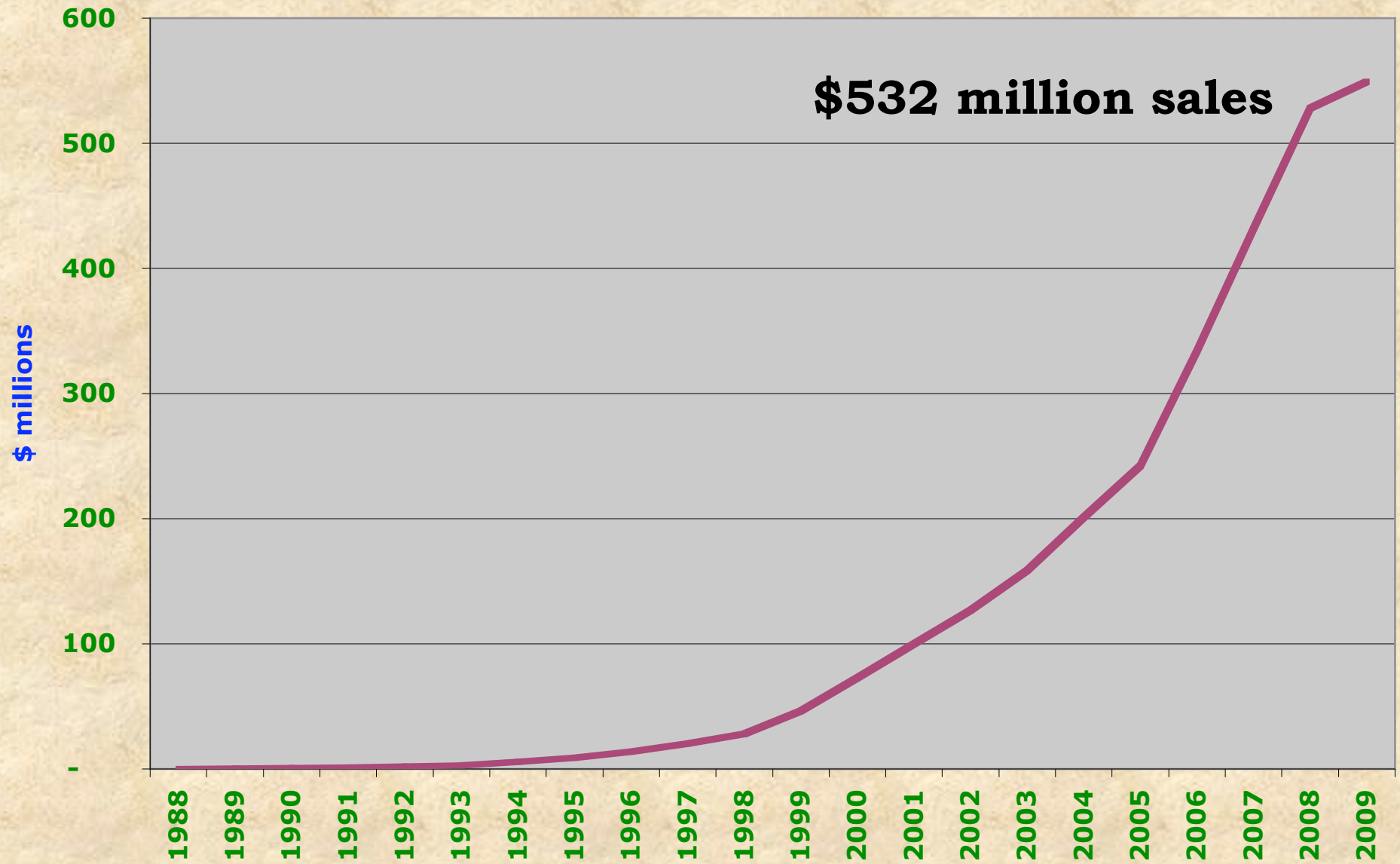
Agriculture Census - Map by Ken Meter 2006





