



# Stronger Economies Together

Doing Better Together

Local and Regional Food Systems

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# REGIONAL FOODS: EXPLORING REGIONAL FOOD SYSTEMS

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## OVERVIEW

Purpose: During this session, participants will:

- Review the components of a food system
- Learn the main types of food systems marketing channels
- Learn about supporting policies and programs

Estimated Time to Complete: 7 hours

Materials Needed:

- Nametags
- Name tents
- Sign in sheets
- Flip charts
- Markers
- 3 x 5 Cards

Handouts:

- Handout 2 – Market Manager Duties

**SLIDE 1**  
**INSTRUCTIONS**

Have this slide up as participants enter the room.

**Icebreaker/Opener**

As people enter the room, hand each person a 3x5 card and ask them to define “regional food system” and define its components. After several people have arrived, ask people to get up and share their definitions with others in the room to see where their definitions overlap and where they are different



SLIDE 1

TIME: 10 MINS

SUPPLIES: 3 X 5 CARDS – ENOUGH FOR EACH PERSON TO HAVE ONE

HANDOUTS:

## SLIDE 2

## INSTRUCTIONS

Explain that the purpose of this module is to provide an overview of regional food systems. Local food initiatives and regional food systems have grown in popularity across the country in recent years as producers, consumers, and communities respond to the perceived business and economic development, health and nutrition, food security, social capital, and environmental benefits that that regional food systems can provide.

The topics on the slide show what will be covered in the first part of this session.

Note that a lot of confusion exists around some of the definitions of these concepts. Ask participants to share some of the ways in which their definitions of “regional food systems” agreed and some places where they differed. [Possible answers might be kinds of foods included, whether value added was included, how far away we define “regional”, etc.] Also, briefly review the components that the participants identified. You may wish to jot some of the observations on a flip chart to integrate into the discussion as you move forward.

**Exploring Regional Food Systems**  
**Part 1: Regional Food Systems Overview**

Local/Regional Food Systems:

- Definition and Components
- Marketing Channels
- Trends
- Farmers' Markets
- Food Hubs
- Impact on Communities
- Challenges
- Supporting Policies and Programs

**SET**  
 Stronger Economies Together

SLIDE 2

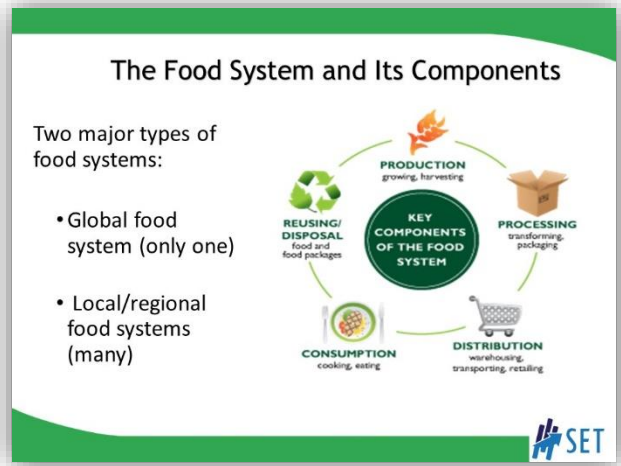
TIME: 5 MINS

SUPPLIES: FLIP CHART, 3 X 5 CARDS FROM  
 ICEBREAKER

HANDOUTS:

**SLIDE 3**  
**INSTRUCTIONS**

Briefly review the components of a food system ensuring that all participants understand the “system” nature (interconnected pieces). The image of the components of a food systems should help the participants understand the many interrelated functions and activities that constitute a food system.



SLIDE 3

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 4**  
**INSTRUCTIONS**


Briefly explore the various attempts to define “local” and “regional” noting that no consensus has been established.

Poll the group to see what variations they came up with on their 3x5 cards.

The main point: “Local” and “Regional” has a geographic connotation however there is no consensus on distance between production and consumption. For some consumers “local” or “regional” may be based on ownership or natural or organic production practices.

