

# Food-Based Local Economic Development

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# Planning Local Food Systems

- Food insecurity and poverty
- Importance of local ownership
- How to estimate:
  - Community food expenditures
  - Local production capacity
  - Regional income expansion

# Paths in Rochester

The Super Duper burned down in NE Rochester - 1992

In 1993 we formed Partners Through Food

Also in 1993 we formed the NorthEast Neighborhood Alliance (NENA)

By 2003 we created a community land trust, market gardens, GRUB and a microenterprise development program

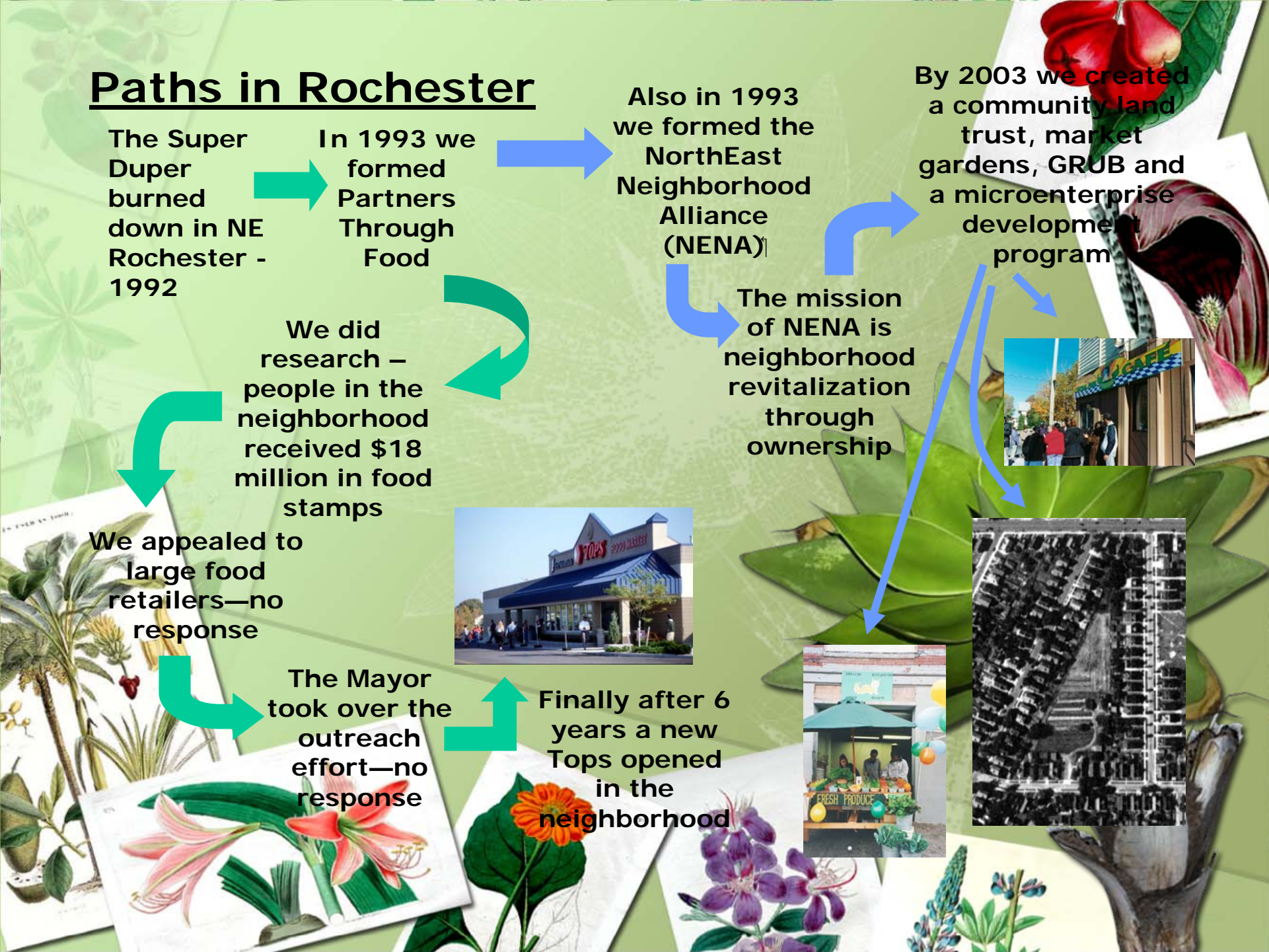
We did research – people in the neighborhood received \$18 million in food stamps

