



Local Foods: Potential to Build Wealth & Health in Alabama

Introduction by Kathryn Strickland, Food Bank of North Alabama



Every year Alabamians spend billions of dollars on food. We all know that what we eat directly impacts our health, but we often don't think about who else benefits. Eating locally produced food has the potential to improve our economy and support jobs at each phase of the food system. This may mean jobs on farms, in vegetable and meat processing facilities, creameries, breed stock operations, equipment dealerships, distribution centers, grocery stores, restaurants as well as feed, seed and compost suppliers.

To gauge the economic potential of locally grown food, the Food Bank of North Alabama commissioned the **North Alabama Local Farm and Food Economy** study from national expert Ken Meter of Crossroads Resource Center.

STUDY HIGHLIGHTS

Highlights of the *North Alabama Local Farm and Food Economy* study illustrate the potential to turn the outflow of wealth from our economy into significant gains.

- North Alabama farmers gain \$267 million each year producing food commodities but spend \$733 million buying inputs sourced outside of the region.
- North Alabama consumers spend \$2.4 billion buying food each year – of which approximately \$2.2 billion is sourced outside the region.
- Thus, the total loss of potential wealth from the region is in the billions of dollars each year. This represents a significant turnaround opportunity to build and retain wealth annually.

The implications extend statewide.

- Direct sales from Alabama farmers to consumers account for .2% of farm sales – half the national average. This suggests a significant potential for growth in direct sales.
- State residents purchase \$11 billion of food each year, including \$6.5 billion to eat at home.
- **If Alabama residents purchased 15% of their food for home use directly from Alabama farmers, this would generate \$980 million of new income for the state's farmers annually.**

Ken Meter has performed studies of local food economies in 78 regions across 30 states. He is considered one of the foremost food system analysts in the United States.



BACKGROUND

What prompted the Food Bank, a charity dedicated to hunger relief, to investigate local foods as a catalyst for economic development? It comes down to four factors.



1 Knowing Where Our Food Is Grown

Each month the Food Bank of North Alabama purchases food needed by over 200 soup kitchens, food pantries and other feeding programs. A few years ago, the Food Bank purchased a truckload of peas at the best price available. When the peas arrived, we discovered they had been grown, processed and shipped **from China – 11,000 miles away.**

- Today nearly **three-quarters of all seafood** and **two-thirds of all fruits and vegetables** consumed in the United States come from **outside the country.**ⁱ
- Because of inadequate resources, the FDA estimates it will take 1,900 years to inspect all foreign food plants at its current pace.ⁱⁱ

The potential for contaminated product not only arises from sourcing our food abroad but also from food distributed within our national food system.

Some researchers have suggested this is due in part to consolidation in the food processing industry.

- In 2010, 55% of beef cattle in the U.S. (over 18 million head of cattle) were slaughtered in only 14 facilities.ⁱⁱⁱ
- 57% of pork in the U.S. (over 62 million hogs) were slaughtered in only 12 facilities.^{iv}

When contamination occurs, the reach can be extensive. A robust local food system with producers from our own communities would diversify our food portfolio and help protect our food supply.



2 Self-Reliance

In 2008 when diesel fuel averaged \$3.80 per gallon, the Food Bank experienced a crisis.^v Not only did wholesale food prices increase by 7.3% that year, the cost to transport that food into north Alabama rose precipitously.^{vi}

At the time the Food Bank was distributing 4 to 5 million pounds of food across 11 counties. The inbound freight expense per pound of food **spiked 47% from 2006 to 2008 far exceeding financial projections.**

Most of the food we eat daily **travels 1,300 to 2,000 miles** before reaching our kitchen table.^{vii}

Due to these distances and use of petroleum-based farm inputs such as fertilizers, herbicides and pesticides, the national food system is deeply dependent upon oil. As oil prices rise, we are vulnerable.

A focus on local foods reduces distances from farm to plate and increases community self-reliance.

3 Health Costs

Alabama's high rate of diabetes, obesity and other diet related diseases significantly impacts the state's economic health.

