

“Growing Community with Local and Regional Food Systems”

Mary Hendrickson, PhD

Assistant Professor of Rural Sociology



Division of Applied
Social Sciences

University of Missouri

The Food System is Dynamic and Changing Rapidly

U.S. Organic Food vs. Total Food Sales, Growth and Penetration, 2008-2017

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Organic Food	20,393	21,266	22,961	25,148	27,965	31,378	35,099	39,006	42,507	45,209
Growth (%)	17.5%	4.3%	8.0%	9.5%	11.2%	12.2%	11.9%	11.1%	9.0%	6.4%
Total Food	659,012	669,556	677,354	713,985	740,450	760,486	787,575	807,998	812,907	822,160
Growth (%)	4.9%	1.6%	1.2%	5.4%	3.7%	2.7%	3.6%	2.6%	0.6%	1.1%
Organic (as % Total)	3.1%	3.2%	3.4%	3.5%	3.8%	4.1%	4.5%	4.8%	5.2%	5.5%

Source: Organic Trade Association's *2018 Organic Industry Survey* conducted 1/25/2018 - 3/26/2018 (\$mil., consumer sales).

➤ Drivers of U.S. Consumer Demand

- Quality
- Personal health
- Transparency and trust
- Social/environmental values
- Rise of “channel surfing”

February 2017: Acosta “Back to Our Roots” report on natural /organic food shoppers



