The role of “local” foods: growing businesses & economies

Ken Meter
Crossroads Resource Center (Minneapolis)
Central Louisiana Foodapalooza
Alexandria, Louisiana
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Corinna, Kurt, & Jed Bench — Elmore, Ohio
“Finding Food in Farm Country” Studies

plus Maui & Hawai‘i
and Fairbanks, Alaska

95 regions in 32 states & Manitoba
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 in U.S.
“Local” is a shorthand....
Goal: to build Community-Based Food Webs
Supply Chain

Producer → Processor → Distributor → Retailer → Consumer

Food Service
Value Structures in Minnesota’s Food Industry

Producers
- Small farmers
- Medium farmers
- Large farms
- Industrial Producers

Processors
- Cooperatives
- Commercial Wholesalers
- Grocery Chain Wholesalers
- Institutional Wholesalers

Distributors
- Direct sales
- Buying clubs

Retailers
- Coop grocers
- Grocers
- Restaurants
- Institutions
- Corporate dining
- Educational Inst.
- Hospitals
- Prisons

Consumers
- Customers

by Ken Meter, Crossroads Resource Center, October 2008

Representative transactions only — not all are shown
Value Chain

Producer → Processor → Distributor → Retailer → Consumer

Climate
Air
Sunlight
Soil
Water
Food Service

Fertility
Waste
Value Network

Non Profits

Producer

Policy Council

Consumer: “Coproducer”

Processor

Retailer

Distributor

Recycler

Food Service

Researcher

Educator

Renewable Energy

Policy Council

Non Profits

Producer

Consumer: “Coproducer”

Processor

Retailer

Distributor

Recycler

Food Service

Researcher

Educator
Business Clusters

Athens, Ohio

Kroger Athens

ACENet

Food processing businesses

Farms

Athens Farmers’ Market

Crumb’s Bakery

Casa Nueva
Snowville Creamery

- Dix/Hall farm
- Hamm farm
- Jeni’s Splendid Ice Creams
- 22 Whole Foods
- Truckers
- 13 Independent Stores in Ohio
- Equipment suppliers
- Packaging material suppliers
- Utilities
- Local labor
“Our growth is based on Snowville’s growth.... We are always in communication with each other.”

– Jeni Britton Bauer
Jeni’s Splendid Ice Creams

Milk: Snowville Creamery

Employees buy local

Local Employees

green energy

electricity, fuel, water

nanofiltered skim milk

Strawberries
Raspberries
Blueberries
Peaches
Pears
Apricots
Sweet Corn
Basil
Honey
etc:

from various Ohio farms

Process own flavors in season
New collaboration:

• **Snowville Creamery**
  brings produce & milk to Columbus

• **Columbus Food Bank**
  stores these foods at warehouse

• **The Greener Grocer**
  sells these foods in retail store
Next steps

This is viewed as a step toward delivering fresh food to low-income consumers
Finding Food in Central Louisiana

9 Parishes

Allen
Avoyelles
Catahoula
Grant
La Salle
Natchitoches
Rapides
Vernon
Winn
Household income levels in Central Louisiana, 2006-2011

136,000 people (41%) below 185% of poverty

Source: Federal Census
Farming in Central Louisiana

- 15% of the state’s farms
- 20% of the state’s farm acreage
Farming in Central Louisiana

• 118 acres raising vegetables

• 87 million pounds consumed
Farming in Central Louisiana

- 29 farms raise fruit
- 126 million pounds consumed
Processing in Central Louisiana

- 1 state certified meat processor
- 1 federally certified meat processor
- 141 million pounds of animal products consumed
Eating in Central Louisiana

- 81 retail food stores
- 23 farmers’ markets & CSA farms
- 247 convenience stores
Top Farm Products in Louisiana, 2011

**Louisiana**

- Soybeans: 14%
- Corn: 16%
- Rice: 12%
- Aquaculture: 9%
- Cotton: 8%
- Cattle and calves: 8%
- Wheat: 4%
- Dairy products: 2%
- Chicken eggs: 2%
- Greenhouse/nursery: 3%
- Sweet potatoes: 2%
- Sorghum grain: 1%
- Cane for sugar: 17%
- Other: 2%

Economic Research Service (2011)
67% of residents are overweight (35%) or obese (32%)

Rate in 1995: 53%

CDC
Health Conditions (2010)

10% of residents have diabetes

Rate in 2004: 8%

CDC
Medical costs for diabetes:

$205 million (Central Louisiana)

$2.6 billion (Louisiana)
17% of residents eat minimum number of fruits & vegetables
Health Conditions (2009)

44% of residents exercise adequately

CDC
Central Louisiana Food & Farm Economy

4,448 farms

Source: USDA Agriculture Census 2007
Farm Production Balance in Central Louisiana, 1969-2011

Source: Bureau of Economic Analysis
Farm Production Balance in Central Louisiana, 1969-2011

Source: Bureau of Economic Analysis
Farm Production Balance in Central Louisiana, 1969-2011

$,680 million gain since 1989

$68 million less than 1969

$680 million gain since 1989

Source: Bureau of Economic Analysis
Central Louisiana Food & Farm Economy

- Farmers produce $371 million of products per year and...
- Spend $346 million to raise them

Gain $25 million in production costs

Averages for (1989-2011)

Source: Bureau of Economic Analysis
Central Louisiana

Average net gain is $5,500 per farm
Central Louisiana
Food & Farm Economy

Plus...