We appealed to large food retailers—no response

The Mayor took over the outreach effort—no response

Finally after 6 years a new Tops opened in the neighborhood

The mission of NENA is neighborhood revitalization through ownership



# Why did we do this work?

- The poorest neighborhoods in Rochester had no ready access to good food.
- These neighborhoods lacking food access are predominantly African American and Latino—a situation that exists throughout the US.
- Communities succeed with ownership of the means of production and exchange of basic goods and services.

# Community food security

- Ready access to culturally acceptable, nutritionally adequate food through local non-emergency sources at all times.
  - M. Winne, H. Joseph, A. Fisher, *Community Food Security: A Guide to Concept, Design and Implementation*. Community Food Security Coalition, 1997, Venice, California.

# Food security and food-based economic development

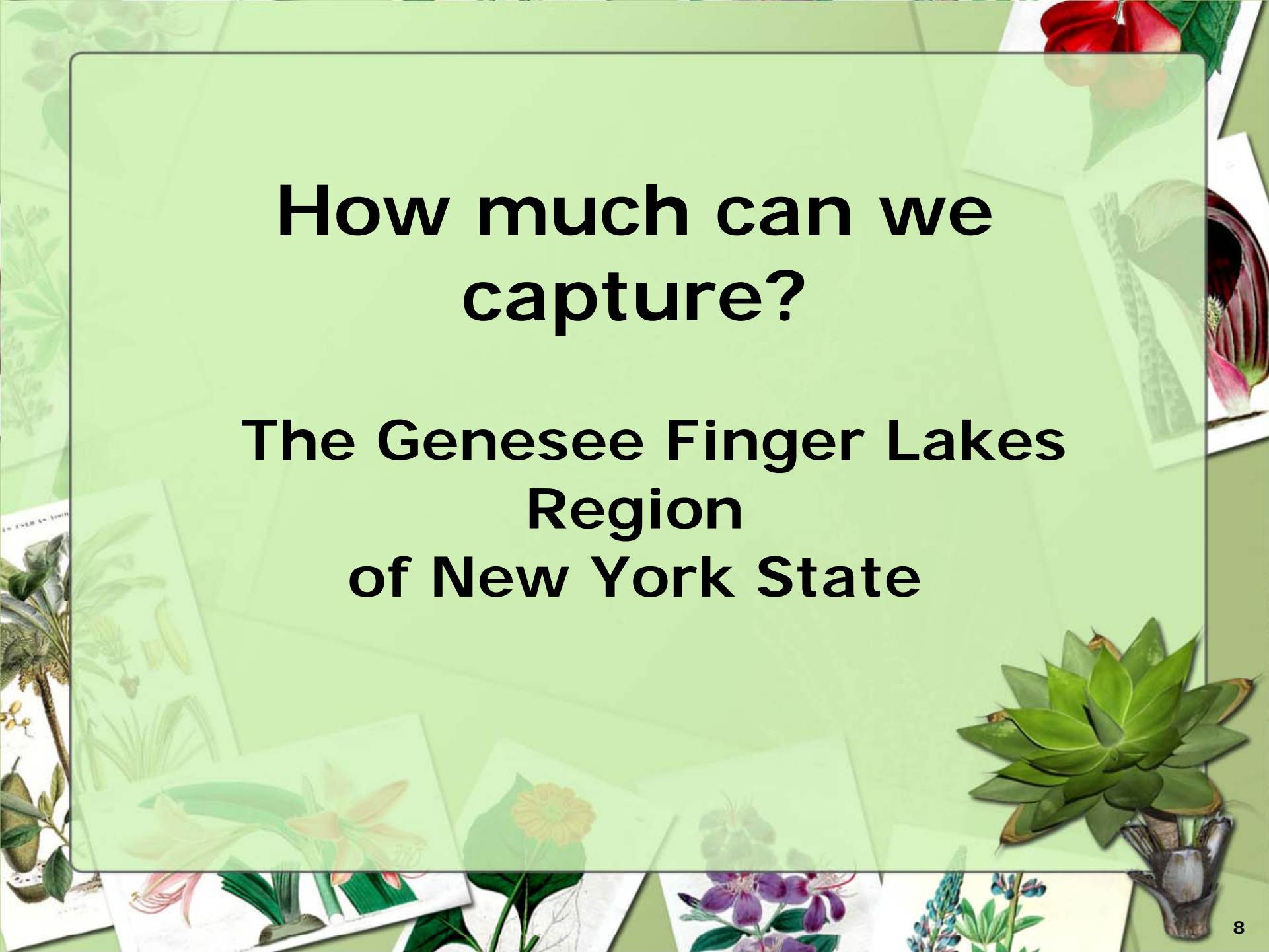
- Food security and food-based economic development also go hand-in-hand
- Locally owned “value chains” can bring regionally produced foods to regional consumers
- **Local ownership captures wealth instead of exporting wealth**