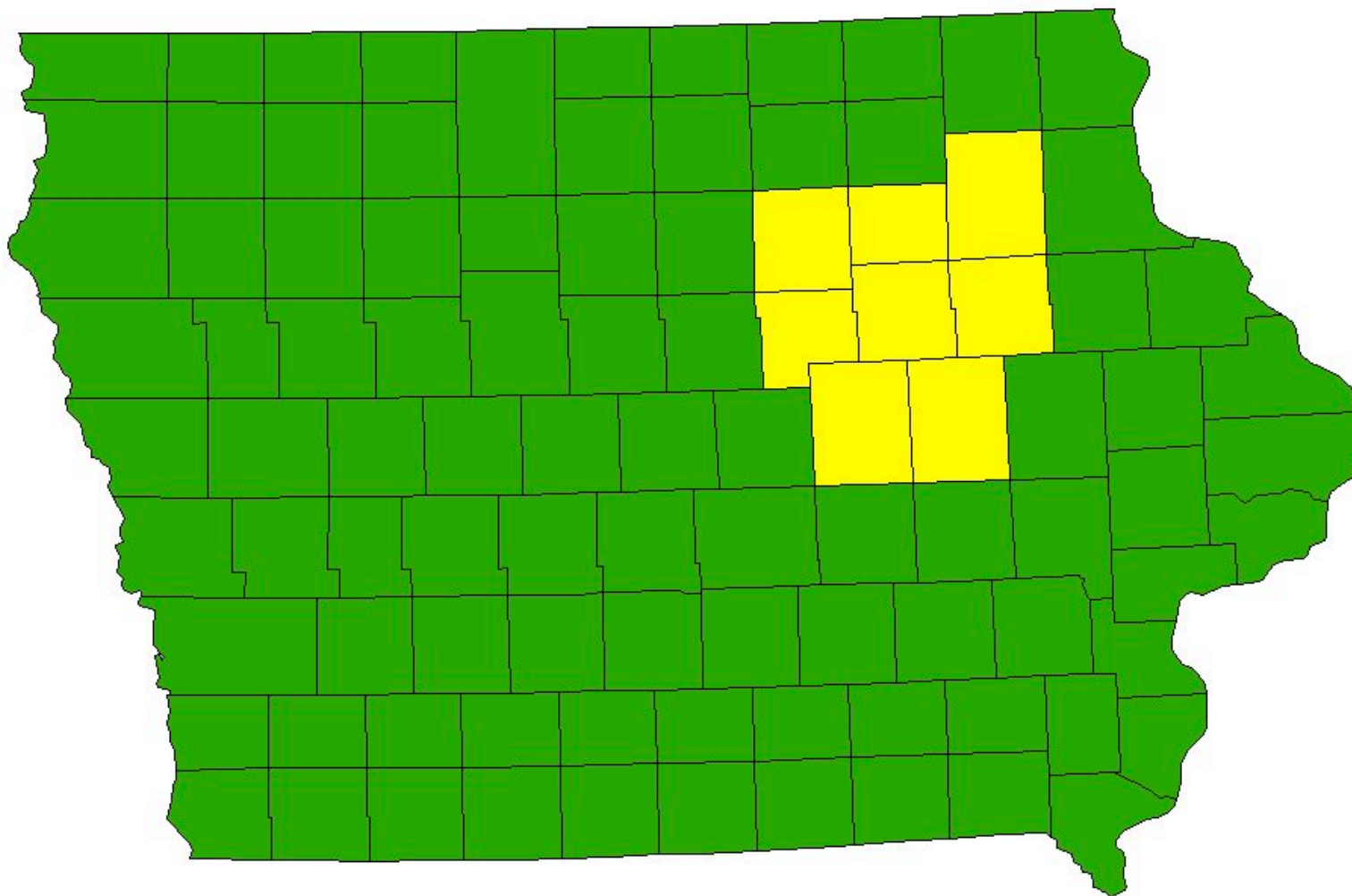


## Organic Valley sales, 1988 - 2009 (est)





## Black Hawk region, Iowa







# UNI Local Food Project

**1998**

**3 institutions**

**buy \$111,000 