Local Food Economies as a Strategy for Rural Development

Rural Economic & Community Development through Local Food System Expansion in North Carolina

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Presented to APA-NC Section 5: Edenton, NC

www.ncgrowingtogether.org | www.localfoodeconomies.org
North Carolina Growing Together is a five-year USDA-funded project aiming to strengthen and expand local and regional food supply chains and to model this work for other geographies in the U.S.

### Farmer capacity
- Food safety, market channels, production techniques, buyer connections

### Supply chain expansion
- Wholesale and institutional partner connections, infrastructure assessment and business feasibility

### Producer & processor capacity
- Resource development for meat, dairy, seafood, produce, and value-added products

### Supportive business environments
- Local government integration; small business development and support for food-based entrepreneurs

This material is based upon work that is supported by the National Institute of Food and Agriculture, United States Department of Agriculture, under award no. 2013-68004-20363. Any opinions, findings, recommendations, or conclusions expressed in this publication are those of the author(s) and do not necessarily reflect the view of the U.S. Department of Agriculture.
Today’s Session

- Overview of agriculture & food business development in North Carolina
  - Local Food Economies & Supply Chains
  - NC & National Ag Statistics
  - Partners
- NCGT Models for expanding food systems & supply chains
  - Working with wholesale chains & institutional buyers
  - Working with business developers
  - Working in local & regional governments
- Examples from NC towns, counties, and councils of government
- Resources and tools

AGRICULTURE IN NORTH CAROLINA

- Ranks 8th in the nation for agricultural receipts
- Accounts for more than 1/6 of the state’s jobs and income
- Is the #1 industry in North Carolina
- Brings in more than $84 billion to the state’s economy

Resources and tools
Local Food Economies

Local food economies encompass everything that is associated with a local food system.

This includes the entire food supply chain – from production to consumption – as well as affiliated businesses and structures.
Local Food Supply Chains

**Producer Inputs**
seeds, equipment, stock, land, water

**Production**
land, water, the business of farming, technique, methods, labor, certifications

**Storage & Processing**
harvest, cooling & storage, packing, processing, food manufacturing, aggregation

**Distribution & Sales**
wholesale/retail, institutional buyers, chefs, trucking, warehousing, sales teams

**Consumption & Access**
grocery & retail outlets, foodservice, food banks/pantries, farmers markets
Common food system terms and definitions

- **Agricultural Economic Development**
  - Encompasses financial and regulatory structures that encourage farm success
  - Includes policies that impact food processors and other supply chain businesses, including transportation

- **Aggregation**
  - Popular “food hub” and other ag center function, pulling together smaller volumes of agricultural products into larger orders for wholesale markets
  - Some food hubs serve additional purposes

- **Food Access & Consumption**
  - Covers emergency and non-emergency food access for people at all income levels
  - Includes front-line food services like pantries and kitchens
  - Also includes topics like access to healthy foods, food desert prevalence, distance to food sources, and other factors

- **GAP & FSMA**
  - GAP: Good Agricultural Practices, voluntary USDA certification program (req. by some buyers)
  - GHP: Good Handling Practices (similar, but for food processing facilities)
  - FSMA: update to ancient food safety regulations; not connected to GAP

- **The Great Variety of Kitchens**
  - Shared-use kitchens, commercial kitchens, co-op kitchens…
So, what’s local?
Food systems are unique to the geographic, cultural, and market attributes of their regions. Local and regional governments are encouraged to create their own definitions of “local” foods for use in branding and marketing efforts.

*Data sources are provided on the final slide.*
$84 billion in Agriculture, Food, and Forestry Industries (Sept. 2016)

Data provided by Mike Walden, Reynolds Distinguished Professor and Extension Economist, N.C. State University, College of Agriculture and Life Sciences

*Data sources are provided on the final slide.
COMMON ISSUES IN DEVELOPING FARM AND FOOD BUSINESSES

Succession
Who farms next?
• Average age of NC farmer: 59
• Average age of US farmer: 55
• Opportunities for rural youth (countering the “brain drain” problem)

Land Loss
Prioritizing farm-conscious growth
• 2016: 40 acres per hour
• Prime soils & water access

Economics
Regional impacts
• Economic impact of agriculture & food entrepreneurship
• Entrepreneurship & the resiliency of small- and mid-scale business networks
• Rural-urban market relationships
• Revitalization of downtowns, vacant land, and urban centers
• Systems approach: private-sector opportunities across multiple industries
• Agritourism
COLLABORATIVE OPPORTUNITIES IN LOCAL FOOD ECONOMIES

The development of local food economies relies on nontraditional partners and a regional approach to infrastructure, transportation and land use.

**PARTNERS**
- Traditional partners (other local government staff, councils of government)
- Ag partners (Extension Service, NCDA)
- Nontraditional partners (public health, transportation & infrastructure, small business centers & workforce development, SWCDs)
- Community partners (food councils, nonprofits, faith-based groups)
- Higher education partners (universities and community colleges)
- Nonprofits & NGOs
- Social networks
Working with Supply Chain Partners

- NCGT model: Partner with supply chain actors to determine needs & opportunities.
  - Opportunities to backhaul products
  - Infrastructure and storage needs
  - Market opportunities and research
  - Distribution considerations
  - Training and certifications
  - Packaging and handling needs
Working with Business Developers

- **NCGT Model**: Understand & fill capacity needs for existing, on-the-ground networks that support farm & food networks.
  - Identify training needs for counselors
    - Legal issues in food & farm businesses
    - Labor laws for farms
    - Family business & estate / succession planning; heirs property
    - Food safety & compliance
    - Accounting & tax laws; recordkeeping
    - Zoning exemptions: agricultural & commercial considerations
  - Provide training opportunities
    - NC REAL Certification
    - Legal training
    - Webinar series
    - Work with lenders & financing agencies