Shoppers whose carts have half or more natural/organic products

Millennials **60%**

GenXers **34%**

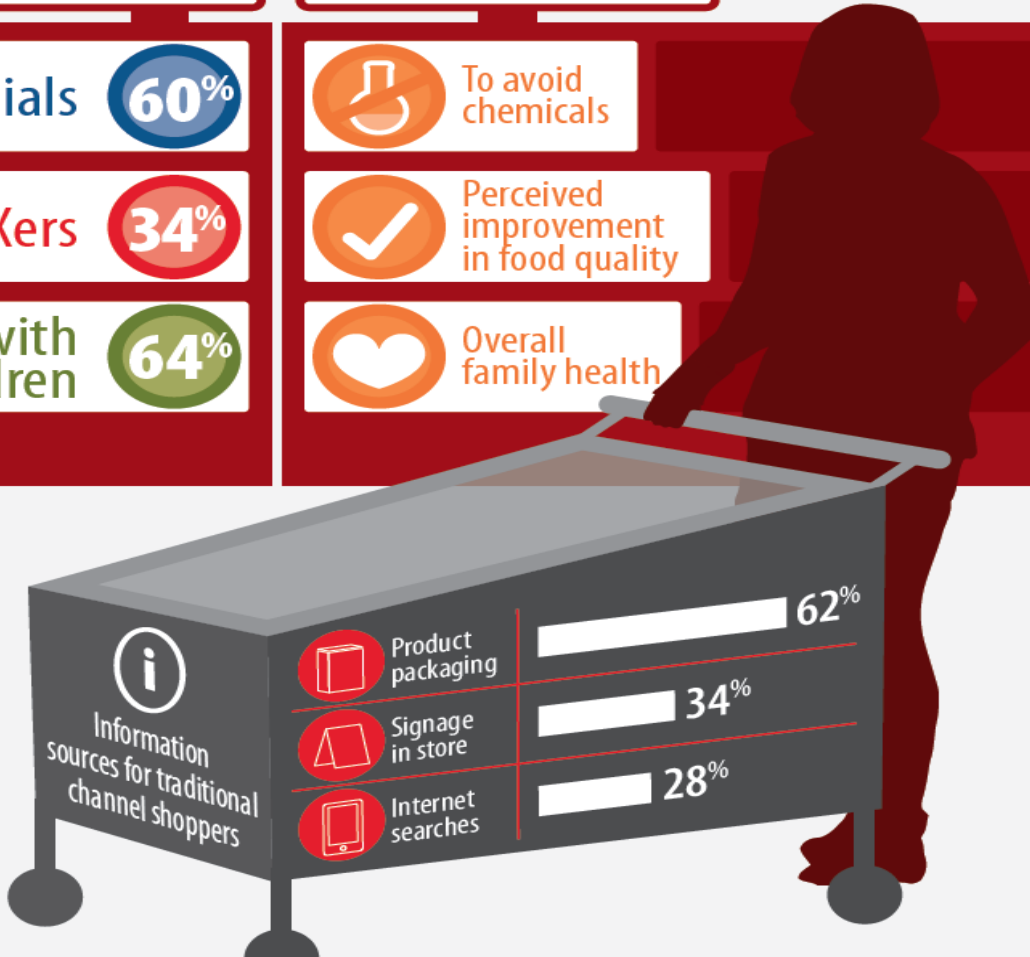
Families with children **64%**

Motivations

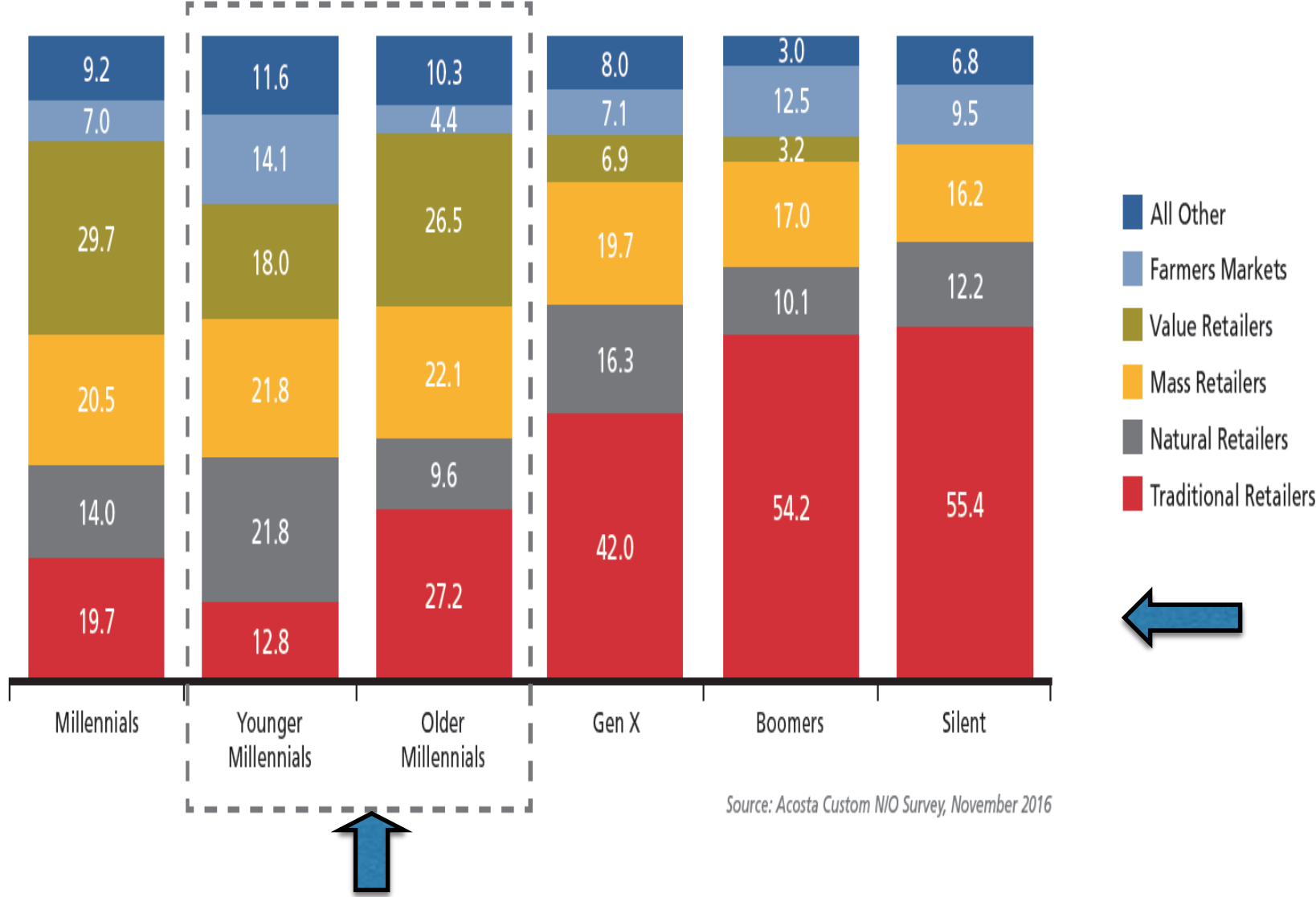
To avoid chemicals

Perceived improvement in food quality

Overall family health



Retail preferences for natural/organic foods, by age cohort -2016 survey



Source: Acosta Custom N/O Survey, November 2016

“The **Millennial** consumer and head of household **is changing the landscape of our food industry.** Our survey shows that Millennial parents seek out organic because they are more aware of the benefits of organic, that they place a greater value on knowing how their food was grown and produced, and that they are deeply committed to supporting a food system that sustains and nurtures the environment.”