# Local Food Systems

- *A set of interdependent and linked activities that result in the production and exchange of food*
  - Farming, packing, processing, packaging, storage & distribution
  - Local sources and consumers
  - Variety of scales

**How much can we  
capture?**

**The Genesee Finger Lakes  
Region  
of New York State**





## The Genesee Finger Lakes Region of New York State



A C-PREP Map

# Consumer expenditures for the “market basket” of food

Consumers in the GFL region in 2002 spent over \$3.8 billion for food at home and food away from home.

2002 Northeast Consumer Expenditure Survey					
GFL Region	2002 Population	Average Number of People per Consumer Unit	Number of Consumer Units	Expenditures for Food at Home Per Consumer Unit	Expenditures for Food Aw ay from Home Per Consumer Unit
TOTALS	1,643,907	2.5	657,563	\$ 3,296	\$ 2,517

2002 Consumer Expenditures for Food			
GFL Region	Food at Home	Food Aw ay from Home	All Food
TOTALS	\$ 2,167,326,989	\$ 1,655,085,568	\$ 3,822,412,556

# Regional food production

**Regional food production (farms, food manufacturers) generates about \$2.8 billion annually—and probably less that one-half of that revenue comes from sales to regional consumers.**

GFL Region	2002 Farm Cash Receipts	2002 Est. Food Production Value of Shipments	Estimated Regional Food Production
TOTALS	\$1,171,577,000	\$ 1,683,843,324	\$ 2,855,420,324

# Market gap

- The gap between consumer expenditures and food production in the GFL region exceeds \$2.37 billion.
- Our farmers and food manufacturers can serve that market if they choose to do so.

# How much land?

	Chickens	Beef	Hogs	Fresh tomatoes	Processed tomatoes	Strawberries	Apple orchards	Other vegetables and herbs	Total
Pounds produced per acre	2,500	300	5,000	17,000	60,000	48,000	67,000		
Pounds consumed per person	82	65	52	18.1	69.7	5	18.8		
Pounds consumed per neighborhood of 10,000	820,000	650,000	520,000	181,000	697,000	50,000	188,000		
Acres needed	328	2,163	103	11	12	10	50	50	2,727

# Total income expansion

By simply capturing only an additional 10% of the consumer food expenditures in the GFL region, farmers and food producers could expand total income by more than \$1.4 billion.

	Projected Regional Food System Revenue With 10% Capture of Consumer Food Expenditures	Size of Initial Increase in Regional Food System Revenue	Economic Multiplier Estimate	Change in Total Income From Regional Food System Expansion (employee compensation, proprietary income and other property income)
Farming	\$ 1,553,818,256	\$ 382,241,256	2.00	764,482,511
Food Manufacturing	\$ 2,066,084,580	\$ 382,241,256	1.80	688,034,260
Regional Total	\$ 3,619,902,835			1,452,516,771

# Jobs

**And they could create more than 1,500 jobs.**

	Projected Regional Food System Revenue With 10% Capture of Consumer Food Expenditures	Size of Initial Increase in Regional Food System Revenues	Economic Multiplier Estimate	Job Creation Resulting from Each Million Dollars of Initial Increase in Regional Food System Revenues in Response to "Final Demand"
Farming	\$ 1,553,818,256	\$ 382,241,256	1.45	554
Food Manufacturing	\$ 2,066,084,580	\$ 382,241,256	2.54	971
Regional Total	\$ 3,619,902,835			\$ 1,525