of local foods**

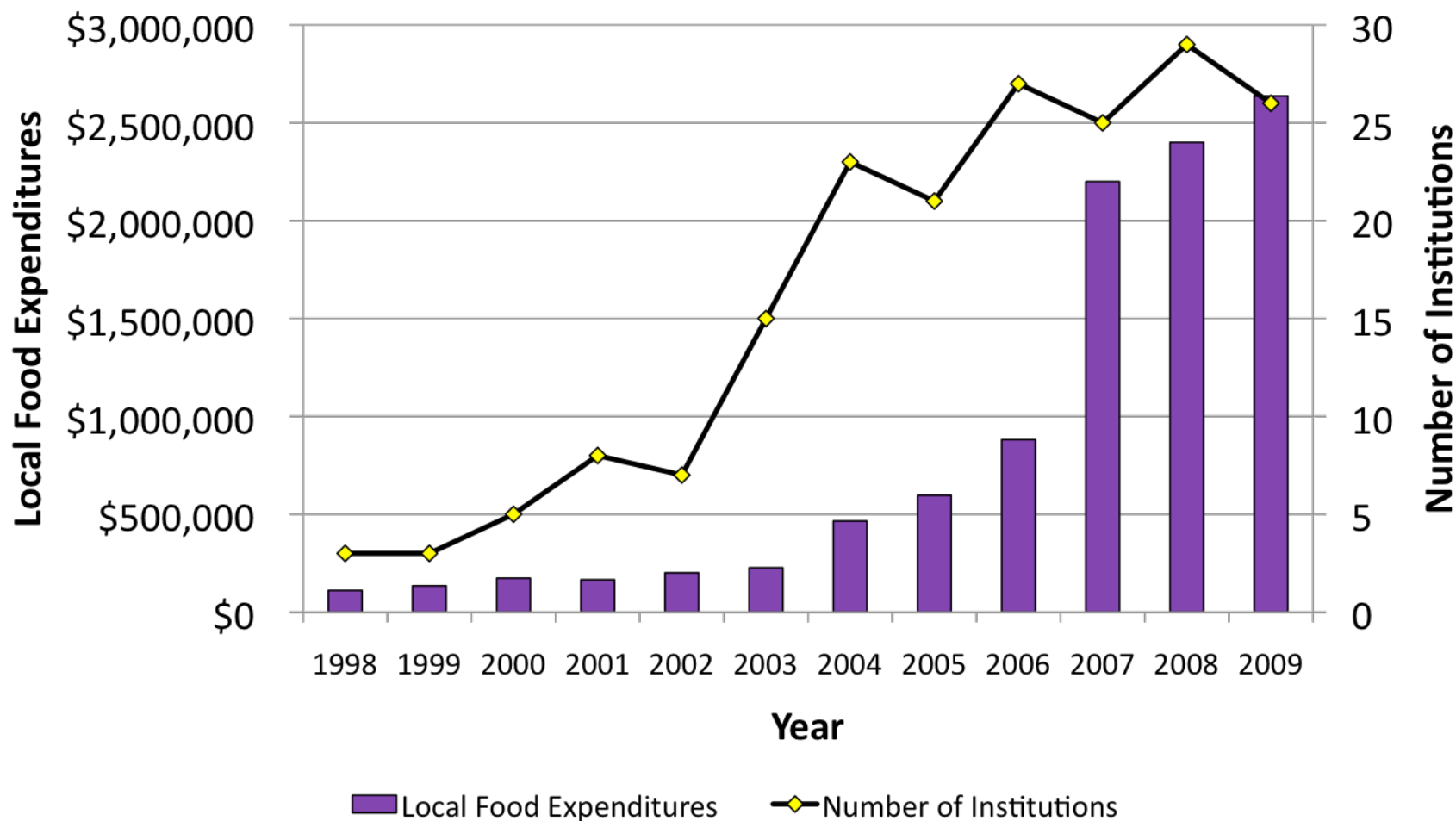
**2009**

**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**

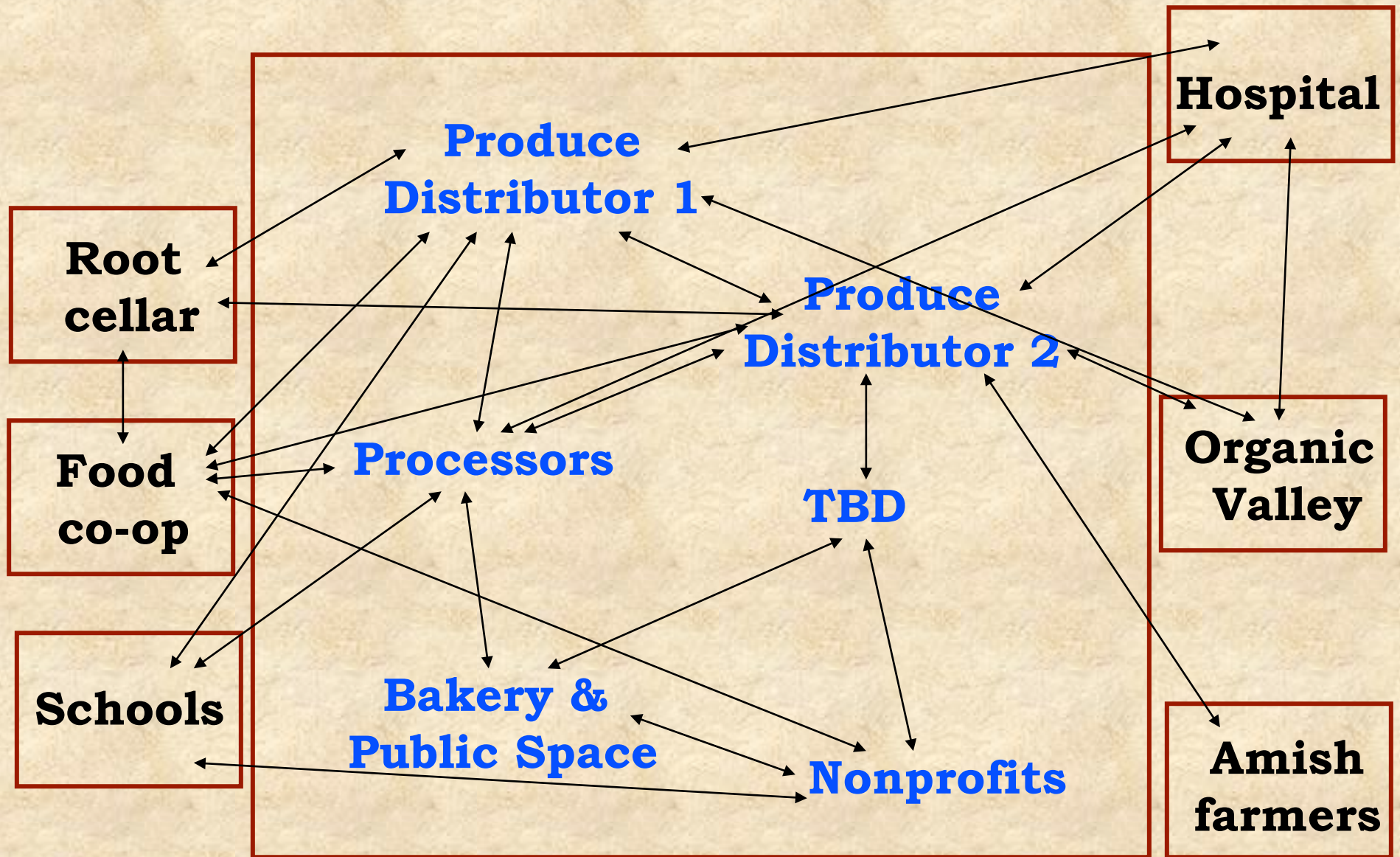
**TBD**

**Bakery &  
Public Space**