Laura Batcha, CEO and Executive Director of the Organic Trade Association on results of 2016 survey



USDA Flickr Stream Photo from 2018

Local Food Marketing Practices Survey (USDA/NASS, December 2016)

- **\$8.7 billion in sales in 2015** (D2C and intermediated)
- **Nearly two-thirds (65.5 percent) wholesale, not D2C**

Largest segment (\$3.4 billion, ~60K farms)

- **Farms selling food to institutions or intermediaries** (such as local food hubs or wholesalers that use local branding to preserve product identity)

Other channels:

- **Direct to consumer (\$3 billion, 115K farms)**
- **Direct to retail sales \$2.3 billion (only 23K+ farms)**

D2C up from \$1.2 billion in 2007 (but farms down by 21K)

Slide courtesy of Deborah Tropp, USDA-AMS. Presentation at St. Louis Federal Reserve 12/1/2017



USDA Flickr Stream Photo from 2018

Signs of Greater Profitability in Wholesale Channels

Based on ERS 2012 estimate of local food sales, \$6.11 billion

\$3.35 billion (54.8 percent) generated by farms that exclusively used intermediated wholesale marketing channels (22.6K farms)

\$1.15 billion (18.8 percent) generated by farms that exclusively used DTC channels (115K farms)

- **Sales per farm, wholesale channel users (only): 148K**
- **Sales per farm, D2C channel users (only): 10K**

Deborah Tropp, USDA-AMS. Presentation at St. Louis Federal Reserve 12/1/2017 – Info from Local Food Marketing Practices Survey by USDA

Farm to School is an example of Wholesale Channel



USDA Flickr Stream Photo from 2011

According to the National Farm to School network.....

42,587*

Schools

42%*

of US Schools

23.6M*

Students Engaged

\$789M*

Spent on Local Food

46

States with Supportive Policies



So the food system is changing – are we capturing the benefits?

In the summer of 2015, Balls Food Stores launched a Double Up Food Bucks grocery store pilot in five of its Price Chopper stores in the Kansas City metro region. The pilot was so successful, it continued year-round using fresh, locally grown fruits and vegetables.

Balls Food Stores has prioritized local sourcing, working with regional aggregator Good Natured Family Farms for years. Double Up builds on this history and helps Balls benefit from this support. Indeed, more than 70

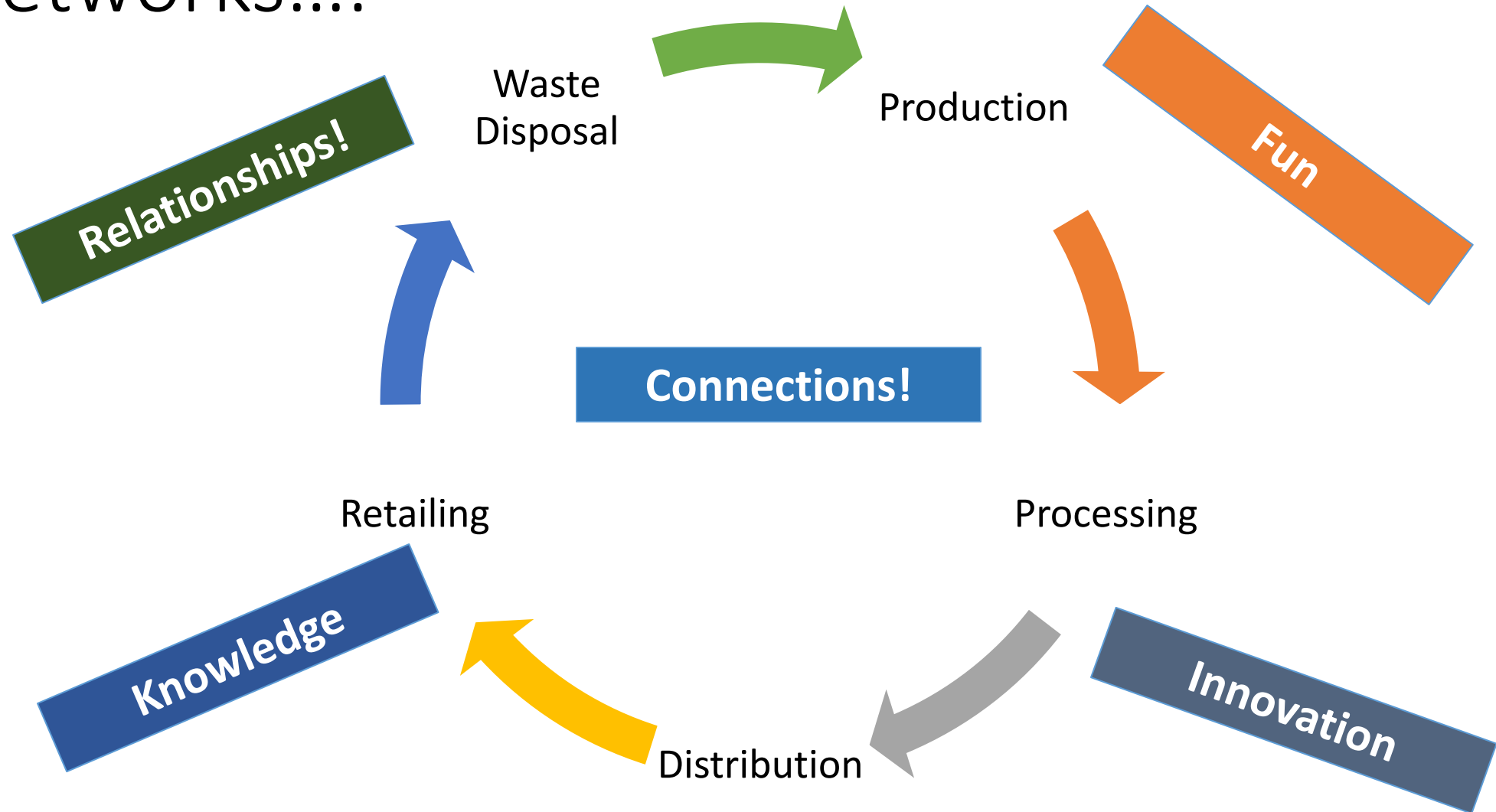
distributed was redeemed, increasing percent. There was an overwhelming amount

