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Engaging Community Planners and Local Elected Officials with Local Food Systems Producers to Integrate Local Food Systems into Community Plans and Policies

Local Food Systems and Economic Development

Encouraging local food production to meet demand is an economic development opportunity that could keep more food dollars circulating in Iowa communities. A recent study found that ten southwestern Iowa counties could generate $2.67 million in labor income by reaching unmet demand for local foods.

About the Project

Through a project funded by the Leopold Center for Sustainable Agriculture at Iowa State University, community planners, local elected officials, local growers, farmers' market leaders, food distribution and aggregation business leaders, and food policy council members came together to

- Identify barriers to production, aggregation, and distribution of local foods that local governments could address through land use planning, zoning codes, or other local regulations.
- Identify policy and regulatory options that local governments can implement to capture the economic or health benefits of local food systems for their communities.

From the discussions at three focus group meetings, the following issues were identified as the most significant challenges facing the development and expansion of local food systems:

(1) Defining and administering the agricultural exemption to county zoning found in Iowa Code 335.2
(2) Smart growth practices and their impacts on agriculture in and near city limits
(3) Lack of recognition of local food systems as an economic development opportunity

This bulletin presents the context and options for addressing the third issue (3), local food systems as economic development

Local Food Systems as Economic Development: The Context

Encouraging local food production to meet demand is an economic development opportunity that could keep more food dollars circulating in Iowa communities. A recent study found that ten southwestern Iowa counties could generate $2.67 million in labor income by reaching unmet demand for local foods (Swenson 2010). Local food production also brings community health benefits by encouraging people to think about their diets, and social

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benefits through farmers' markets and harvest festivals. Despite a slow economy, Iowa added 28 farmers' markets in 2009.

Other studies also have found that local food can have a significant local economic impact. In Iowa, studies by Otto and Varner (2005) and Swenson (2006) document the economic benefit and potential of local food systems to local farmers and the local economy.

Despite their contribution to local economies, local market farms are commonly overlooked in economic development plans primarily because growing local food is not seen as a serious economic development strategy when contrasted with more conventional commercial or industrial development. Furthermore, the number of jobs created and the property taxes generated for local governments by agricultural lands are lower than those generated by commercial and industrial development. As a result, local market farmers are rarely provided economic development assistance, and Iowa communities miss out on the potential economic benefits of expanded local foods systems.

City and county planners could help capture these economic benefits for their communities through policies that promote a critical mass of local food production and distribution activities in their area, which could lead to opportunities for light processing and value-added activities. One county government official in the focus groups described a possible goal of "125 new farmers in our county over the next five years," although local economic development officials in that county did not see adding new farmers as fitting in their definition of local economic development. Adapting economic development concepts to local foods could involve creating incentives for developers to incorporate farmland into mixed-density developments.

One example of local food as economic development is the 668-acre Prairie Crossing residential and mixed-use conservation project 45 miles northwest of Chicago, which incorporates a 100-acre certified organic farm/community garden and local market into its design. Their recent publication, Building Communities with Farms, provides insights and case studies on integrating agriculture and development. In Iowa, Turtle Farms CSA near Granger is currently exploring a cohousing community concept to integrate growing local foods into a new residential development.

Although farming is by nature a spatially distributed activity, value-added activities such as aggregation and processing benefit from spatial clustering. Planners could leverage existing economic development incentives to enable the creation of "food and farm development districts," where infrastructure for mentoring new farmers and for aggregation and processing could be located. The Intervale Center, a nonprofit that for over 20 years has provided mentoring and value-added infrastructure in a Burlington, Vermont area greenbelt, is an example of the food and farm development district concept. Intervale's Farm Programs, which include an incubator model to help new growers, could be replicated in Iowa.

In Iowa, the Marshalltown Community College runs a beginning-farmer mentoring program and has explored opportunities for the addition of light processing facilities. For local food to emerge as a viable economic development strategy, it will be important that the economic development community recognize local market operations as economic development. Planners can play a role in advocating for and demonstrating the validity of this concept.

Local Food Systems as Economic Development: New Opportunities

Entrepreneurship is growing at the food system level, because demand is growing for food that comes with greater health, environmental, economic, and social benefits. This leads to economic development opportunities on at least three fronts. First, small traditional commodity-agriculture farms are finding it difficult to compete effectively in the long and consolidated national and global supply chains that have come to dominate the food system. For example, 75 percent of Michigan's total agricultural sales come from just 6 percent of its farms. More than half of Michigan's farms lose money every year, particularly those midsized farms that are too big for some of the smaller scale opportunities in direct marketing and too small to compete in national and global supply chains (Cantrell and Lewis, 2011). Significant market opportunities exist for these smaller producers, however, because consumers and institutions are increasingly asking for healthy, green, fair, and affordable food. "Agriculture is no longer the simple commodity industry it was long ago, when the only avenue for farmer success was increasing productivity and yield. The farmer does not have to be a price taker and can take advantage of unique market opportunities." (Adelaja, 2006). In this new environment, local market farms can increase revenues, and add to the overall economic well-being of local communities, by reaching new customers locally: households, nearby schools and institutions, and grocery stores.