### Local vs. Regional Food Systems - Is There a Difference?

- “Local” or “regional” has a geographic connotation, but no consensus.
- 2008 Farm Act definition of “local” or “regional” foods:
  - Less than 400 miles from its origin, or
  - Within the State in which is produced
- Other definitions:
  - Local ownership of the farm
  - Food is associated natural or organic production practices

SLIDE 4

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

## SLIDE 5

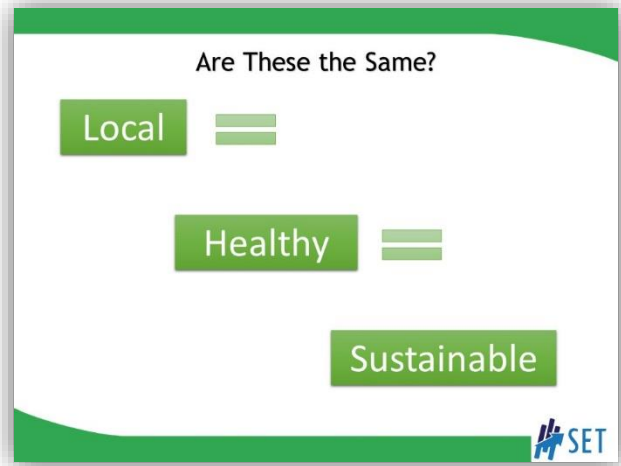
## INSTRUCTIONS

Lead a short discussion on the differences between **local** food and **healthy or sustainable** food. Note that these are not necessarily the same. However, many people equate “local” food with characteristics such as fresh, healthy, and produced in an environmentally and socially responsible manner. However, technically, “local” means only that a food was produced relatively close to where it is sold and does not provide any indication about food qualities such as freshness, nutritional value, or production practices, and cannot be used as a reliable indicator of sustainability.

**Sustainable food production** is a way of growing or raising food in an ecologically and ethically responsible manner. This includes adhering to agricultural and food production practices that do not harm the environment, that provide fair treatment to workers, and that support and sustain local communities.

## Discussion:

- How are the concerns and interests of proponents of these three concepts related [local, healthy, sustainable]? In what areas might they agree, and in what areas might they differ?
- Are there groups within this region focused on these concepts? If so, where do their interests lie?



SLIDE 5

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

## SLIDE 6

## INSTRUCTIONS

Briefly describe the two main types of local/regional food system marketing channels:

- **Direct-to-consumer (DTC)** marketing channels include marketing opportunities where consumers buy directly from producers, including farmers markets, community supported agricultural arrangements (CSAs) roadside stands, pick-your-own, on-farm stores.
- **Intermediated** marketing channels include all marketing opportunities that are not direct-to-consumer sales, such as producers selling to grocers, restaurants, regional aggregators such as food hubs, and buying arrangements with the food service operations of schools, universities, hospitals, and other institutions.

The next slide gives more details.



SLIDE 6

TIME: 10 MINS

SUPPLIES:

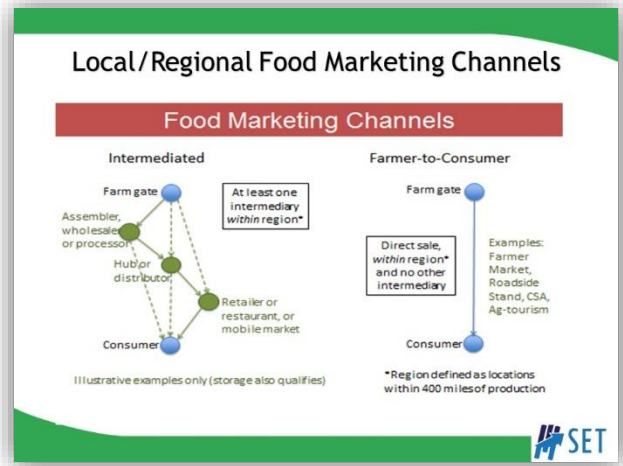
HANDOUTS:



**SLIDE 7**  
**INSTRUCTIONS**

Use this slide to briefly demonstrate the two channels.

Discussion: What food marketing channel activity, direct and/or intermediated, are you seeing in your community and region?