A community food system

...is one in which sustainable food production, processing, distribution and consumption are integrated to enhance the **environmental, economic, social and nutritional health** of a particular place. It is a long-term goal toward which many communities are striving. Feenstra & Garrett, 1999



What makes community food systems work? Networks....



Why do farmers participate in local food systems?

Farmers surveyed indicate that producing food and food products for their local market ...

- Provides an additional level of pride in their products (91.3%)
- Provides an added level of satisfaction (88.7%).

A high number of respondents are motivated by their ...

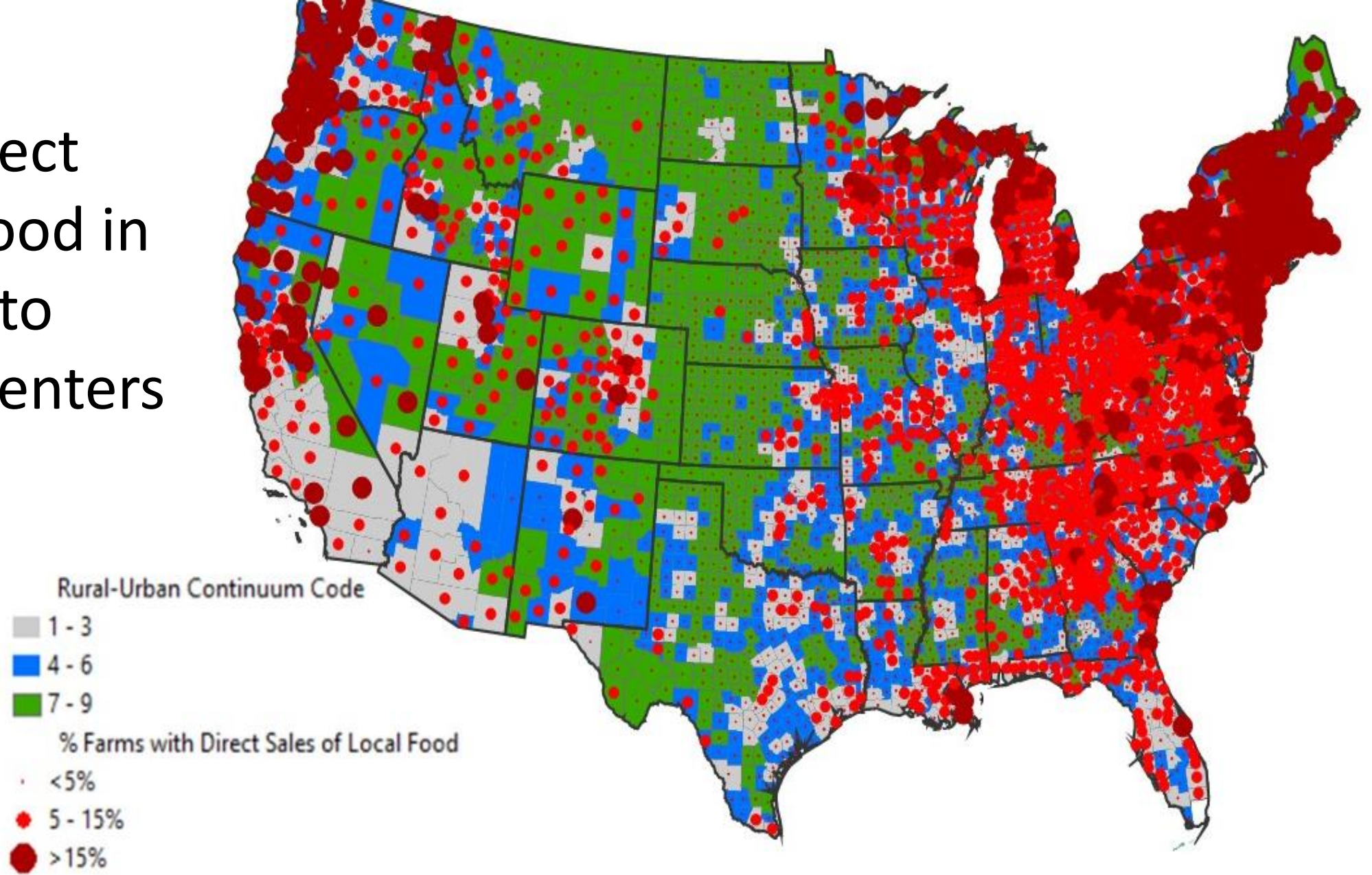
- Contribution to the quality of life in their community (78.6%)
- Additional income local foods provides to their operation (79%)
- ...and to family members (63.7%).