Second, new local and regional distributors are needed to start businesses and open new market channels for local market farms. The challenge faced by local market farm entrepreneurs across the country is the fact that little food system infrastructure exists between the roadside-stand direct-marketing option and the large-scale global supply chain option. Not only are facilities such as small-batch processing needed to build shorter, regional supply chains, but also services from enterprises that aggregate farm

products (Cantrell and Lewis, 2011). Aggregation allows producers to combine their products to deliver the quantity and consistency that grocers, restaurants, and other buyers need. It also calls for midscale washing, grading, storage, packing and similar facilities that, for the most part, do not exist. The need for these services creates significant economic development opportunities for states and communities willing to invest in the attraction and retention of regional food "middlemen." For example, Local Harvest Supply is a relatively new firm in eastern Iowa (there may be others) that is actively seeking out growers to purchase their products and then aggregate with other growers' products to meet the demands of large retailers and institutions.

Third, a community is in a better position to win new business investment when good food and strong farms help define it as a quality place to live. Today many successful businesses—with their roots in the knowledge economy—are locating where people want to live, rather than where firms will simply find the lowest labor costs or fewest regulations. Local food production and access, including fresh foods in local markets and restaurants considered by many as a quality of life factor, could be a key component in a business attraction and retention strategy.

A number of ideas and strategies have been suggested in various reports to integrate local food systems into broader state and local government economic development efforts.

Minneapolis, Minnesota:
- Support and potentially enhance the Homegrown Minneapolis Business Development Center, a pilot program aimed at encouraging local food system entrepreneurs.
- Conducting a market analysis and economic impact analysis of urban agriculture.
- Considering access to farmers markets during long-range transportation planning.
- Exploring opportunities for an urban agriculture demo stration project that incorporates new development and food production.
- Considering the inclusion of farmers markets and community gardens when Requests for Proposals are sought for larger-scale new development on city-owned parcels.
- Maintain a particular emphasis on currently underserved areas when planning local food systems.

State of Michigan:
- Facilitate interaction of buyers, sellers, and others in new, shorter supply chains, which require more communication and collaboration than conventional, long-distance supply chains, where food producers and food buyers rarely meet.
- Target business incentives and investment at the new sizes and types of equipment, facilities, and services that regional supply chains require to fit their midscale volumes and more identity-preserved products.
- Provide relevant research and other assistance that entrepreneurs need to best navigate emerging good food markets that is not yet available from local and state agencies tasked with business development.
- Reform regulatory approaches to match the level of oversight with the level of relative risk.
- Encourage chambers of commerce and the Department of Economic Development to develop a source of funding and training for food system entrepreneurs.
- Work with university extension and nonprofit organizations to identify, establish, and support community kitchens to add value to local produce and provide access to healthy food in underserved areas. Change zoning restrictions where applicable in support of such efforts
- Increase the numbers of farmers' markets and community gardens by partnering with local food systems councils and universities to provide technical assistance and identify sources of start-up funding.
- Support grocery stores and farmers markets in underserved areas to acquire the technology to accept federal supplemental nutrition assistance program dollars.

Cleveland, Ohio:
- Allow limited on-site sales from community gardens and on-site sales from market gardens.
- Propose a two to three acre urban agriculture incubator that would lease half-acre plots to agriculture entrepreneurs.

Oakland, California:
- Establish Food Retail Enterprise Zones, where healthy food retailers in distressed neighborhoods are exempted from city business taxes.
- Develop Green and Healthy Oakland certification for businesses that stock nutritious, locally grown foods.

Dane County, Wisconsin:
- Help county extension staff organize a network of county farmers' market managers to create new markets, address the viability of existing markets and expand access to farmers' markets.
- Partner with the University of Wisconsin's farm-to-school program by contacting and informing school district food service managers about the program.
- Work with the city of Madison to provide land acquisition and development assistance for a Central Agriculture and Food Facility where local producers could consolidate, process, and store produce for transportation to area markets and institutional buyers.

Conclusion

Growing local foods on a city's prime commercial and industrial land is not economically viable, according to Iowa

State University economist David Swenson, given the much higher returns from traditional development. However, locating market farms growing tomatoes, raspberries, and other high value crops in close proximity to urban areas can have a positive economic impact in the area. The biggest challenge in making local agriculture a viable economic development strategy is one of education on what works and where it works. In this regard the networking of producers, consumers, researchers, and elected officials to build an understanding of the economic implications of successful local food systems is critical.

For communities interested in developing a local food system, a good place to start would be to create a local food policy council, if none exists. The Iowa Food Systems Council can provide assistance; so can the Leopold Center for Sustainable Agriculture at Iowa State University and its network of local food systems stakeholders around the state, the Regional Food Systems Working Group. If a county food council exists, involve that group and key stakeholders, including local food growers, local elected officials, city/county/regional planners, public health officials, and other interested parties to discuss the opportunities and barriers to create a local food system. If cities can create a friendly environment for local food systems, they may be able to attract more local growers, which is often cited as one of the biggest challenges local food systems face. Vibrant local food systems offer economic opportunity for growers as the demand for local food often exceeds the supply.

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