SLIDE 7

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

SLIDE 8  
INSTRUCTIONS

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SLIDE 8

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

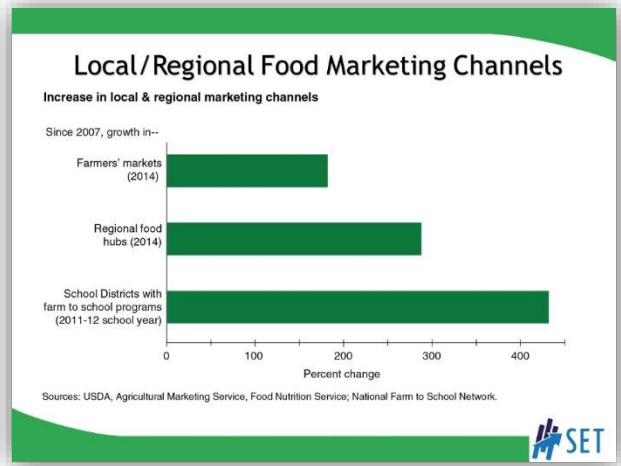
**SLIDE 9**  
**INSTRUCTIONS**

Using this chart, explore the growth of food marketing channels from 2007-2014.

**Growth, 2006-2014**

- Direct-to-Consumer (Farmers' Markets): +180% (8,268)
- Intermediated (Food Hubs): +288% (302)
- Farm-to-School (School Districts): +430% (4,322)

Discussion: Does any of this surprise you? If so, what and why does it surprise you?



SLIDE 9

TIME: 10 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 10**  
**INSTRUCTIONS**

A quick review of 2012 data reveals these observations:

- In 2012, local food sales totaled an estimated \$6.1 billion
- Farms with gross cash farm income (GCFI) below \$75,000 accounted for 85 percent of local food farms and only 13 percent local food sales in 2012.
- Farms with gross cash farm income (GCFI) above \$350,000 accounted for 5 percent of local food farms and 67 percent of sales in 2012.



**Main Point:** While small farms make-up the majority of local food farms, large farms are account for majority of local food farm sales.

SLIDE 10

TIME: 10 MINS

SUPPLIES:

HANDOUTS:

Source: *Trends in U.S. Local and Region Food Systems*

<http://www.ers.usda.gov/publications/ap-administrative-publication/ap-068.aspx>

**SLIDE 11**  
**INSTRUCTIONS**

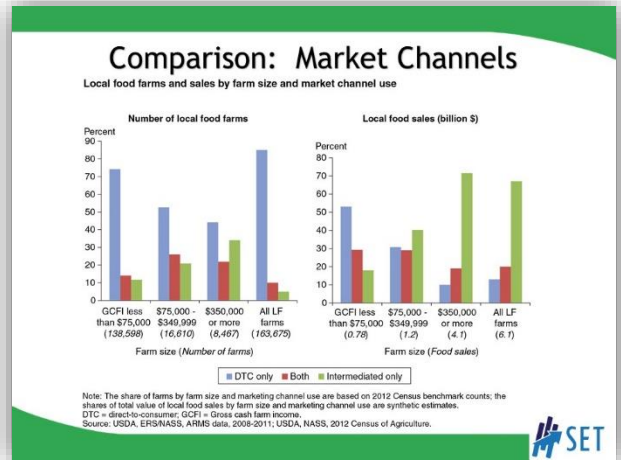
These two charts break the data down further by separating out direct to consumer only, intermediated only, or both.

Ask participants for their observations.

Some guiding questions:

- How do small local food farms and large local food farms compare in their use of direct-to-consumer and intermediated marketing channels?
- Do small local food farms use one marketing channel more than another? Do large local food farms use one marketing channel more than another?

The next slide looks at one more slice of the data.



SLIDE 11

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

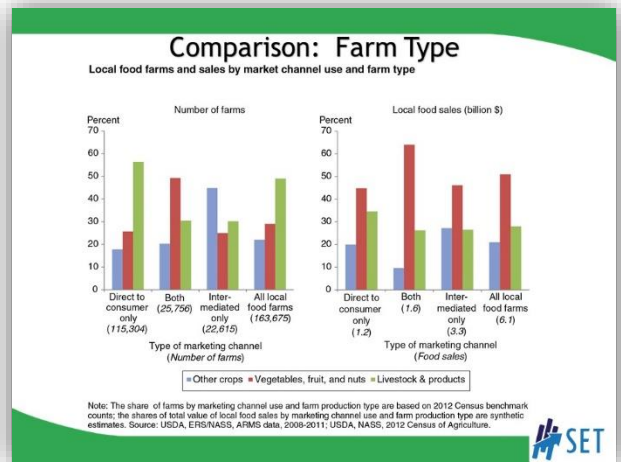
**SLIDE 12**  
**INSTRUCTIONS**

Continue exploring the data by looking at farm types.