Many respondents agree that local food markets ...

- Provide an added level of independence for agricultural producers (79.1%)
- Provides for a better working environment for themselves, their families and workers (64.1%),
- Allows them to concentrate on high quality products (77.2%)



Farms direct marketing food in relation to population centers



What do you like best about living in your community? What makes your community livable?

☰ ALL SECTIONS TODAY'S E-EDITION NEWSLETTERS

Omaha World-Herald
REAL. FAIR. ACCURATE.

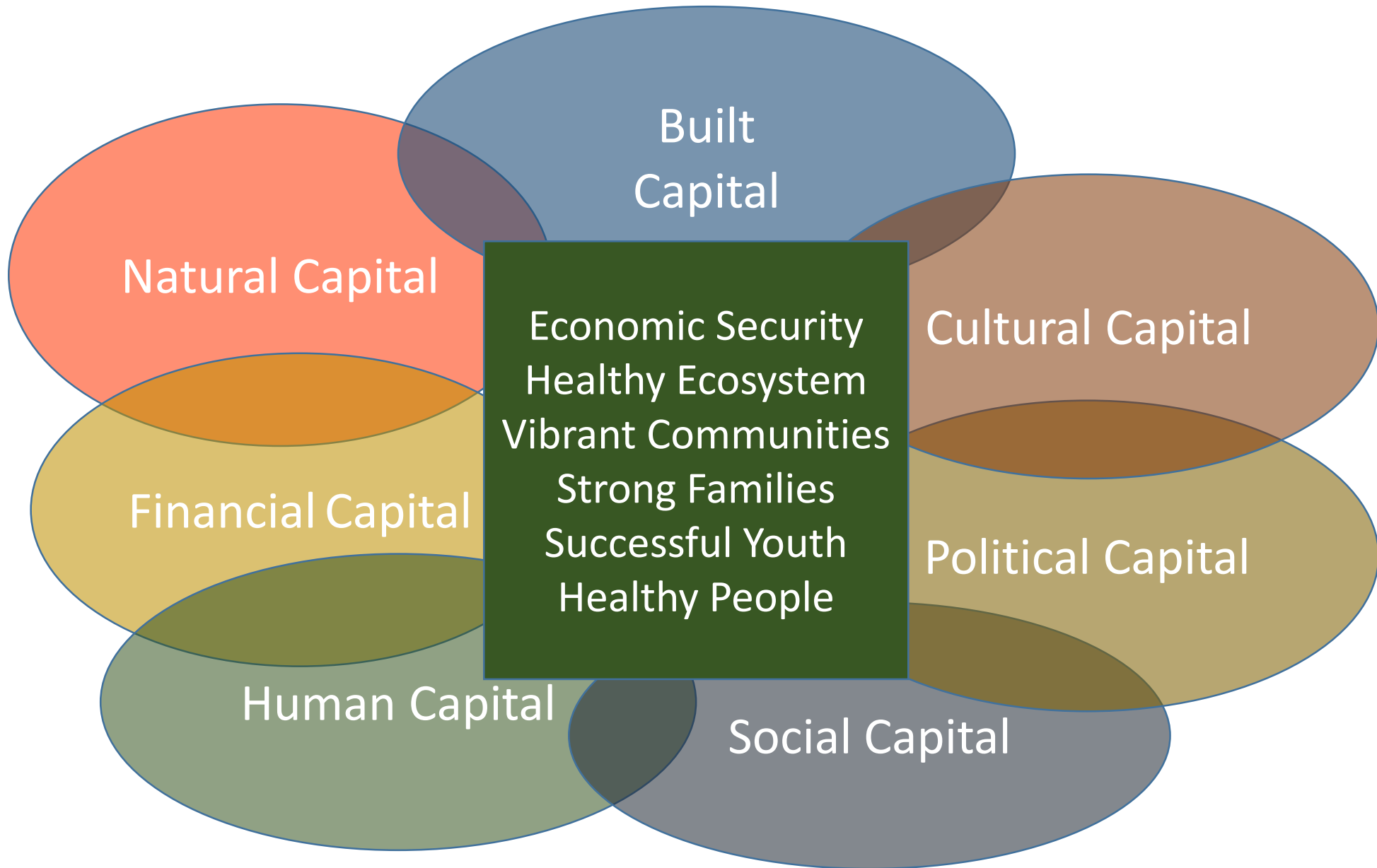


Shickley: A big little town for good reasons

By Nebraska Community Foundation Aug 13, 2017 0

Shickley Community Foundation Fund supports the preschool program by providing funding for playground equipment and other needs.