- Medical costs for treating diabetes and related conditions in North Alabama are estimated at \$594 million per year.^{viii}
- **Costs for the state of Alabama as a whole total \$4.7 billion.**^{ix}
- 70% of Alabama residents were overweight in 2010. 37% of state residents weighed more than the recommended weight, while 33% (1 in 3 Alabamians) were obese.^x
- The medical costs and medical bills for an obese patient are approximately \$1,429 more a year than for a patient with a healthy weight.^{xi}
- Indirect costs of obesity include loss of business and personal income from decreased productivity, restricted activity, absenteeism and premature death.

Given these serious health and economic concerns, we support a strategy promoting healthy food choices delivered fresh from local farms rather than sourcing food products from thousands of miles away.



4 Economic Opportunity

Over 800,000 people in Alabama live in poverty – more than the populations of Birmingham, Montgomery, Mobile and Huntsville combined.^{xii}

The Food Bank and its many partners are pursuing a proactive strategy to mitigate poverty by creating food and farming jobs anchored in Alabama.

The Food Institute, the food industry’s key research and news organization, recently highlighted the top food trends forecasted by consumer analyst Phil Lampert. Top trends include consumers’ growing interest in:

- “Food Origin” and “Farm to Fork Journeys.”
- “Eating at Home” and a “Focus on Health and Wellness.”^{xiii}

Alabama consumers mirror this national shift. In the last decade, the State of Alabama Farmers Market Authority reported a 635% increase in the number of farmers markets from 17 in 1999 to 125 in 2010.

In the face of this consumer demand, decision-makers across the country at all levels of government are considering “local foods” as a long-term driver for job and wealth creation.

Based on the results of Meter’s study, with considerable economic opportunity before us, the Food Bank and its partners recommend the following concerted strategy (chart below) to (1) capture local food dollars, (2) advance Alabama’s local food economy and (3) generate prosperous returns of public and economic health for generations.

Highlights of Recommendations to Advance Alabama’s Local Food Economy

Recommendation

ECONOMIC DEVELOPMENT

Use local foods as an economic development strategy.

Identify opportunities in the local food economy and foster efficient, effective collaborations within sustainable community food systems.

A sustainable community food system is a collaborative network that integrates local food production, processing, distribution, consumption and waste management for the economic, environmental and public health of a region.