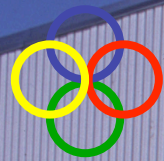
**Nonprofits**



# 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**





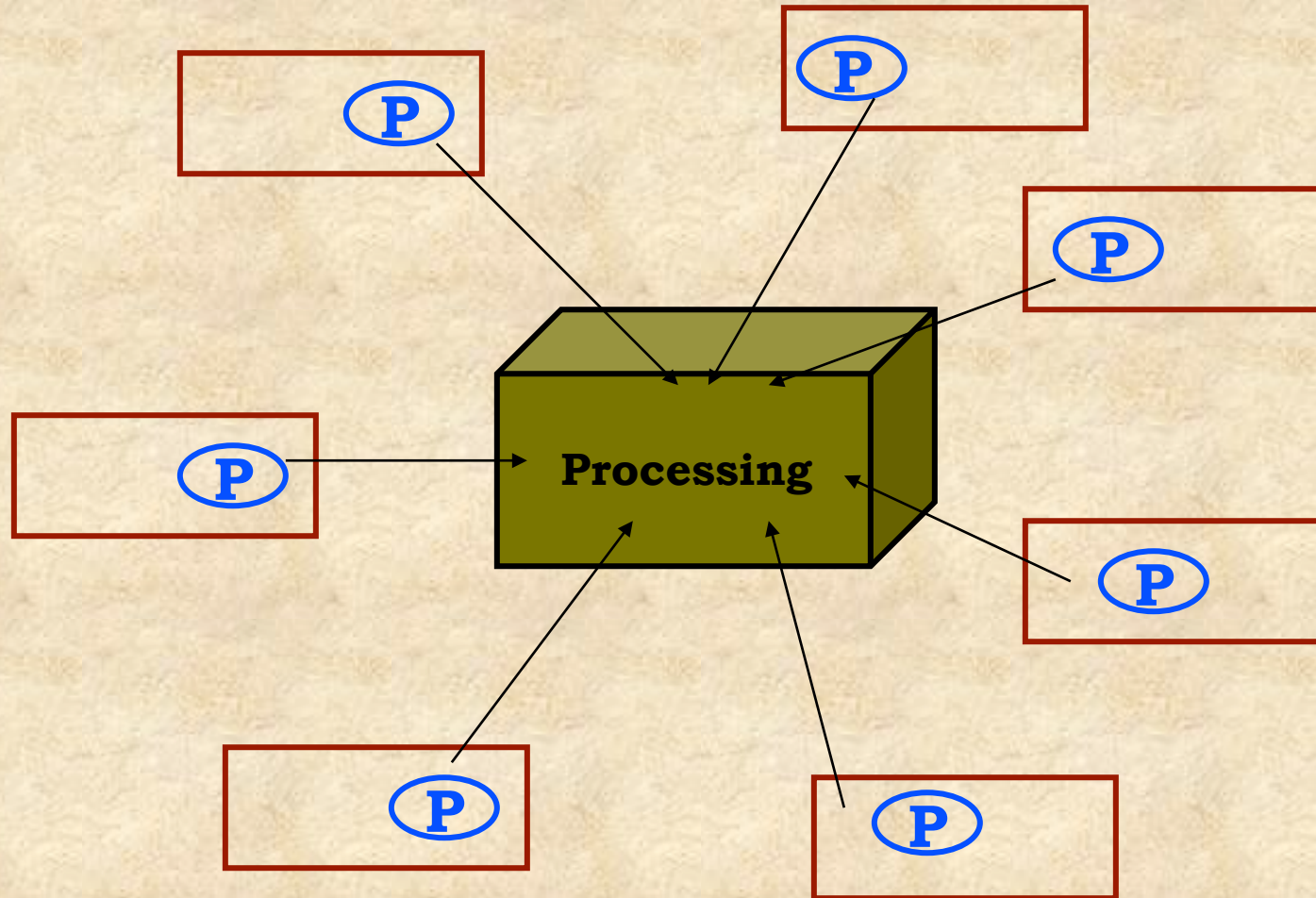