Building Community Capitals



Comprehensive Wealth Creation

Measuring Rural Wealth Creation A Guide for Regional Development Organizations

NADO Research Foundation

November 2016

<https://www.nado.org/measuring-rural-wealth-creation-a-guide-for-regional-development-organizations/>

Creating wealth that is “rooted in place through local ownership and control and building more self-reliant and resilient economy.”

Build lasting livelihoods – the capabilities, the assets - both material and social resources - and the activities required for a means of living

Think in terms of Net – Measuring both what creates and what takes away from the capitals

What is wealth?

Wealth is, simply put, the sum total of the assets we own as a society.

Perhaps our economic model of prioritizing financial wealth (stocks, bonds, GDP) has compromised other wealth creation on multiple scales.

Human Capital: The existing stock of skills, understanding, physical health, and mental wellness in a region's people

Leadership capacity
Wisdom
Knowledge & Skills
Self-Efficacy
Health

Indicators

- *Increase the number of food and farm businesses employing new and innovative techniques*
- *Improve a health outcome for a target population*
- *Increase the number of transactional partners (businesses, producers, growers) participating in an educational program*
- *Increase the number of business people and consumers participating in educational programs*

Strategies

- *Technical assistance on latest techniques*
- *Providing educational opportunities, including mentoring and networking*
- *Community leadership programs that explore community assets*

Social Capital: The existing stock of trust, relationships, and networks in a region's population

Interactions Among
Groups
Collective Identity
Sense of Shared
Future

Indicators

- *Increase the number of partners in a value chain*
- *Increase diversity of partners (number of economic sectors represented, demographic diversity, or other metric of interest to region) involved in leadership roles in the value chain*
- *Increase number of low-income people who engage with/influence/make decisions in the value chain*
- *Increase the number of volunteers in a project*

Strategies

- *Community leadership programs that explore community assets*
- *Opportunities and spaces for interactions among diverse stakeholders in the food system*
- *Place-building and space-making*



Jacqueline Smith left sheep cheesemaker Green Dirt Farm earlier this year to launch Central Grazing Co., which sells locally grown lamb. File photo by MIKE RANSELL - The Kansas City Star

EAT & DRINK

Small farms band together to grow their connections to consumers who hunger for local food



BY ANNE BROCKHOFF
Special to The Star



July 28, 2015 03:00 AM
Updated July 28, 2015 08:08 PM



At first glance, Howard's Grocery, Café & Catering seems exactly what the name implies. When it opens next month, the grocery will carry local products, and the café will serve cheeseburgers, grilled-cheese sandwiches and seasonal fare. Owner Craig Howard will

THE KANSAS CITY STAR.

THE DOUGLAS COUNTY FOOD POLICY COUNCIL

- ✓ Established by the County Commission in 2010
- ✓ Convened as a joint City-County Council in 2013
- ✓ Identifies the benefits, challenges and opportunities for a successful food system
- ✓ Recommends local policies to support food system
- ✓ Represents a wide range of stakeholders in food system



Natural Capital: The existing stock of natural resources in a region's places

Water Quality
Soil Health
Natural Beauty
Diversity of animals
and plants

Indicators

- *Increase the number of acres of land growing produce for a market opportunity*
- *Increase the number of acres or sites where residents and visitors can enjoy natural amenities*
- *Improve regional air quality or water quality measured by national standards*
- *Increased volume of waste recycled, such as glass in value chains focused on bottled products*

Strategies

- *Encourage farmers to diversify operations through new market opportunities*
- *Provide on-going technical assistance on sustainable soil and water management strategies*



Natural Amenities are important for people to feel attached to their place and want to live there

Fahrmeier's U-Pick
Lexington, Ma.
Be Loyal. Be Local.

Political Capital: The existing stock of goodwill, influence and power that people, organizations and institutions in the region can exercise in decision-making

Civic engagement
Decision-making
broadly shared
Groups can
influence standards,
regulations and
enforcement

Indicators

- *A broad range of consumers become active in food and farm policy at local, state and national levels*
- *Increase the number of value chain stakeholders on nonprofit boards of directors related to value chain work and on citizen's advisory committees or task forces at area educational institutions, healthcare institutions, or other regional anchors*
- *Increase the number of opportunities to communicate value chain priorities to elected officials, such as through site visits, meetings or phone calls, testimony*
- *Increase the number of new policies supporting value chain strategies and outcomes*

“Maybe at first you come because you think the food’s better for you. Before you know it you find yourself curious, finding yourself with questions. How was it grown? Were chemicals used? How were the animals treated? And at places like farmers’ markets you get to ask those questions, to people who actually have answers for you. . . . Pretty soon you start caring more about things like sustainability than you might have before. (Julian, farmers’ market)”

Perhaps in this sense especially—in growing citizens attuned to justice—we can say some of these spaces are engaging in a political project, versus practicing politics as usual. While citizenship-as membership governs conduct within social groups, more-than-active citizens seek bridges across social groups.

