

LOCAL FOOD AND ECONOMIC DEVELOPMENT

A Guide for Local Governments
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mayors innovation project

INTRODUCTION

Across our communities, there are increasing trends toward eating fewer processed foods, seeking out foods that support good health, and recognizing the value of eating food grown near where we live. Certainly, these trends vary by place and within communities, but there is clearly a groundswell, a slow shifting, in our approach to food. Several recent studies support this great and increasing consumer interest in purchasing from local farmers.¹ Food businesses and entrepreneurship in this area have grown tremendously, offering consumers, wholesale, and institutional purchasers new avenues for accessing food grown and produced locally. Small family farmers and producers, as well as food entrepreneurs, are at the core of the “food value chain,” the value-based system of local food production, from seed to processing to table.

Yet scaling up this relatively new, growing, and localized production system of small farmers and small businesses to meet retail and wholesale demand remains a challenge for all involved. There is tremendous need for farmer training, improved distribution systems, storage and processing facilities, and ongoing buyer education. Most models for advancing the infrastructure, financing, and systems to expand local food are private enterprises or public-private partnerships. While local governments may not play the principal roles in advancing these efforts, they are key stakeholders and can foster relationships, improve access to infrastructure, and enhance the buying power of local institutions.

Significant attention and research focuses on increasing food grown in cities, for example in community gardens, or food available to consumers through farmers’ markets and healthy corner stores. Yet direct-to-consumer sales, according to recent US Department of Agriculture research, accounts for 0.8% of total agricultural sales.² Far more important to local economies is the food cluster – all the businesses involved in growing, processing, transporting, and selling food. Nationwide, the food industry employs 17 million people and about 11% of the U.S. economy.³

Every city has a food cluster, and thus has the opportunity to capture more of the value of that cluster for local businesses and residents. Given this potential of the local food economy as a driver of economic development, how might a city support the infrastructure and systems needed to grow this food economy, beyond reaching consumers directly? Complementing a prior Mayors Innovation Project paper that focused on increasing access to healthy local foods through direct-to-consumer channels, this paper focuses on the roles cities can take to support economic development through the local food economy.

SUMMARY

Food and food-related businesses are an important part of every local economy.

Cities can support the locally based food value chain as an economic development strategy.

Food hubs can play a key role in the food economy by aggregating product, adding value and supporting farmers and producers.

Local governments can use their purchasing power and existing economic development programs to strengthen the local food economy.

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BACKGROUND

Food is an important component of the economy at every scale, and every city has a food cluster, even if it only consists of the local grocery store. That means that every city can – and should – consider food as part of its economic development strategy. In most cities, the food cluster includes large institutional purchasers like hospitals, schools, and cultural venues; restaurants; and food processing and distribution businesses. Businesses in these clusters tend to be small – the vast majority have 50 or fewer employees.⁴ These clusters are an important source of jobs, particularly for individuals without much education – around 60% of food industry workers have a high school diploma or less.⁵ Common barriers faced by businesses in the food industry include access to capital, many levels of regulation, and lack of affordable space.⁶ These jobs vary widely in quality; some (particularly food service jobs) pay low wages and lack benefits, others (often in manufacturing, distribution, or specialty foods) are solid, family-supporting jobs.

In most places, the food cluster is dominated by companies in the industrial agriculture system, which is highly decentralized and places no value on the concept of local – either locally grown foods or local economies. As with many other economic clusters, transitioning even a portion of activity to local businesses can reap economic benefits for the local economy, since local businesses and their employees are more likely to spend their money at other local businesses. The goals of any food-based economic development strategy should be to localize the food cluster, increase its market share, and capitalize on the growing demand for healthy, local food.