# Poultry Business Cluster





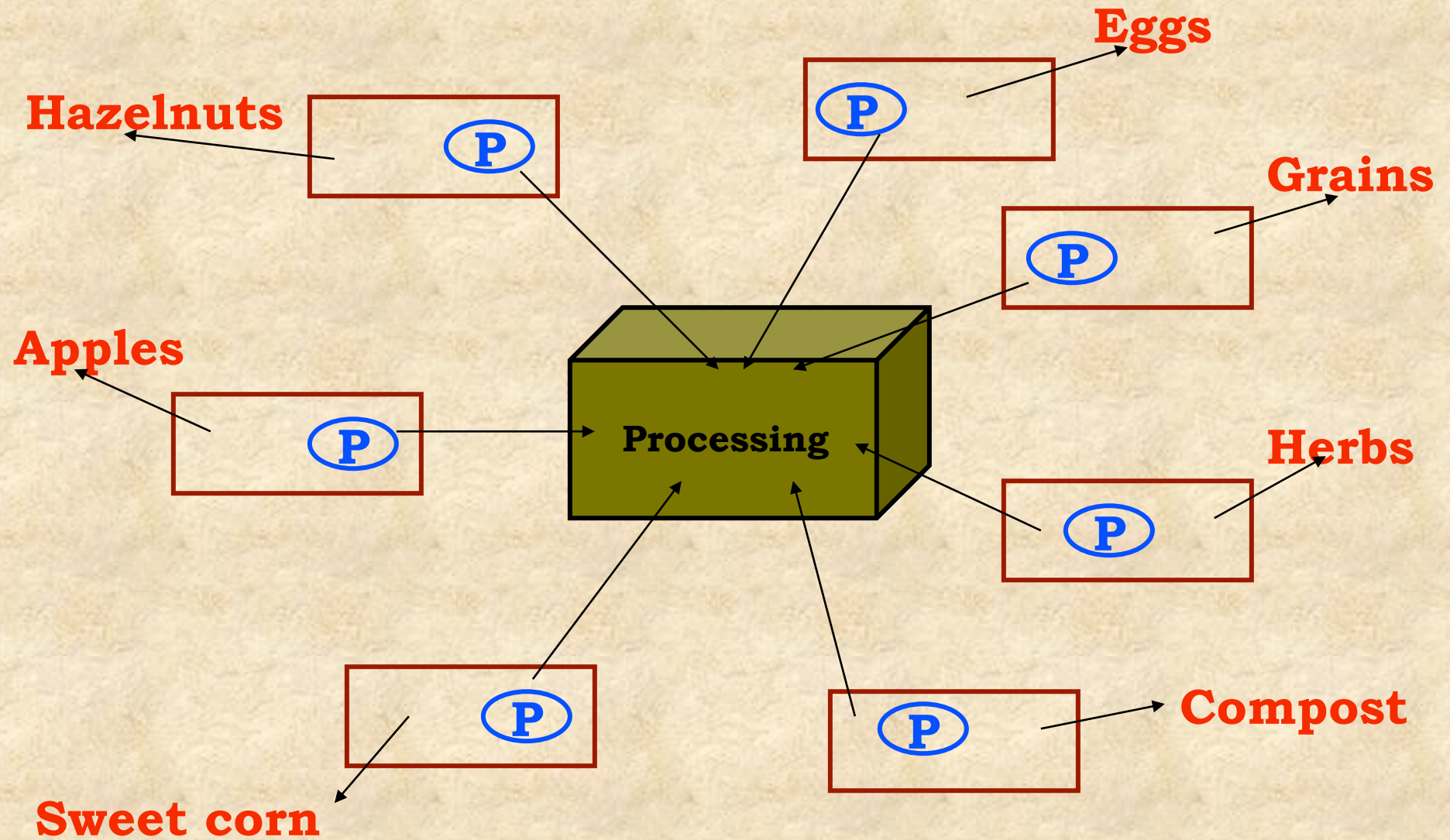
# Poultry Business Cluster







# Poultry Business Cluster





# **Elements of Success for Local Food Economies**

## **“Mapping the Minnesota Food Industry”**

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





**H1N1 virus — 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”**

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