# Extracting Wealth

- Globalized, concentrated food businesses extract wealth from localities.
  - Top 4 beef packers: 79% of the market
  - Top 4 pork packers: 57% of the market
  - Top 4 broiler producers: 49% of the market
  - Top 4 flour millers: 62% of the market
    - Heffernan, Hendrickson & Gronski, "Consolidation in the Food and Agriculture System, 1999"

# Exporting Wealth—NY

- New Yorkers spent \$43.6 billion for food at home and away from home in 2002.
- The market gap between what New York consumers spend for food exceeds \$34.5 billion—money that New Yorkers export all over the world for food.

# Retaining Wealth—NY

- Capturing just 10% of NYS consumer food expenditures would generate over \$16.5 billion in total income and over 17,000 jobs

# Reallocating food dollars

Implications in the energy sector?

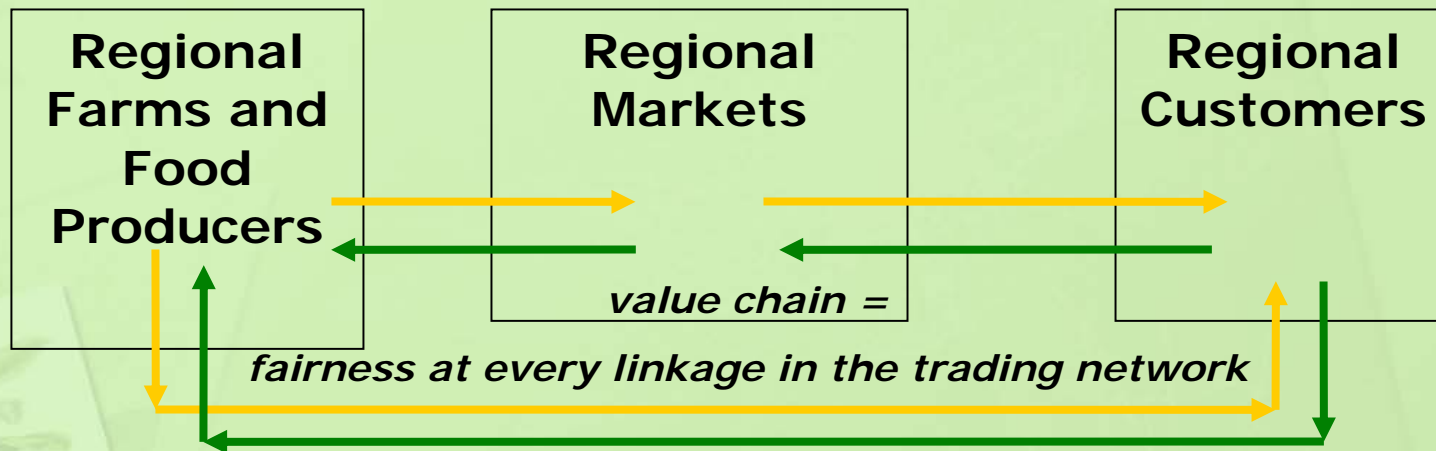
	Labor	Packaging materials	Rail and truck transportation	Fuels and electricity	Pretax corporate profits	Advertising	Depreciation	Net interest	Net rent	Repairs	Business taxes	Other costs	Farm value	Total consumer expenditures
Percent distribution of retail food dollar for conventional system - actual 2002	38%	8%	4%	4%	5%	4%	4%	3%	4%	2%	4%	3%	19%	100%
Percent distribution of retail food dollar proposed local food systems model	13%	4%	2%	4%	5%	2%	4%	3%	4%	2%	4%	3%	50%	100%

# How?

- By re-localizing the food system
- By building regional food trading businesses and “value chains”
- By promoting local ownership of all of the production, distribution and retail operations of the regional food system

# What would a regional food system look like?

A schematic diagram of regional food trading "value chains"



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# Possible next steps

- Community assessments, including the Neighborhood Food Expenditure (NFE®) Survey
- Local leadership development, capacity building & organizational infrastructure
- Policy development from the ground up
- New models and demonstrations

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