Built Capital: The existing stock of constructed infrastructure—for example, buildings, sewer systems, broadband, roads—in a region's places

Aggregation and
distribution
Processing plants
Road improvement
Broadband

Indicators

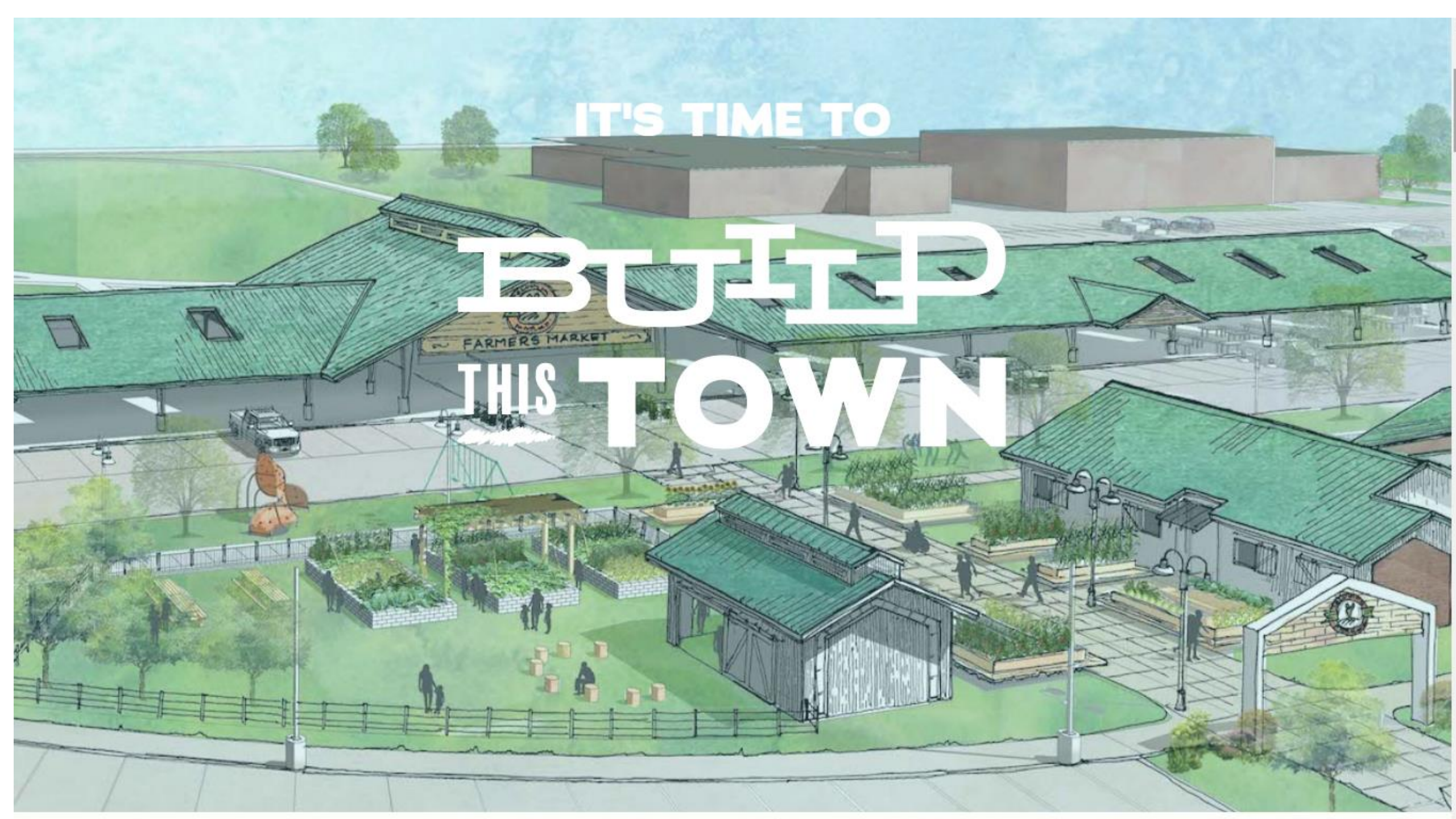
- *Increase the capacity of regional infrastructure*
- *Improve storage capacity for regionally produced products, such as square feet of cold storage*
- *Grow the regionally owned/controlled processing capacity for value chain products,*
- *Increase the locally controlled distribution points or points of sale for regional products or services, such as regional food hubs, local retailers selling local foods or beverages, or businesses offering specialized services*

Strategies

- *Developing private-public partnerships*
- *Investing in public goods like community owned processing or storage – or marketing and internet access*

IT'S TIME TO

BUILD
THIS TOWN



Resilience

Capacity of
the system
to absorb
shocks and
bounce
back

- Longer, specialized, centralized and consolidated supply chains are vulnerable to disruption