The term "food value chain" describes a system of food production, aggregation, distribution, consumption, and disposal in which stakeholders are linked by a shared set of values beyond maximized profit.⁷ The food value chain fundamentally contrasts with the system of industrial agriculture, where a large company might contract with farmers in one state to grow the food, then send the food to processors in another state (or, region, or even nation) to process the food, then hire several other companies to pack, ship, and distribute the food. In the standard system of industrial agriculture supply chains, even minimally-processed foods, such as apples, typically log thousands of miles along the journey from seed to table. In contrast, the core concept of the food value chain is to keep each of these steps based locally, within a defined geographical area, and with partners in each step operating with a shared set of values about the need for this system. Supply chains with local suppliers are generally shorter, which allows more predictable and cost-effective delivery. Local suppliers can also be more responsive during high-demand periods. In addition to benefitting local businesses, local sourcing contributes to a city's economy by keeping jobs and dollars local. In terms of overall size, the food value chain makes up a small, but growing portion of the total US food economy. According to the USDA's Food Census, local food sales through both direct and intermediate marketing channels comprised \$4.8 billion of the estimated \$300 billion in total farm-level agricultural production in 2007.⁸ However, the popularity of and demand for locally-sourced foods continues to grow, according to recent trends reported by the National Restaurant Association and a fresh produce industry discussion group.⁹

"Interest in local and regional food has transcended many geographical and demographic barriers on its journey to the mainstream. By 2011, over 85 percent of customers polled by the National Grocers Association said that they chose a grocery store in part based on whether it stocked food from regional producers."

*- US Department of Agriculture
Know Your Farmer, Know Your Food⁶⁸*



Source: Tony Bailey CC-BY-2.0, via Wikimedia Commons
Farmer's market in Chicago, IL.

This locally based food value chain may involve just a few or a significant number of players, and may focus on one or two products, or a larger range. Regardless of size and products involved, the key goals of food value chains are to maintain transparency across the chain and to minimize the steps and travel involved in the entire process. For example, in this system one farmer might grow a cucumber and sell it to a local distributor, who has contracts with 10 other farmers growing similar cucumbers, as well as a cold storage space to house produce. Then a local entrepreneur with a small pickling business might purchase the cucumber supply from the distributor and pickle it—in a kitchen shared with other small businesses—to then supply pickles, in bulk, to a local grocery store. The economic benefits of a food value chain are significant, as each job in the process is local, and profits earned at each step are re-invested in the region. Food value chains are very dynamic, evolving quickly as producers and entrepreneurs find the optimal way to promote values-based products in new markets.¹⁰



Source: U.S. Department of Agriculture (Fall Line Farms; cooperative, co-op; Richmond, VA.) CC-BY-2.0, via Wikimedia Commons
Amy Hicks, harvesting greens at her farm in Charles City, VA.

Also as background in considering the policy options described below, it is important to define “local” in discussions of the food economy. Broadly, this term applies to food products that are grown, processed, packaged, and distributed within a defined geographical area, though in practice the term varies across regions. For some cities, local can mean within a 50-mile radius. The State of Michigan, with many innovative local food programs, defines it as anything produced within the state. In larger Western states, the radius might be several hundred miles. The federal Farm Act of 2008 limits the definition of the total number of miles a food can be transported and still considered locally or regionally produced to 400 miles. For a template that can be adapted to your region, see the Resources section.

ECONOMIC DEVELOPMENT OPPORTUNITIES

Some urban areas remain relatively disconnected from the agricultural areas in their region. Yet the potential economic development opportunities should prompt local government leaders to become actively immersed in the “foodshed” to which their region belongs. The economic development case for making investments in local food is clear: these investments support local businesses, create jobs, and circulate money in the local economy. The USDA Economic Research Service (ERS) leads the field in establishing the case for supporting the local food economy. Among their findings on the possible benefits in local food investments are the following:

- » “Local food networks drive economic activity in other parts of the economy as well. Revenues tend to stay in the local economy and be reinvested in supplies, labor, and other spending.”¹¹
- » Local food systems generate 13 farm jobs per million in sales.¹²
- » Almost 110,000 farmers and ranchers nationwide—from small, mid-sized and large farms—sell into local food markets, which is just under 40% of the total number of US ranchers and farmers.^{13,14}
- » Local economies benefit when farmers can maintain the income they would have otherwise lost to “middlemen” in the food system.¹⁵

The economic development case for making investments in local food is clear: these investments support local businesses, create jobs, and circulate money in the local economy.