Guiding questions:

- How do local food farms compare in their use of direct-to-consumer and intermediated marketing channels based on the type of food they produce – vegetables, fruit, and nuts vs. livestock & products vs. other crops?
- Does the marketing channel used vary with the different types of foods?

Main Points: Small local food farms tend to use the direct-to-consumer marketing channel more, while the large local food farms tend to use the intermediated marketing channel more. Local livestock & products farms tend to use the direct-to-consumer marketing channel the most, local vegetables, while fruit and nuts farms tend to use the intermediated marketing channel the most.



SLIDE 12

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 13**  
**INSTRUCTIONS**

Briefly explore these trends.

What are some possible reasons for the declining trend of number in farms and decline in value of DTC sales? Guide the group to consider these contributing factors if they do not surface from the discussion. Three factors may have contributed to the lack of growth in DTC sales since 2007

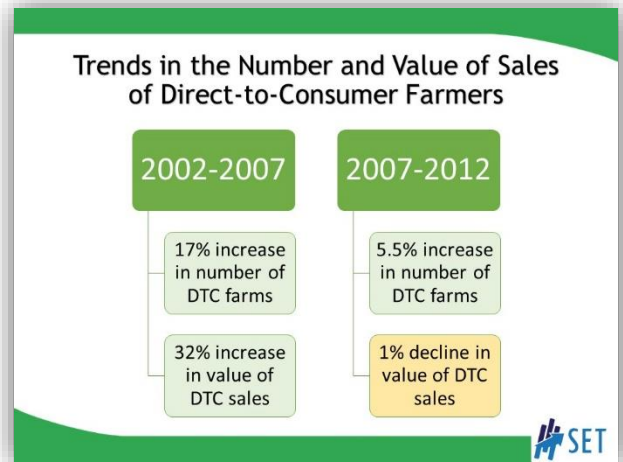
- Consumer demand for local food purchased through DTC outlets may have plateaued, such that DTC outlets are competing for the same consumer dollar.
- Where local food systems have been thriving, farmers may have been able to increase sales through intermediated marketing channels. That is, growing consumer demand for local food may have been met by retailers rather than through DTC sales.
- Food hubs may compete with other types of local food sales in certain regions.

**Main Points:** After strong growth between 2002 and 2007, the growth in the number of and value of sales of direct-to-consumers farmers declined sharply between 2007 and 2012. Several factors may have contributed to the decline including the rise in the sale of local food through intermediated marketing channels.

Question for Group Discussion:

What are the trends in the number of local food farms in your community and region?

Are you seeing an increase? What are the trends in the use of direct-to-consumer and intermediated marketing channels in your community and region?



SLIDE 13

TIME: 10 MINS

SUPPLIES:

HANDOUTS:

Source: Trends in U.S. Local and Region Food Systems

<http://www.ers.usda.gov/publications/ap-administrative-publication/ap-068.aspx>

**SLIDE 14**  
**INSTRUCTIONS**

In most local/regional food systems, farmers markets are the primary direct-to-consumer (DTC) marketing channel.



SLIDE 14

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

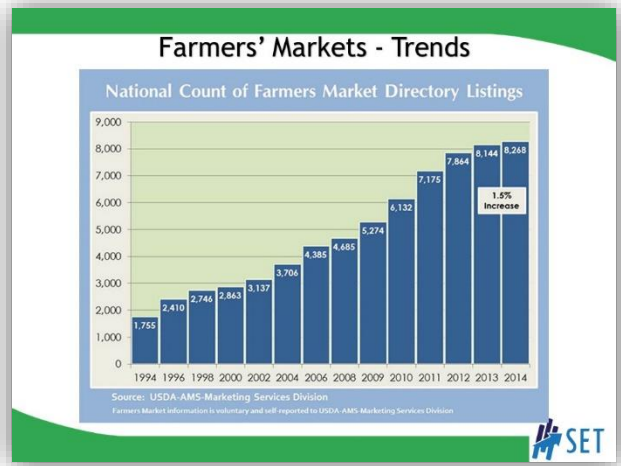


**SLIDE 15**  
**INSTRUCTIONS**

Examine these trends of farmers' markets over 2 decades.