- Farm families earn $28 million of other farm-related income
- And receive $49 million in federal supports each year

Source: Bureau of Economic Analysis
Crop and livestock sales in Central Louisiana, 1969-2011

Source: Bureau of Economic Analysis
56% of farms reported a net loss in 2007
Farm production expenses in Central Louisiana, 1969-2011

- Feed purchased
- Livestock purchased
- Seed purchased
- Fertilizer and Lime
- Petroleum products
- Hired farm labor

Source: Bureau of Economic Analysis
$185 million 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 $837 million of food each year

• $800 million from outside region

Source: Ken Meter using Bureau of Labor Statistics
Markets for food eaten at home

<table>
<thead>
<tr>
<th>Category</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meats, poultry, fish, and eggs</td>
<td>$117</td>
</tr>
<tr>
<td>Fruits &amp; vegetables</td>
<td>82</td>
</tr>
<tr>
<td>Cereals and bakery products</td>
<td>66</td>
</tr>
<tr>
<td>Dairy products</td>
<td>52</td>
</tr>
<tr>
<td>“Other,” incl. sweets, fats, &amp; oils</td>
<td>174</td>
</tr>
</tbody>
</table>

Source: Census & BLS
All told, Golden Triangle

- Gains $25 million in production
- Gains $49 million in subsidies
- Loses $185 million buying inputs
- Loses $800 million buying food

1989 - 2011 averages
Finding Food in Farm Country

Total loss is:

• $900 million each year!
• Nearly three times the value of all food products raised in region
Central Louisiana

If each resident bought $5 of food directly from local farms each week...

...farms would earn $91 million of new revenue
U.S. data
Source: NHANES — National Health and Nutrition Examination Survey
Consumption out of balance

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

Source: USDA
Health suffers

Medical costs of obesity & diabetes
$176 billion

Source: CDC/Walters, Harvard Public Health/Colditz, ADA
Direct Food Sales

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

- Orange: (1,549) - (124)
- Yellow: (123) - 0
- Green: 1 - 164
- Blue: 165 - 713
- Dark Blue: 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 Commodity Sales
2002 (in $1,000s)
Agriculture Census - Map by Ken Meter 2006

- Yellow: 0 - 15
- Light Yellow: 16 - 149
- Light Brown: 150 - 459
- Medium Yellow: 500 - 999
- Medium Brown: 1,000 - 25,852
Organic Valley Sales, 1988 - 2012

$880 million sales
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.
Greensgrow Gardens, Philadelphia
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Western Wisconsin Food Enterprise Center
(2009 to present: Advisor)
Viroqua, Wisconsin

• Economic Development Association buys building
  
• 100,000 square feet
Viroqua Business Cluster

Keewaydin Organics

Organic herbal products

Fifth Season Co-op

TBD

Nonprofits
Viroqua Business Cluster

Keewaydin Organics
Fifth Season Co-op
Herbal products
TBD
Nonprofits
Hospital
Organic Valley
Amish farmers
Meat proc.
Food co-op
Schools
Viroqua, Wisconsin
Viroqua, Wisconsin

Fifth Season Cooperative
(2009 to present: Advisor)
Hybrid Cooperative (Farmers, Distributor, Hospitals, Food Enterprise Center on same board)
Fifth Season Co-op (2012)

- 14 producers
- 3 producer groups
- 4 processors
- 4 Class A buyers (Hospitals)
- 1 distributor (Reinhart Food Service)
Fifth Season Co-op (2012)

- Co-op provides liability insurance to members
- Provides QA/GAP/HAACP training
- Negotiated with USDA to consider raw meats as single “batch”
- 24 food items offered so far
Fifth Season Co-op (2012)

• Pricing is still an obstacle

• Pricing is below cost of production for many small/midsize growers
North Alabama
11 Counties:
Colbert
Cullman
DeKalb
Franklin
Jackson
Lauderdale
Lawrence
Limestone
Madison
Marshall
Morgan
Food Banks explore wider roles

Huntsville Food Bank discovered they were distributing canned peas from China

Photo: Food Bank of North Alabama
Huntsville, Alabama
The Food Bank is becoming a food aggregation hub.
Vision for local food economies

Build:
- Health
- Wealth
- Connection
- Capacity
“Finding Food in Farm Country”

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