Beyond the ERS work, significant evidence from case studies and economic modeling of local food systems shows the enormous positive impact of promoting local food economies. According to a study from Madison, WI, each dollar spent on local food re-circulates an estimated \$2.6 into Wisconsin's economy, and every \$100,000 in local food sales creates 2.2 jobs.¹⁶ In Illinois, The Illinois Local and Organic Food and Farm Task Force, using a conservative economic multiplier of two to three cycles, estimated that a 20 percent increase in local production, processing, and purchasing would generate \$20 to \$30 billion of new economic activity annually within the state's borders while creating thousands of new jobs for farmers and farm-related businesses.¹⁷

Such positive figures are by no means limited to the agricultural Midwest. A report by the Center for Environmental Farming Systems in North Carolina suggests that, "if all North Carolina residents spent 10 percent of their food dollars on local foods (\$1.05 per day), approximately \$3.5 billion would be available in the local economy every year, and part of that would flow back to farmers and food businesses."¹⁸ In Vermont, it has been estimated that a modest 5% increase in local farming and food manufacturing would generate \$135 million in annual output while increasing total food system employment by nearly 1,500 jobs over a 10-year period.¹⁹

HOW LOCAL GOVERNMENT CAN PROMOTE LOCAL FOOD AS ECONOMIC DEVELOPMENT

Ensure Food Policy Councils Focus on the Food Economy

As a first step in understanding the inherent challenges in scaling up the food value chain, local governments should consider establishing a food policy council (FPC), with a strong focus on the food economy, or instructing an existing FPC to take such a focus. These organizations bring together interests from all areas of a food system, from farmers, chefs and restaurateurs, to food processors, wholesalers and consumers, as well as policy advocates, and local government officials. They are charged with assessing and advancing the state of the local foods movement in a given area, often with a public-private structure, and typically focusing on consumer access to local food. The Community Food Security Coalition identified almost 200 active food policy councils in their recent census.²⁰ While the focus of many FPCs now is access to food, they should ensure a significant focus on developing the local food economy as well.

The typical model of operation for FPCs is for a diverse array of food stakeholders to assess their local food system in order to recommend policy changes, implement small-scale programs and provide informational resources. FPCs in cities like Knoxville, TN, Toronto, ON, Los Angeles, CA, Detroit, MI, New Haven, CT, Santa Fe, NM, and Kansas City, MO coordinate initiatives aimed at creating healthier food environments in underserved neighborhoods and increasing the sustainability of regional food economies. This includes assessing the feasibility and coordinating the creation of food hubs. Despite significant variations across cities, counties and states in their funding, staffing, and impact on policy, most food policy councils, at a minimum, serve as an excellent starting point for convening stakeholders. A recent report found that councils embedded in government,

The American Planning Association identifies the following shared characteristics of most food policy councils:

- » *Take a comprehensive approach;*
- » *Pursue long-term strategies;*
- » *Offer tangible solutions;*
- » *Are place-based;*
- » *Advocate on behalf of the larger community;*
- » *Seek government buy-in;*
- » *Establish formal membership and*
- » *Operate with little or no funding.*

- Food Policy Councils: Helping local, regional and state governments address food challenges. 2011, APA.⁵⁹

with a focus on both short-term programmatic efforts and long-term policy change, are the most successful.²¹ Any local government focus on promoting local food as economic development should work closely with the FPC. For example, the Edmonton Food Council (AB), which advises the City government on food and urban agriculture policies, has published a comprehensive implementation plan that delineates strategies for using local food for economic development. The Food Council's goals include investigating existing facilities and programs that could be used for local food business incubation, assessing current barriers to increasing the availability of local food, and leveraging innovative technologies to expand emerging local food businesses.²²

Support Food Hubs

A food hub is an organization that supports producing, aggregating, processing and distributing local foods by building relationships among stakeholders in the food value chain. Food hubs are a critically important link in the food value chain, connecting small, local food producers with the wholesale and retail purchasers who make up the vast majority of food purchasers. The USDA census of food hubs shows that of about 230 hubs in existence, only 8 are publicly held.^{23,24} Food hubs can be virtual, such as on-line food buying clubs, or can even be farmers' markets or wholesale markets that have expanded roles in working with the community. Most food hubs, however, have a physical location as the seat of their coordination efforts, and typically offer farmer training and technical assistance, as well as support for institutional buyers in working with produce schedules and contract development.