Key points are:

- Farmers' markets are growing in popularity across the country. As of 2014, there were 8,268 farmers' markets in the United States, having grown by 180 percent since 2006. There are many reasons for this, including the benefits that farmers markets provide to consumers, farmers, and the communities they serve.
- Farmers markets are the primary direct-to-consumer marketing channel. Farmers markets are growing in popularity across the country. Following a rapid increase in the number of farmers markets in the 1990s and early 2000s, the number of new markets has grown at a much slower pace.



SLIDE 15

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 16**  
**INSTRUCTIONS**

A few potential benefits of farmers' markets are noted on the screen. Ask participants what other values might be gained from these venues.

- Consumers benefit from farmers' markets by receiving a wide selection of fresh, affordable, produce and specialty food items such as baked goods, jams, jellies, eggs, honey, cheese, meat products, herbs and spices, other value-added products, arts and crafts.
- Producers benefit from farmers' markets by selling directly to consumers allowing them to produce and sell in relatively small volumes that provide more income than would be possible selling through other channels.
- Communities benefit from the link that farmers markets provide between food consumption and production, allowing community members to get a better sense of their food's origins; by addressing the nutritional needs of individuals and families particularly the elderly and low-income; by encouraging and enhancing the preservation of farmland; and by contributing to local food security, community economic development and agricultural diversity.



SLIDE 16

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 17**  
**INSTRUCTIONS**

Discuss some of the key factors in the success of a farmers' market. Using the elements on the slide, examine how the region's markets (if any) are doing. Do any of these factors seem to be helping or hindering success?

Establishing a viable farmers' market requires attention be given to keys areas of:

- Market organization and structure
- Market management
- Market location
- Identifying, recruiting and retaining vendors
- Attracting and retaining customers
- Recruiting community partners

**Main Point:** To be successful farmers markets need to address key challenges including market management, market location, and recruitment of vendors, customers and community partners.

**Discussion:** What is the trend with farmers markets in your community and region? Are they growing in number? What challenges are they facing?



SLIDE 17

TIME: 10 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 18**  
**INSTRUCTIONS**

The following slides provide an overview to food hubs.



SLIDE 18

TIME: 1 MIN

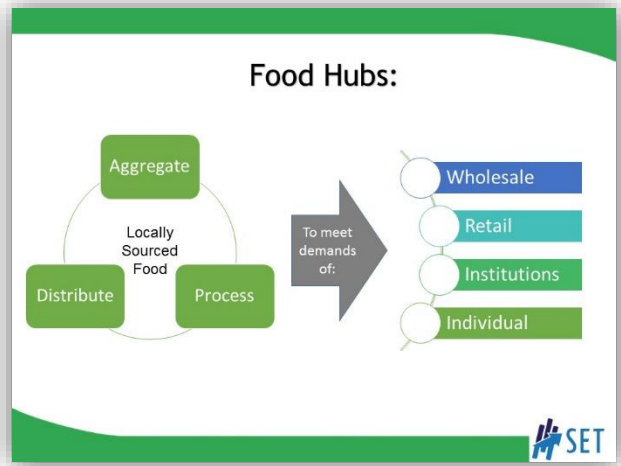
SUPPLIES:

HANDOUTS:

**SLIDE 19**  
**INSTRUCTIONS**

Use the diagram on the slide to define and describe a food hub: Food hubs are enterprises that aggregate, process, and distribute locally sourced food to meet wholesale, retail, institutional, and even individual demand.

Food hub infrastructure can include things like a warehouse and cold storage facility to sort, grade and store food, and keep it fresh; processing operations to prepare products for schools, grocers or other buyers; and refrigerated trucks to transport local food



SLIDE 19

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 20**  
**INSTRUCTIONS**

Briefly show how the number of food hubs has increased significantly in the past 10 years.



SLIDE 20

TIME: 10 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 21**  
**INSTRUCTIONS**

Briefly discuss some potential food hub infrastructure, including: aggregation centers, packing houses, processing centers, web-based aggregators, cold storage, warehouses, etc.

Discussion: What infrastructure exists in our region to support regional food hub initiatives?