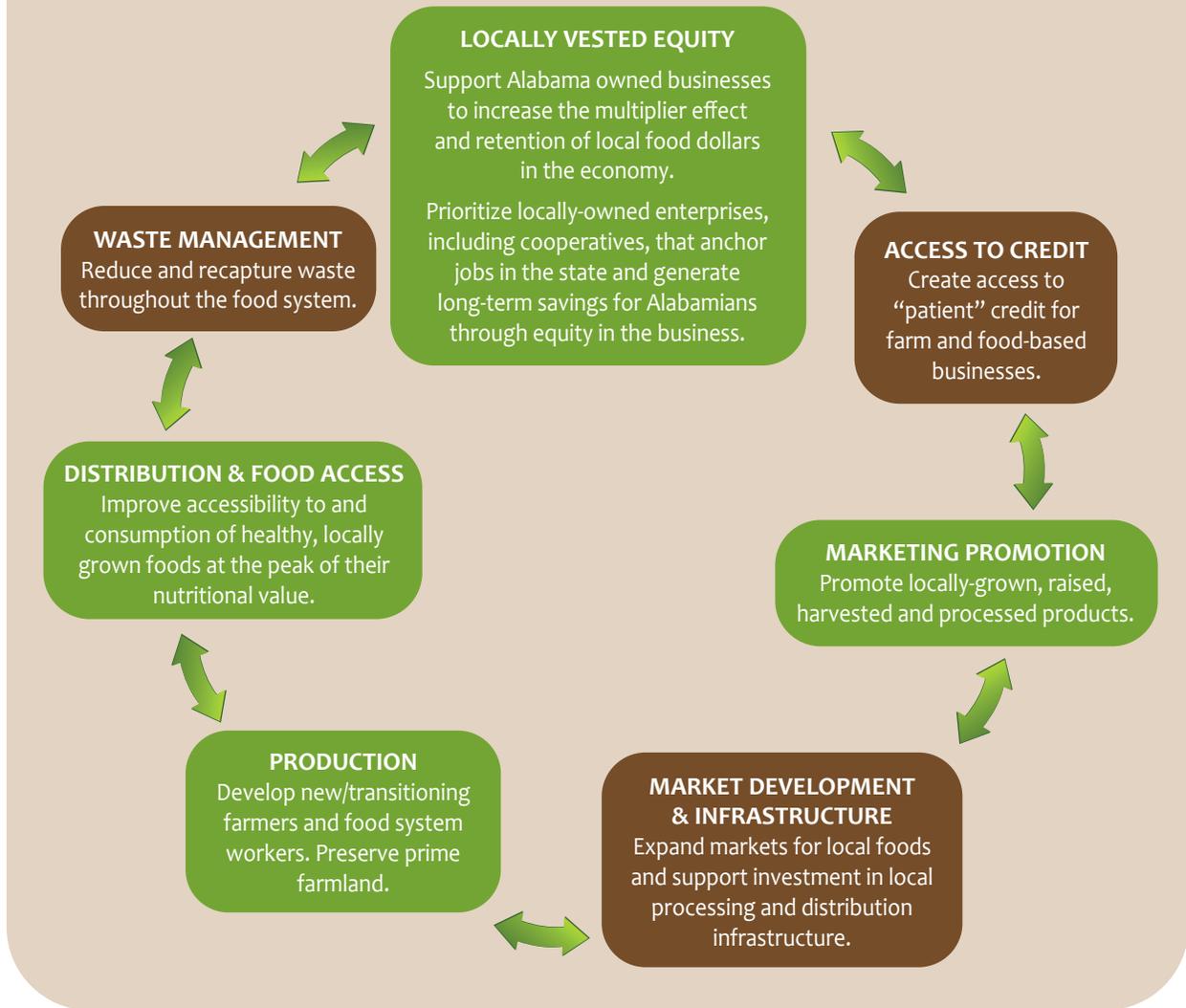
Preliminary Proposals

- 1 Launch a Department of Agriculture and Industries initiative and designate a liaison to identify opportunities, foster effective collaborations and develop efficient integration of organizations within the local food economy and community food systems.
- 2 Through a state task force and food policy council(s), engage stakeholders across the food system and from other sectors (such as tourism, health, planning, economic development and education) in an integrated and collaborative strategic planning and implementation process to further the local food economy.
- 3 Examine proposals or potential reforms through a systems dynamics approach. A systems dynamic approach examines Alabama’s “local” and “community food system” not as a linear supply chain but as a dynamic network that integrates local food production, processing, distribution, retail, consumption and waste management.

This approach takes into account inter-relationships and internal feedback loops. For example, using waste from a local beer manufacturing plant as raw ingredients for a local bread business exemplifies an integrated feedback loop from waste management to production.

- 4 Promote intra and inter-state collaboration and coordination among producers within regional foodsheds.

ADDITIONAL RECOMMENDATIONS



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Food Bank of North Alabama is an equal opportunity provider.

For a complete set of recommendations, proposals and references, visit www.nalocalfarmfood.org or email kstrickland@fbofna.org

In collaboration with

Alabama Department of Agriculture and Industries • Top of Alabama Regional Council of Governments
Alabama Sustainable Agriculture Network • Main Street Birmingham • United Way of Central Alabama, Inc.
Hampstead Institute • Health Action Partnership • North Alabama Food Policy Council Steering Committee
Alabama Obesity Task Force • The United Christian Community Association, Inc.

- i (Harris, 2011)
- ii (Harris, 2011)
- iii (United States Department of Agriculture, 2011)
- iv (United States Department of Agriculture, 2011)
- v (U.S. Energy Information Administration, 2012)
- vi (Advanced Economic Solutions, 2008)
- vii (Rich Pirog, 2001)
- viii (Meter, 2011)
- ix (Meter, 2011)
- x (Meter, 2011)
- xi (Alabama Department of Public Health, 2010)
- xii (U.S. Census Bureau)
- xiii (The Food Institute, December 12, 2011)

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