Tornados

Hurricanes

Floods

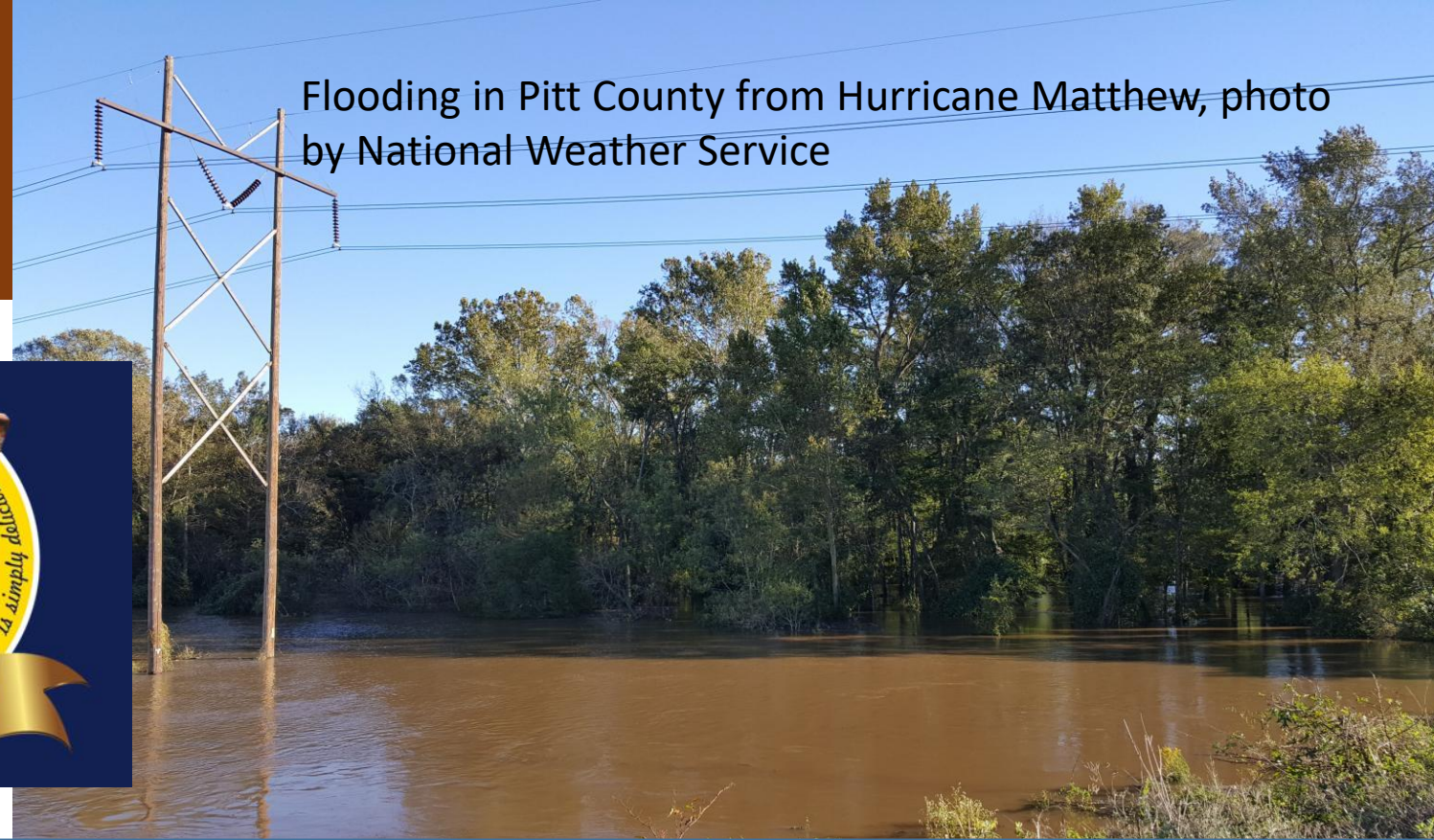
Pandemics

Global
trade

Hurricane Matthew – North Carolina 2016

Flooding in Pitt County from Hurricane Matthew, photo
by National Weather Service

**SIMPLY NATURAL
CREAMERY**
WWW.SIMPLYNATURALCREAMERY.COM



“When Hurricane Matthew hit, the eye went directly over Simply Natural Dairy. They are grass fed, so didn’t lose feed and could keep feeding. In the past, they had received two USDA Value-Added Producer Grants to put in bottling and to establish ice cream production. Their milk is in stores, and they also have a on-farm ice cream store with agrotourism. When the hurricane hit, theirs was the only bottled milk in the local stores for over a week. This is one of the benefits of the VAPG. And this is also part of the loss of transportation and infrastructure in the hurricane.” – Scott Marlow, RAFI-USA, Pittsboro North Carolina

Mary Hendrickson, PhD

University of Missouri

200 B Gentry Hall

Columbia, MO 65211

Tele: 573-882-7463

Email: HendricksonM@Missouri.edu

Web: <https://localfoodlinkages.wordpress.com/>

<https://maryhendrickson.wordpress.com/>



**Division of Applied
Social Sciences**

University of Missouri