SLIDE 21

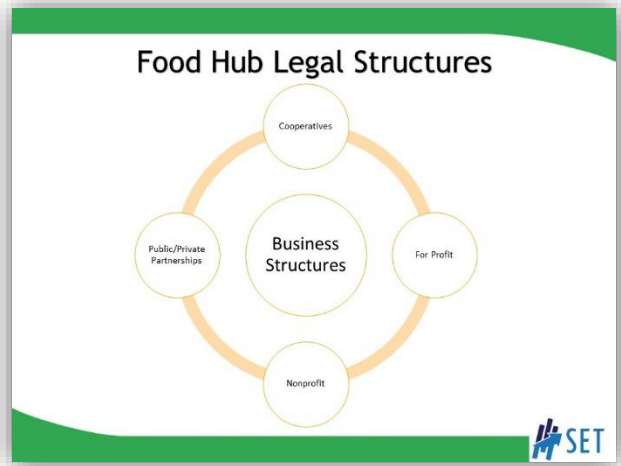
TIME: 10 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 22**  
**INSTRUCTIONS**

Briefly overview the types of business structures that can be used to support food hubs. Note that the revenue models will be different for the various structures



SLIDE 22

TIME: 5 MINS

SUPPLIES:

HANDOUTS:



**SLIDE 23**  
**INSTRUCTIONS**

What transportation options do we have in the region to support tourism?

Add these to the tourism planning guide. Explore these potential positive impacts that local/regional food systems can have on communities:

**Economic Development** - The expansion of local food markets implies that consumers in a particular area are purchasing more of their food from nearby sources, and that more of the money they spend remains in their local community stimulating increased local production of food and non-food products and services, consumption, jobs, incomes and a larger tax base.

**Health and Nutrition** - Local foods may have a positive effect on health and nutrition by increasing the choices and assess people have to healthier food items that are fresher, less processed, and retain more nutrients (e.g., because of shorter travel)

**Food Security** - Food security means that people have access “to enough food for an active, healthy life”. Those who are food insecure, often living in areas widely referred to as food deserts, have limited or uncertain availability of healthy, particularly fresh, and safe food or have uncertain ability to acquire food in normal ways. Direct marketing of local food has been a key component of community food security programs.

**Social Capital** – Local food systems help strengthen communities by enhancing trust and fostering cooperation through increased interactions between local producers and consumers that can have positive spillover (networking) effects on other sectors and activities in the community.

**Environmental** - Advocates for local/regional food systems cite environmental benefits of purchasing local foods including reduced transportation and greenhouse gas emissions, less processing and packing, and farmland and open-space preservation.

**Local/Regional Food Systems  
Impact on Communities**

Positive community impacts include:

- Economic Development
- Health and Nutrition
- Food Security
- Social Capital
- Environmental

SLIDE 23

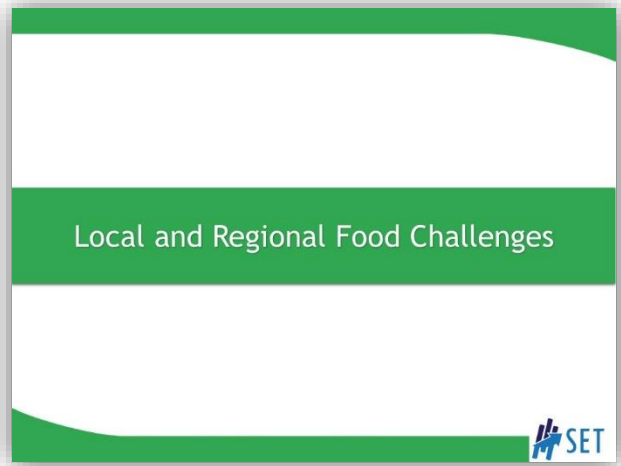
TIME: 10 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 24**  
**INSTRUCTIONS**

This slide introduces a brief overview of two significant challenges to local/regional food systems.



SLIDE 24

TIME: 1 MIN

SUPPLIES:

HANDOUTS:

**SLIDE 25**  
**INSTRUCTIONS**

Provide a brief overview of the food safety challenges associated with local/regional food systems work. Talking points are provided below, but feel free to add others of which you may be aware:

Recent foodborne illness outbreaks in the United States have increased efforts by both government and industry groups to ensure that the U.S. food supply is safe.

The Food Safety Modernization Act (FSMA) was signed into law on January 4, 2011. FSMA calls for sweeping changes to the U.S. food safety system for produce as the focus shifts from ex post control and reaction to food safety incidents to risk-based preventive action with a focus on public health.

Like all producers, small producers participating in local food systems may be unclear about how new food safety regulatory agendas will influence their cost structure, profitability, and market access. A challenge is determining what they need to know and determining what they need to do, which must occur in conjunction with choosing their local food marketing channels.