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**SBDC**

**SBCN**

**NC Growing Together**

**FOOD & FARM BUSINESS RESOURCE GUIDE**

**HEIRS PROPERTY AND SUCCESSION PLANNING FOR FARMERS AND LANDOWNERS IN NORTH CAROLINA**

**NC REAL Certification**

**Legal training**

**NC REAL Certification**

**Legal training**

**Webinar series**

**Work with lenders & financing agencies**
Working in Local & Regional Governments

- Planning & Land Use for Local Food Economies
  - planning, land use, and zoning issues that directly impact farms, food businesses, and other contributors to the local food economy

- Economic & Community Development for Local Food Economies
  - strategies for the retention, creation, expansion, and recruitment of farm and food businesses

- Collaborating for Growth
  - recommendations for non-traditional partnerships and inclusive planning strategies that bring together disparate elements of local food economies
Zoning and land use strategies & policies

Town of Matthews (Unified Development Ordinance)
City of Winston-Salem/Forsyth County
Mission

Our mission is to promote the economic development of agriculture and agribusiness in Henderson County. We are a public and privately funded non-profit organization assisting new and existing operations to foster growth in the industry through identifying production and market opportunities, promotion, education, advocacy, utilization of financial resources, gathering and sharing of pertinent information and by coordinating ag-related development.

How we Support the Mission

- Identifying production and marketing opportunities for our members
- Promoting the industry, educating producers, and the public, and providing legislative advocacy
- Locating resources and facilities for existing and potential growers and producers
- Connecting individuals and coordinating ag-related projects

Planning for a Networked Produce Storage and Aggregation System for the Piedmont Triad Region

4/17/2014

Comprehensive & Strategic Planning: Agricultural Economic Development Plans

Henderson County Agricultural Economic Development Strategy
Durham County Agricultural Economic Development Plan
Piedmont Triad Piedmont Together Health & Food Strategy
Community Food System Assessments
Cape Fear Council Of Governments
Mid-East Commission & CFSA for Beaufort County
Regional infrastructure & supply chain analysis

Local Food Infrastructure Map

Piedmont Triad Regional Council

Triangle Farms for Food Report (CTNC & Triangle J)
Agricultural economic development director positions (county/town employees)

Durham County
Henderson County
Polk County
Orange County
Regional support & coordination for food policy and/or food collaborative efforts

Community Food Strategies

NC Rural Center
"I'm not a farming expert, but I can help them with their business model and access to capital," she points out. "When they need help with harvesting or pesticides, that's where Extension comes in. We've got to stop thinking that each of our independent organizations has all the answers. It takes a team to help small farmers move forward and become sustainable businesses that can grow over time."

Tiffany Henry, SBC Director, Southwestern Community College

Business development & entrepreneurship

Appalachian Farm School
Vance-Granville Ag Entrepreneurship Program
Piedmont Food & Ag Processing Center
Eastern Carolina Food Ventures
NCGT & CEFS: RESOURCES AND TOOLS

Alamance County
LOCAL FARMS AND FOOD PROFILE
DATA FROM 2012 & 2007 USDA CENSUS

83,551 ACRES OF FARMS IN ALAMANCE COUNTY
DOWN 5% FROM 2007

$16,000 GROSS REVENUE FROM AGROTOURISM & RECREATIONAL ACTIVITY
DOWN 33% FROM 2007

114 ACRES AVERAGE SIZE OF FARM
DOWN 3% FROM 2007

8 FARMS WITH AGROTOURISM & RECREATIONAL ACTIVITY
UP 14% FROM 2007

WWW.LOCALFOODECONOMIES.ORG
NATIONAL & STATE RESOURCES AND TOOLS

USDA’s Economic Impact of Local Foods Toolkit

USDA’s Farm to Fork Resources

American Planning Association

Southern SAWG

National Institutes of Health


USDA Economic Impact of Local Foods Toolkit: www.localfoodeconomics.com

NC Department of Agriculture

www.ncagr.gov

NC Cooperative Extension

https://www.ces.ncsu.edu/local-county-center/

NORTH CAROLINA SUCCESS STORIES

Comprehensive & Strategic Planning: Agricultural Economic Development Plans

- Example: Henderson County, Durham County

Community Food System Assessments

- Example: Cape Fear COG

Infrastructure/supply chain mapping analysis

- Example: LFI Map; Piedmont Triad Regional Council

Regional agricultural economic development directors

- Examples: Durham, Henderson, Polk, Orange

Regional support & coordination for food policy councils and/or food collaboratives

- See Community Food Strategies’ work with councils of government

Business development & entrepreneurship

- Examples: Appalachian Farm School, Vance-Granville Ag Entrepreneurship Program, Piedmont Food & Ag Processing Center

Zoning and land use strategies & policies

- Examples: Town of Matthews, City of Winston-Salem/Forsyth County
Data sources used in this presentation include:


- UNC School of Government Local Food Resources: https://www.sog.unc.edu/search/#/search/local%20food

- Farmland Information Center, 2016: http://www.farmlandinfo.org/statistics

- APA Food Systems Planning Working Group: https://www.linkedin.com/groups/3930672/profile

- National Farmland Trust, 2016: https://www.farmland.org/our-work/areas-of-focus/farmland

Special thanks to Donald Belk, AICP, N-Focus Planning; Erin Sullivan White, Community Food Lab.; Debbie Hamrick, NC Farm Bureau; and Jonathan Q. Morgan, Associate Professor of Public Administration and Government, UNC School of Government, for their time and expertise in assisting the Resilient Local Food Economies initiative.