Cities can play a number of roles in the development of local food hubs, varying from indirect monitoring to full-scale project management. Much of the work of food hubs entails operational and technical efforts, largely beyond the scope of local government involvement—from training small farmers to grow and prepare product for aggregation, defining production methods and quality standards, drafting contracts with buyers, and technical assistance for institutional purchasers. Yet the work of planning for and establishing a food hub within a community brings a set of challenges well suited to local government involvement: collaboration among diverse stakeholders, policy promotion, and securing funding.

One of the principal challenges food hubs face is securing funding to get established. A model initiative for funding these efforts is the public-private partnership between the State of Virginia and local grower co-ops. The state provided funding for the land and facilities needed to establish four separate packing houses, the most successful of which is owned by a co-op of 35 growers, the Northern Neck Vegetable Growers Association.²⁵ At this packing house, Parker Farms operates the facility, collecting fees from member farmers for cooling, harvesting, packing, marketing, and logistics. Through these fees, Parker Farms covers ongoing operating costs, including six full-time staff members. The initial investment from the state was key to the success of the packing house models in Virginia. The economic development section below includes detail on other possible funding sources to help with start-up costs.

Food hubs must constantly balance supply and demand for their products, with demand consistently outpacing supply, and supply depending heavily on the growing season. Because of the need to straddle both the supply and demand for local products, food hubs typically focus on both; working to connect producers of foods with local wholesale opportunities as well as building relationships with wholesale and institutional buyers who purchase from producers. The Western Massachusetts Food Processing Center (WMFPC), exemplifies a food hub serving as a key intermediary to balance supply and demand. The WMFPC, managed



Source: U.S. Department of Agriculture (5711349907_511387746c_o), CC-BY-2.0, via Wikimedia Commons

Kate Lainhart, with the Manakintowne Specialty Growers in Powhatan County, VA, produces micro greens for their local food hub and area restaurants.

Case Study: Dane County, WI promotes economic development by building on its agricultural roots

Dane County, WI, serves as an excellent model of a local government leading efforts to focus on local food as economic development. With a population of just under 500,000 residents and approximately 50% of land currently used for agricultural purposes, Dane County's physical and political environments have nurtured for a strong local foods movement. Building upon its solid agricultural foundation, the County has been focusing on food as economic development in recent years.



Source: Kznl (Own work) [Public domain], via Wikimedia Commons
Dane County Farmer's Market, Madison, WI.

Dane County completed a comprehensive plan that identified a goal of sourcing food locally for institutional markets; through this, the Institutional Food Market (IFM) Coalition project emerged. The ongoing goals of IFM are to expand market opportunities for County and regional growers, increase sales of local food into institutional markets, connect institutional buyers with Wisconsin product, and identify and resolve obstacles for local sourcing.⁵⁴ The network provides critically important buyer outreach and education, as purchasers must understand the value and limitations of sourcing local foods, such as designing menus to accommodate crop-growing seasons. The volume of local food sales indicates IFM's tremendous success. As a result of the connections and networking fostered by the IFM, \$1.8 million of local food was sold in 2011, adding to the total of \$4.3 million in local food sales since the program began. Started as a County project in 2006, the IFM recently moved into the local state extension office, its permanent home.

Building on the economic impact of the IFM work, in 2011, Dane County completed an extensive feasibility study to review and assess market demand and sustainability of a packing hub to advance local food sales. The key functions of the Hub are packing (produce is washed, graded, and packed); marketing (negotiating transactions, facilitating crop planning with producers and buyers); and distribution (logistics, often outsourced). The study, funded principally via a Housing and Urban Development grant and completed by FamilyFarmed.org, found that local demand far exceeds availability of fresh market vegetables. The study reported the following estimated benefits of a food hub:

- » Increased income for farmers by shifting from commodity crops to high-value crops (fresh market vegetables).
- » 30 added jobs for seasonal production and 20 jobs for season extensions; also, increased demand could add 2-3 jobs per acre if converted to high-value crops (such as produce needed by local institutions).
- » Reduced carbon emissions by replacing produce sourced from a distance of an average of 1500 miles, to a maximum of 150 miles (the distance for local food established in Chicago).⁵⁵

The Wisconsin Food Hub Cooperative currently has 11 farmer members, and is now aggregating produce at member farms. The Co-op anticipated selling more than \$3 million of produce in 2013 and recently announced a new partnership to sell products to Roundy's grocery stores, with 122 locations statewide.⁵⁶

Dane County's innovative efforts to foster a strong connection between local food and economic development serve as a model for other local governments. Olivia Parry, a Senior Economic Development Specialist for the County and key leader in this work, believes that Dane County's success relates to two factors: One, an agricultural base in the County, with an extensive tradition in small family farming; and two, dedicated County staff with deep ties to both economic development and farming communities to anchor the work.⁵⁷ Parry notes that while the County played a facilitation and coordination role, the ongoing management of the work can be housed in other areas.

by the Franklin County Community Development Corporation, received start-up funding from the state and the USDA to establish a facility for aggregation and the production of value-added food products. Focusing on economic development, the Center has helped over 230 entrepreneurs through training, education, and access to facilities and infrastructure.²⁶ Building on years of success with value-added products, in 2009 the WMFPC established an Extend the Season Farm to Institution Program, collaborating closely with institutions to provide a supply of canned and frozen local produce to be used throughout the year. In 2012, the WMFPC processed about 65,000 pounds of produce, distributed to local schools and hospitals (in addition to 30,000 pounds processed and distributed to retailers, farm stands, and community supported agriculture).²⁷

While the growth in the food hub field is exponential, evidence on long-term economic viability is still somewhat limited, given that the majority are less than five years old. The US Department of Agriculture's preliminary research on economic viability of food hubs is positive.²⁸ The National Food Hub Survey, released in September 2013, identifies managing business growth as a key challenge for food hubs: "They will have to take steps to grow their businesses in ways that allow for financial viability as well as a continued commitment to the values under which food hubs operate."²⁹ The Survey suggests that to address this, training in effective management skills—understanding staffing and growth patterns, in particular—is essential. Local governments should work to integrate food hubs into new and existing small business skill development opportunities (discussed further below).

Local Purchasing Policies and Brokering with Institutions

Cities can also support the use of food hubs by developing and promoting policies that prioritize local purchasing by institutions, such as schools or hospitals. Cities have two effective methods to enhance connections between food producers and institutional markets. First, local governments can pass policies requiring that their own procurement include some portion of food directly from local sources, which can include food hubs. Such policies allow city governments to prioritize foods served in public facilities based on "nutrition, affordability, geography, and sustainable production practices including sound environmental practices, fair prices for producers, and labor standards for workers."³⁰ The USDA notes the high demand among institutions for local food, particularly among schools, where the number of schools participating in farm to school programs quadrupled in recent years.³¹ This level of interest increases the political feasibility for passing local purchasing policies.

Many such procurement policies, however, are passed without additional funding or designated tools for program monitoring or enforcement. There is not yet clear evidence of how such policies affect the local food economy. For example, some policies allow institutions to spend up to 10% more on local food than on food from conventional sources;³² yet unless this institution's budget is also increased by 10%, they will be unable to meet that procurement target.³³ Successful policies should thus include both funding for institutions to access, as well as training and support for institutions, specifically food service directors, to work with food producers in their region. A resource for institutions on the demand side of this practice is the Guide to Developing Sustainable Food Purchasing Policy, which reviews factors for purchasing institutions

The Puget Sound Regional Council identified four recommended strategies to consider in a local food procurement policy:

- » *Target percentage of local food purchases. A policy would require a designated percentage of food, commonly 10-20%, be procured through local sources.*
- » *Mandated percent price preference. Would require institutions to give preference to a local supplier when their price is not more than a set percentage higher than a non-local source, perhaps 10%.*
- » *Geographic price preference. Would establish that institutions have discretion to spend more on local products from a targeted geographical area.*
- » *Comprehensive plan policies to promote local food procurement. Strategic goals identified in planning documents would reinforce local food procurement.³²*

Case Study: San Francisco comprehensively supports local foods in city government

San Francisco, CA serves as a prime example of a local government utilizing its financial, administrative, and agricultural resources to promote local foods in ways that are both environmentally and economically sustainable. In 1997, the City Board of Supervisors expressed their commitment to building a sustainable society through the Sustainability Plan Resolution. Although the Plan was not technically binding, it set the expectation that City residents living in the present would not sacrifice future generations and the natural world for their own needs.⁴⁹



Source: Edward O'Connor from San Francisco, USA [CC-BY-SA-2.0], via Wikimedia Hillcrest Farmers Market in San Francisco, CA

By 2006, the City government had recognized the need and potential to develop a sustainable local food system. To lead by example, the Department of Public Health (DPH) passed the Healthy and Sustainable Foods Policy to mandate that all DPH events, programs, and institutions provide healthy food options acquired from environmentally sound and sustainable sources.⁵⁰

In 2009, then-Mayor Gavin Newsom issued Executive Directive 09-03 to create San Francisco's first comprehensive food policy. The Healthy and Sustainable Food Directive treats the City's food production, distribution, consumption, and recycling as a holistic system. Along with creating the City's Food Policy Council, the Directive addresses food procurement in city departments, promotes food production on City-owned land, encourages local food marketing, and mandates sustainable food education and awareness.⁵¹ The Directive also ordered the City Redevelopment Agency to develop a Food Business Action Plan to identify strategies, such as enterprise zones, permit expediting, tax incentives, regulatory streamlining, and other policies to recruit and incubate food businesses.

Since Mayor Newsom's 2009 Directive, 47 City departments have begun implementation. All food purchased by the City must now originate no further than 200 miles away, and the Department of Public Health began an annual Restaurant Recognition Program, through which one restaurant in each City district is recognized for demonstrating devotion to innovation, environmentalism, and the use of local food.⁵² The Department of Real Estate and the Office of Economic and Workforce Development are exploring ways to expand the space and improve the logistics of the San Francisco Wholesale Produce Market. Permits for mobile food vendors now reflect a preference for those that offer healthy and sustainably produced food.

Recently, the San Francisco Planning Department has begun looking at the food system from an economic perspective. In addition to taking an aggressive approach to ensure healthy food access for its citizens, the City is currently performing a study of its food industry cluster. According to Food Systems Policy Manager Diana Sokolove, the City is working with local food businesses and food-related non-profits to identify the components of the food system and determine the advantages and obstacles to economic growth. The study will help target areas of the food system with the greatest opportunities for return on investment, job growth and retention, and workforce development. Sokolove envisions great potential in the San Francisco food system. Among the City's advantages, she cites the population's devotion to the "local" brand, a highly skilled workforce, a robust transportation system, and a large portion of vacant City space available for development.⁵³ The Food Industry Cluster Study is set to enter the data analysis phase this fall, with policy recommendations to be published in early 2014.

to consider in developing their policies, from setting purchasing targets, to considering farming and labor practices.³⁴ Many cities have job quality requirements written into their procurement guidelines. These should apply to food purchases as well, and can be an important tool to improve wages and benefits in the food value chain. Food hubs are an excellent resource for reaching public institutions, and many consider institutions as their target customers.³⁵

The second strategy local governments should use to connect local food producers and institutions is to consider how to assist in managing relationships and logistics, either through targeted investments or serving as intermediaries between producers and large-scale consumers.³⁶ Louisville, KY's innovative Farm to Table program provides an excellent model for city government acting as a broker between farmers and institutions.³⁷ The city emerged as a key broker in the local food movement based on the recommendations of Louisville's Local Food Economy Work Group, a coalition of regional elected leaders, as well as farmer-activist Wendell Barry. City staff enhanced connections with farmers and a broad range of possible consumers, including individuals at markets, restaurants, caterers, corporations and schools. For example, the city helps connect restaurants with the Kentucky Proud project, an initiative that reimburses restaurants for a portion of their food and marketing costs when they purchase Kentucky-made products.³⁸ For corporations, the city offers produce delivery for employees, as well as on-site consultations with food service managers.

This emphasis on connection and communication is a common theme. The Initiative for a Competitive Brooklyn started in 2003 by the Brooklyn Economic Development Corporation, chose food processing as one of its four focus areas. The project mapped both the existing assets in Brooklyn, NY and the path towards a stronger food cluster there. The initiative's recommendations emphasized communication between companies, especially producers and distributors and supporting small food-related businesses with technical assistance.³⁹

Integrate Food into Existing Economic Development Work

Most local governments already dedicate significant resources to economic development, through staff time, coordination with the business community and local nonprofits, grants and other funding, and project development. The following are ways to focus existing economic development work on the local food value chain:

1. Map Existing Assets and Grow your Food Cluster

Growing a city's existing assets—its industry clusters, natural capital, educational resources, talent and workforce, local supply chains, and exports—is a powerful economic development strategy that builds on a city's strengths and resources. Asset mapping is the first step in that strategy and provides local leaders with an inventory of key resources that they can use in economic development, as well as a detailed picture of the local economy and the flow of funds and products that contribute to it. The American Planning Association developed a guide to offer steps for planners to better integrate the emerging field of food planning into existing planning efforts. One specific recommendation local planners should implement is to integrate "food system elements into urban, rural, and regional economic development plans," by assessing the state of the food economy in any comprehensive plan, and by promoting the importance of the food sector to local economies.⁴⁰ San Francisco, CA provides an excellent example of using economic development tools applied to the food chain and food-related businesses through their efforts to map the food cluster (read more about their work in the case study below).



Source: U.S. Department of Agriculture, CC-BY-2.0
Janice Potts, using her Senior Farmer's Market Nutrition Program check to pay for tomatoes, in Owingsville, KY.

Building on efforts to identify economic development assets in their communities, the next step for local leaders is to support and develop economic clusters, which are collections of related companies in a particular industry. Cluster strategies recognize that consistent and strategic investing in existing strengths is the most efficient and effective way to drive regional economic growth. In areas where asset mapping has identified the local food cluster as growing or poised for growth, local leaders should then work to explore the cluster's unique characteristics and needs. As one example, local government can encourage and facilitate clusters by collaborating with local education and training institutions to develop workforce skills and promote workforce training. Cities can also specifically permit food businesses to operate in certain locations and can designate a zone for food innovation businesses within their cities.⁴¹ Cities should focus on businesses that pay living wages and offer good benefits so that their economic development efforts don't create jobs that require subsidy via the social safety net.

Boston, MA has brought a strong focus to developing its local food cluster, including targeted investments to develop food production and processing in the inner city. In 2012, then-Mayor Thomas Menino and Massachusetts Governor Deval Patrick announced a grant package of state and local funding that included \$3 million to support the food cluster. Two key projects were the creation of a youth workforce training center in the culinary arts, as well as the establishment of the Bornstein Pearl Food Production Small Business Center. This food center will partner with the successful Crop Circle Kitchen, a food business incubator, and will offer significant cooking and food storage space.⁴²

2. Use Economic Development Funding for Food Businesses

One of the most direct ways a city can help develop the local food economy is through the provision of seed funding. Many cities offer loans, grants, and other forms of financial assistance to small- and medium-sized businesses through their Planning or Economic Development Departments. Entrepreneurs interested in starting a food hub can look to cities for start-up capital and even employees. The City of Minneapolis, MN encourages local food businesses to utilize community organizations that offer food- and agriculture-specific education and training. For example, the Land Stewardship Project Farm Beginnings Program trains new farmers in low-capital, environmentally sound farming practices.⁴³

Local governments, often through their food policy councils, can also help local food businesses secure federal and state funding. States like Pennsylvania, New York, New Jersey, California, and Illinois have created funding programs to target local food businesses for loans and grants.⁴⁴ The USDA has significant resources targeted toward the processing and distribution of local foods, and there are other federal departments focused on health and nutrition, including Housing and Urban Development and the Centers for Disease Control.⁴⁵

3. Incubate Local Food Businesses

In some cases, integrating the local food economy into broader asset mapping and economic cluster development may be long-term goals for local governments. A more short-term, smaller-scale approach is to create or expand existing small business and incubator programs by explicitly targeting food-related businesses for program support. Like other small business entrepreneurs, food entrepreneurs share the challenges of needing space to develop their product, as well as access to business management training and skill development (such as accounting, managing pricing, general business planning). Examples of cities targeting small business services to food entrepreneurs abound. New York City and Chicago, IL have done extensive outreach to food business, offering free space, seed funding, and business training.



Source: U.S. Department of Agriculture, CC-BY-2.0.
Urban farmer, Avon Standard, in Cleveland, OH.

The Northside Planning Council in Madison, WI has developed a facility that will leverage significant educational and agricultural resources while also meeting the need for commercial kitchen space for entrepreneurs. With funding from the City of Madison, local businesses and nonprofits, the Food Enterprise and Economic Development (FEED) Kitchens will house five commercial kitchens for use in culinary training, small business food processing, and the production of healthy snacks for public schools, among other uses.⁴⁶ The City of Toronto, ON's Economic Development and Culture Division partially-funds the Toronto Food Business Incubator to support a wide range of food businesses and entrepreneurs. Those who utilize the Incubator have access to a variety of resources, including advisory support, food industry expertise, and production space in a commercial kitchen. Incubators like these can have a real impact – the CropCircle Kitchen incubator in Boston, MA has hosted over 100 start-up companies, is currently incubating 40, and has graduated 16. In all, it's generated over 200 local jobs.⁴⁷ Using the same approach on a different segment of the food value chain, Cleveland, OH has turned a potential disadvantage into an asset by working with its land bank and a local community development corporation to transform vacant land into an Urban Agriculture Innovation Zone. This 26-acre "oasis" of vacant land supports various agricultural projects, including an incubator for farmers, an aquaculture company, a market, a cafe, and a community kitchen.⁴⁸

CONCLUSION

Every city has a food economy and most have at least the beginnings of a local food value chain. This means that every city has an opportunity to increase local economic activity, create jobs, and promote healthy, local food by helping local businesses to capture more of this market. Cities should include local food as part of their economic development efforts; work with the local food policy council to create or strengthen food hubs, incubators, and local food businesses; and create a supportive policy environment. Nationally, the trend is toward local food – cities should take advantage of this.

GETTING STARTED

1. Create or connect with your local food policy council; consider requesting that city staff specializing in economic development attend meetings.
2. Include an asset map of the food economy in economic development efforts. Promote establishment of a food cluster in your community.
3. Ensure small business development focuses on food-related businesses.
4. Promote family supporting jobs that pay living wages and offer benefits in the food value chain.
5. Review current institutional purchasing policies and assess their implementation status. Promote new policies with allocated funding and enforcement tools.
6. Assess how you might support steps toward creating a food hub to build and grow relationships between local food producers and institutions.

RESOURCES

- » APA Policy Guide on Community and Regional Food Planning: <http://www.planning.org/policy/guides/adopted/food.htm>
- » Edmonton Food Council Implementation Plan: http://www.edmonton.ca/city_government/urban_planning_and_design/food-and-urban-agriculture.aspx
- » Local food purchasing ordinance: <http://eatbettermovemore.org/sa/policies/pdf/text/200903191727120.AlbanyLocalFood.pdf>

- » Define Local Food For Your Institution: <http://pdf.countyofdane.com/ifm/IFMdefinelocal.pdf>
- » Guide to Developing Sustainable Food Purchasing Policy: <http://www.sustainablefoodpolicy.org>
- » San Francisco Executive Order 09-03: http://www.sfgov3.org/ftp/uploadedfiles/sffood/policy_reports/MayorNewsomExecutiveDirectiveonHealthySustainableFood.pdf
- » San Francisco Food Policy Program: <http://www.sf-planning.org/index.aspx?page=3539>
- » Southern Wisconsin Food Hub Feasibility Study and Request for Proposals: http://pdf.countyofdane.com/Purchasing/RFI_111101_Packing_House_Study.pdf; <http://danedocs.countyofdane.com/webdocs/pdf/purch/rfp112018.pdf>
- » USDA ERS – *Local Food Systems: Concepts, Impacts, and Issues*: <http://www.ers.usda.gov/publications/err-economic-research-report/err97.aspx#UkHBBYakq3V>
- » USDA Regional Food Hub Resource Guide: <http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=S TELPRDC5097957>

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About us

The Mayors Innovation Project is a learning network among American mayors committed to "high road" policy and governance: shared prosperity, environmental sustainability, and efficient democratic government. We are a project of COWS (Center on Wisconsin Strategy). This work is generously supported by the Surdna Foundation. We can be contacted at:

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