Local food buyers often require producers and suppliers to abide by particular food safety requirements and compliance audits as they respond to increased consumer demand for food safety and assess their own liability risk.

Increasingly, larger foodservice establishments (e.g., schools, hospitals, food retailers, and even farmers' markets) are requiring that their suppliers have food product liability insurance in order to mitigate the financial burden of foodborne illness outbreaks.

USDA's Agricultural Marketing Service (AMS) offers voluntary Good Agriculture Practices (GAP) and Good Handling Practices (GHP) audits of produce suppliers throughout the production and supply chain. Growers are motivated to become GAP certified in order to ensure customers of food safety, meet buyers' requirements, maintain market access, and manage their own business risk as an outbreak can damage a brand name or bankrupt a business.

Many private consulting firms and programs offer assistance with regulatory awareness and compliance, but their services may be costly for small farms.

**Main Point:** Increasingly food buyers are requiring producers and suppliers to comply with food safety requirements and audits. Small producers, in particular, are unclear about how new food safety regulatory agendas will affect their costs, profitability and market access.

Discussion: What challenges do food safety regulations pose for our region's food system?

### Challenge #1: Food Safety Regulations

Requirements from:

- Government regulations:
- Food Safety Modernization Act (FSMA)
- Local food buyers
- Large foodservice establishments

Sources of assistance:

- USDA Agricultural Marketing Service's:
  - Good Agriculture Practices (GAP)
  - Good Handling Practices (GHP)
- Private consulting firms – may be costly




SLIDE 25

TIME: 10 MINS

SUPPLIES:

HANDOUTS:

## SLIDE 26

## INSTRUCTIONS

Briefly examine the challenges of competition and market access that are particular challenges for small scale producers that their large-scale counterparts do not face. Key points:

- Small-scale producers face growing competition from large-scale entities – producers and marketers – seeking to capitalize on growing consumer demand for local food.
- Small-scale producers face logistical challenges of aggregation, cleaning, packing, storage, and distribution of their products to local markets and buyers.

**Main Point:** Small-scale producers face growing competition from large-scale entities – producers and marketers – seeking to capitalize on growing consumer demand for local food.

**Discussion:** What challenges do competition and market access pose for small-scale producers in the local/regional food system?



SLIDE 26

TIME: 15 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 27**  
**INSTRUCTIONS**

This last section explores some of the supportive resources for establishing and maintaining a local and regional food system.



SLIDE 27

TIME: 1 MIN

SUPPLIES:

HANDOUTS:

## SLIDE 28

### INSTRUCTIONS

In recent years, Federal, State, and local policies have expanded to include programs supporting local and regional food systems. At the national level, these policies are set through overarching farm legislation, approximately every 5 years. The most recent, the Agricultural Act of 2014 (2014 Farm Bill) includes a number of policies and provisions related to local and regional food.

Most notably, support for intermediated marketing channels is greatly increased. Policies and provisions enacted in the 2008 Farm Bill are generally continued or expanded.

The **2014 Farm Bill** provides support for several new and significantly revamped programs that promote the production, marketing and consumption of food locally and regionally, but also access to healthy foods. These are discussed in more detail in the following slides.

**Main Point:** The 2014 Farm Bill includes a number of policies and provisions supporting local/regional food systems. Most notably is support for intermediated marketing channels. The Farm Bill provides support for several new and significantly revamped programs that promote the production, marketing and consumption of food locally and regionally as well as access to healthy foods.



SLIDE 28

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 29**  
**INSTRUCTIONS**

Provide a brief overview of these production focused programs:

- The **Value-Added Producer Grant** program, which is designed to help farmers develop farm-based value-added products (e.g., cheese, jam, packaged meats, sausages)
- The **Rural Business Development Grants** program (Rural Business Opportunity and Rural Business Enterprise) provide business development assistance to local food producers and local food projects.
- The **Farm Storage Facility Loan** program provides low-interest financing to food producers to purchase storage and processing equipment.
- The **Local and Regional Food Enterprise Loan account** was established within the **Business and Industry (B&I) Guaranteed Loan Program** to support development of local food system infrastructure (businesses that process, distribute, aggregate, store, and market foods).
- The **National Organic Certification Cost-Share Program** helps organic farmers offset the cost of annual certification, which may benefit organic local and regional producers.

Main Point: The 2014 Farm Bill includes a number of local/regional food production programs that promote farm-based value-added products; provide business development assistance and cost-sharing; and provide low-interest financing for local food system infrastructure.

**Supporting Policies and Programs: Production**

- Value-Added Producer Grant
- Rural Business Development Grants:
  - Rural Business Opportunity
  - Rural Business Enterprise
- Farm Storage Facility Loan Program
- Local and Regional Food Enterprise Loan Account
- National Organic Certification Cost-Share Program

SET

SLIDE 29

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 30**  
**INSTRUCTIONS**

Briefly overview these programs to assist with marketing:

- Farmers’ Market Promotion Program (FMPP) - supports marketing through DTC outlets (e.g., farmers’ markets, CSAs, others)
- Local Food Promotion Program (LFPP) – support marketing through intermediated channels such as farm-to-institution, food hubs, and other businesses that process, distribute, aggregate, or store locally or regionally marketed food products.
- Specialty Crop Block Grants (SCBG) Program - is administered through State departments of agriculture and regularly includes funding for projects related to locally and regionally marketed food (particularly fruit and vegetable production).

Main Point: The 2014 Farm Bill includes a number of local/regional food marketing programs that support the development of direct-to-consumer and intermediated marketing channels and the development of local and regional food product branding.



SLIDE 30

TIME: 5 MINS

SUPPLIES:

HANDOUTS:



**SLIDE 31**  
**INSTRUCTIONS**

Note the programs that provide assistance on the consumption end of the spectrum:

- The **Food Insecurity Nutrition Incentive Grant** program offers grants to fund programs (e.g., coupons and vouchers) that incentivize increased consumption of fruits and vegetables among SNAP participants.
- The **Healthy Food Financing Initiative** provides grants and loans to retail food projects in underserved communities, expanding healthy food access.
- The **Senior Farmer's Market Nutrition Program** provides low-income seniors with coupons and vouchers that can be used for eligible foods at farmers' markets, CSAs, and roadside stands.
- The **Fresh Fruit and Vegetable Program** provides fruit and vegetable snacks to school children throughout the day.
- The **National Farm to School Program** encourages school districts to source locally produced food for school meals. The program includes grants, training/technical assistance, and research to help school districts plan and implement farm to school programs to source locally and regionally produced food products for school meals.

Main Point: The 2014 Farm Bill includes a number of programs that improve underserved populations and school districts access to healthy local and regional food.

Discussion: Which of these programs is our region tapping currently? Which ones might we want to explore further?



SLIDE 31

TIME: 5 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 32**  
**INSTRUCTIONS**

Note these other potential sources of policy or programmatic support that may exist in the region:

- State Local Food Policies and Programs – States have adopted legislation to provide financial incentives for local food retailers, farmers’ markets, and community gardens to locate in areas with low access to healthy food with the goal of increased food access.
- Government and NGO Collaboration – Aside from government legislation, a number of nongovernmental programs and organizations exist to support and promote local and regional food systems. State farmers’ market associations typically provide member markets with technical assistance, marketing and promotion services, networking opportunities, assistance with insurance, and general advocacy.
- Private-Public Food Policy Councils have also emerged to address local and regional food policy. In these councils, local government officials and stakeholders work together to develop policies that support local food systems.
- Sub-state Policies and Programs – City, county, and regional governments have implemented innovative public policies to support local and regional food systems. Policy instruments employed include official plans, regulations, fiscal incentives, and government institutions and programs. Local governments are also providing fiscal incentives including loans, grants, or reduced permit and license fees to local food producers (e.g., urban farms or community gardens), retail stores, or farmers’ markets.

Main Point: Most states, oftentimes in collaboration with NGOs, support programs that promote local and regional food production and consumption by providing financial incentives and other forms of support for local food retailers, farmers’ markets, and community gardens. Many policies have been implemented at the sub-state level by city, county and regional governments including plans, regulations, fiscal incentives, and programs to promote and support local and regional food systems.

Discussion: What local/regional food system policies and programs- federal, state, and local are being utilized in your community and region?



SLIDE 32

TIME: 10 MINS

SUPPLIES:

HANDOUTS:

**SLIDE 33**  
**INSTRUCTIONS**

Be sure to include your contact information.



SLIDE 33

TIME: 5 MINS

SUPPLIES:

HANDOUTS: