Agricultural Marketing Service
Creating Opportunities for American Farmers and Businesses
Why Local Food Matters: 
*Views from the National Landscape*

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[USDA Agricultural Marketing Service](https://www.ams.usda.gov)
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- **Relationship of local food to U.S. food system**
  - Importance of local food demand
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  - Is there room for further growth?
- How do AMS programs facilitate market access for local food?
What is Local?

- A food product that is raised, produced, aggregated, stored, processed, and distributed in the locality or region in which the final product is marketed.
- **No official national designation**, though some individual USDA programs use a broad (maximum) definition:
  - Less than 400 miles from the origin of the product, or
  - Within the State in which the product is produced.
- **Includes both direct-to-consumer sales AND intermediated sales by distributors/food hubs**
  - To restaurants, grocery stores, schools/universities, hospitals, et. al.
How Are Consumer Perspectives Changing?

Phil Lambert, “Supermarket Guru”, 2013:

- People are choosing their foods more holistically based on multiple “food factors”:
  - Taste
  - Ingredients
  - Source
  - Nutritional composition
  - Asking who is making their foods
  - Understanding impact on environment and animal welfare
Traditional Supermarket Market Share Continues On Steep Decline

Traditional supermarket format represented:

- 81% of U.S. grocery retail sales in 1994
- 52% of U.S. grocery retail sales in 2004

(Based on purchases of perishables and consumables)

And according to a 2014 retail report by Jones Lang LaSalle:

- 40.2% of U.S. grocery retail in 2013
- 37.2% of projected grocery retail in 2018
Consumers Lean Toward Alternative Store Formats

Rise of Fresh Format Stores

- Strongest growth in “fresh format” stores
  - These food stores **emphasize perishables** and offer center-store assortments that differ from those of traditional retailers—especially in the areas of ethnic, natural, and organic foods
  
  **Examples:** Whole Foods, The Fresh Market
How Does Local Food Demand Correspond to Changing Buyer and Consumer Needs?

- In alignment with **growing demand for freshness, product integrity and transparency**, local food purchasing provides consumers with the opportunity to:
  - **Obtain food items with superior quality** characteristics – freshness, flavor, ripeness, enhanced shelf life – and possibly enhanced nutritional density (more research still needed)?
  - **Learn about farming practices** used (often directly from growers if through farmers markets or CSAs)
  - **Have greater confidence in the integrity and quality** of the food they purchase
  - **Reward sustainable production practices**
Demand Drivers Among Consumers

- Grocery shoppers largely embrace the increase in local food options because they believe it:
  - helps local economies (66 percent)
  - delivers a broader and better assortment of products (60 percent)
  - provides healthier alternatives (45 percent)
  - improves the carbon footprint (19 percent)
  - increases natural or organic production (19 percent)
- Approximately 70% of restaurant operators surveyed in 2014 said their patrons were more interested in locally sourced items than they were two years earlier.
  - 90% for fine dining restaurants.

Demand Drivers Among Consumers

- Observations from a new study by Dr. Ion Vasi, an associate professor with a joint appointment in the Department of Sociology and Tippie College of Business at the University of Iowa:
  - The local food market is what sociologists call a *moralized market*, a market in which people combine economic activities with their social values.
  - It’s not just about the economical exchange; **it’s a relational and ideological exchange as well**
  - It’s about valuing the relationship with the farmers and people who produce the food and **believing that how they produce the food aligns with your personal values**
Demand Drivers Among Consumers

- UI researchers discovered local food markets were more likely to develop in areas where residents had a strong commitment to civic participation, health, and the environment.

- For his study, Vasi examined the development of local food markets by looking at the number of farmers markets, food coops, community-supported agriculture providers, and local food restaurants in cities across the United States. Researchers also conducted 40 interviews with consumers and producers in different local food markets in Iowa and New York.

Preliminary results of study shared August 2015 at the American Sociology Association annual meeting.
Demand Drivers Among Consumers

**Top 10 Menu Trends for 2015**

1. Locally sourced meats and seafood
2. Locally grown produce
3. Environmental sustainability
4. Healthful kids’ meals
5. Natural ingredients/minimally processed foods
6. New cuts of meat (e.g. Denver steak, pork flat iron)
7. Hyper-local sourcing (e.g., restaurant gardens)
8. Sustainable seafood
9. Food waste reduction/management
10. Farm/estate branded items

Source: National Restaurant Association “What’s Hot” Chef Survey
Demand Drivers Among Consumers

- Availability of locally grown produce and other local packaged foods are major influences on grocery shopping decisions
  - A combined 87.2% say this is “very/somewhat important” to their choice of a primary food store. This figure is up slightly from the 2013 level (85.0%), and it nearly equals the 2012 peak of 87.8%.
  - Leading the “very important” component (44.2% overall) are: Hispanics (53.3%), single-person households (49.4%), and adults between the ages of 50 and 64 (46.2%)
  - 2/3 of survey respondents endorse efforts of their primary supermarket to support nearby local food sources.

Source: National Grocery Association and Supermarket Guru Consumer Panel Survey 2014
Demand Drivers Among Consumers

- Shoppers will switch stores for local food selection
  - 65% say their supermarket offers at least some kind of locally sourced food
  - Almost 30% of grocery shoppers say they consider purchasing food elsewhere if their preferred store does not carry local foods.
  - Respondents say their main source for local food is still the local farmers market and farm stores.
  - Only 5% indicate they shop for local foods at big-box retailers, and 15% at national supermarkets.

Source: A.T. Kearney, “Buying Into the Local Food Movement”, January 2013
## Demand Drivers Among Consumers

### Consumers Willing to Shop Around for Quality Perishables

<table>
<thead>
<tr>
<th>Channel</th>
<th>Primary Food Source</th>
<th>Primary Source of Fresh Produce</th>
<th>Secondary Source of Fresh Produce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets</td>
<td>76%</td>
<td>56% ↓</td>
<td>29%</td>
</tr>
<tr>
<td>Warehouse clubs/supercenters</td>
<td>19%</td>
<td>10% ↓</td>
<td>23%</td>
</tr>
<tr>
<td>Health food stores</td>
<td>2%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td>Farmers markets</td>
<td>1%</td>
<td>25% ↑</td>
<td>12%</td>
</tr>
<tr>
<td>Other direct from producer</td>
<td>1%</td>
<td>5% ↑</td>
<td>3%</td>
</tr>
<tr>
<td>Specialty store</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>No preference</td>
<td>–</td>
<td>–</td>
<td>22%</td>
</tr>
</tbody>
</table>

Colorado State University Survey of U.S. Adults (2006), based on national consumer panel data
Demand Drivers Among Consumers

Figure 3
Shoppers across all segments are willing to pay more for local

Are you willing to pay more for local food? (% of respondents responding yes)

- Single urban households: 95%
- Young couples without kids: 78%
- Affluent families: 71%
- Senior citizens: 68%
- Middle income families: 67%
- Low income families: 57%

Source: A.T. Kearney analysis
Demand Drivers Among Consumers

Figure 1

Online, big-box, and national chains rank lowest in food trustworthiness

How much do you trust each format to deliver local food?
(1 to 10, with 10 as most trustworthy)

Source: A.T. Kearney analysis
Direct to consumer (DTC) food sales for human consumption still represent a very small share of the national food supply:

- Nearly 8 percent of U.S. farms participated in local food marketing channels as of 2012 (Low, 2015)

But if we take into account direct and intermediated sales of local food products, the picture begins to change:

- **Nearly 8 percent of U.S. farms** participated in local food marketing channels as of 2012 (Low, 2015)

### Local Food’s Contribution to National Food System

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Agricultural Sales ($000)</th>
<th>Direct-to-Consumer Sales of Ag. Products for Human Consumption ($000)</th>
<th>Ratio of Direct-to-Consumer Sales to Total Agricultural Sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>394,644,481</td>
<td>1,309,827</td>
<td>0.3</td>
</tr>
</tbody>
</table>
Importance of Local Food Sales by Region

Contribution of local food sales to overall food economy varies substantially by region

- Factors: differences in production mix, geographic proximity to farms, population density
- Vegetable, fruit, and nut farms dominate local food sales
- Direct-to-consumer sales dominate where climate and topography favor:
  - Fruit and vegetable production
  - Proximity to farmers markets and local food farms
  - Access to transportation and information networks

- Value of local food sold is highest in metropolitan areas and is geographically concentrated in the Northeast and on the West Coast.

Source: Vogel and Low (2011)
Growth of local food demand is increasingly shifting toward intermediated marketing channels, prompted by:

- Growing retail and food service buyer interest in meeting consumer demand for local foods
- Producer interest in catering to higher-volume wholesale clients
- Comparatively low revenues from labor-intensive direct to consumer marketing
- Growing producer ability to provide deliveries of local products in commercial-sized volume over longer portions of the year, supported by aggregation services and season extension technology
Intermediated Sales Generate More Income

Estimated 2012 local food sales: $6.11 billion
Of which

- **$3.35 billion (54.8 percent)** was generated by farms that exclusively used intermediated wholesale marketing channels
  - Only 22,600 farms, **148K per farm**

- **$1.15 billion (18.8 percent)** was generated by farms which exclusively used DTC channels
  - Approximately 5x as many farms (112,304) as those which only used intermediated channels, **10.2K per farm**

Source: Low (2015)
Farm Level Challenges with Local Food

- Not always so easy for local farmers to access larger-volume marketing channels
  - Individual farm operators often lack individual capacity to meet buyer requirements for product volume, quality, consistency, variety, or extended availability.
  - Farmers continue to be challenged by the lack of distribution, processing and marketing infrastructure that would give them wider market access to larger volume customers.
Meanwhile, Commercial Buyers Are Looking For:

**Traceback mechanisms and recordkeeping**

- Many commercial, institutional and retail buyers are not just looking to procure food products that are locally/regional grown, but can be traced back to the originating farm in the event of a foodborne illness outbreak.

- Smaller and mid-scale farmers often lack capacity to establish adequate recordkeeping or product monitoring systems

**Food safety**

- Commercial and institutional customers are increasingly demanding *third-party certifications* of production/handling processes (e.g., GAP, GHP), which many smaller farmers have not had to address in the past

- **Food Safety Modernization Act** is waiting in the wings...which may result in new requirements and expectations
USDA believes **regional food hubs** can play an important role in supporting/retaining these “ag-of-the middle” farmers and encouraging smaller farmers to scale up their operations.
Regional Food Hub Definitions

Working Definition

A business or organization that:

- actively manages
- the aggregation, distribution, and marketing
- of source-identified food products
- primarily from local and regional producers
- to strengthen their ability to satisfy wholesale, retail, and institutional demand.
Regional Food Hubs

Defining Characteristics

- Carry out or coordinate the aggregation, distribution, and marketing of primarily locally/regionally produced foods
- Move product from multiple producers to multiple markets
- Producers considered valued business partners instead of interchangeable suppliers
- Committed to buying from small to mid-sized producers whenever possible.
- Use product differentiation strategies (e.g., identity preservation, group branding, sustainable production practices, etc.) to ensure that producers maximize returns from their products.
Regional Food Hubs

Defining Characteristics

- Work closely with producers to ensure they can meet buyer requirements by either providing direct technical assistance or finding partners that can provide this technical assistance.

- Aim to be financially viable while also having positive economic, social, and/or environmental impacts within their communities
  - Sometimes, these enterprises have separate profit-based and non-profit based divisions; i.e., a 401c3 arm that can accept grants and carry out educational activities.
Regional Food Hubs

<table>
<thead>
<tr>
<th>Producer Services</th>
<th>Operational Services</th>
<th>Community Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Actively linking producers to markets</td>
<td>✓ Aggregation</td>
<td>✓ “Buy Local” campaigns</td>
</tr>
<tr>
<td>✓ On-farm pick up</td>
<td>✓ Distribution</td>
<td>✓ Distributing to “food deserts”</td>
</tr>
<tr>
<td>✓ Production and post-harvest handling training</td>
<td>✓ Brokering</td>
<td>✓ Food bank donations</td>
</tr>
<tr>
<td>✓ Business management services and guidance</td>
<td>✓ Branding and market development</td>
<td>✓ Health screenings, cooking demonstrations</td>
</tr>
<tr>
<td>✓ Value-added product development</td>
<td>✓ Packaging and repacking</td>
<td>✓ SNAP redemptions</td>
</tr>
<tr>
<td>✓ Food safety and GAP training</td>
<td>✓ Light processing (trimming, cutting, freezing)</td>
<td>✓ Educational programs</td>
</tr>
<tr>
<td>✓ Liability insurance</td>
<td>✓ Product Storage</td>
<td>✓ Youth and community employment opportunities</td>
</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>
Regional Food Hubs

Growth in the Number of Food Hubs (1970s-2014)*

Based on a working list of food hubs identified by the NGFN Food Hub Collaboration
Regional Food Hubs

September 2013 National Food Hub Survey Results

- 2012 Revenue (N=104)
  - Average $3,284,632
  - Median $450,000
  - Range $1,500 to $75 million
- Revenue was significantly correlated with years in operation, with older hubs tending to have larger total revenue than younger hubs.
- More than half (51%) reported no dependence on external funding

Based on results from the September 2013 National Food Hub Survey Results conducted through Michigan State University/Wallace Center.
In mainstream supply chains, farmers retain only 17.4 cents of the consumer food dollar on average.

Different story in local food systems...

- In “short” supply chains, local producers received up to seven times the price compared to mainstream chains - USDA ERS report [http://www.ers.usda.gov/media/122609/err99_1_.pdf](http://www.ers.usda.gov/media/122609/err99_1_.pdf)

- Food hubs often return between 75 to 85 percent of their wholesale sales revenues to their producers - USDA AMS report [http://dx.doi.org/10.9752/MS046.04-2012](http://dx.doi.org/10.9752/MS046.04-2012)
Example One: *Intervale Food Hub, Burlington, VT*

- Intervale works with producers to determine prices based on actual production costs for producers and what the market can realistically manage.

- Intervale’s producers generally net 60-70% of the retail revenue obtained from CSAs and 85% of the revenue obtained from distribution to wholesale customers through the hub.
Example Two: Red Tomato, Canton, MA

- Coordinates aggregation, transportation and sales for roughly 40 farmers to grocery stores in the NE
- Employs a variety of product differentiation strategies – regional branding, source identification and the verified use of sustainable production practices like IPM
- November 2009 case study: retailer agreed to sell RT’s tomatoes at $2.79/lb. compared to standard retail price for the same commodity of $1.99/lb. given the unique attributes of the product
- Combination of cost savings in shared logistics and a higher wholesale price led RT’s producers to receive 3x higher returns than they received for comparable items outside the value chain
Example Three : **D.C. Central Kitchen, Washington D.C.**

- Purchases lower-priced “seconds” from local fruit and vegetable growers and processes it for use in the DC Public Schools System and municipal social service agencies.
- Processing the seconds creates a product that is indistinguishable from top-grade fruits and vegetables.
- Farmers benefit by selling products that have no other commercial outlet, and buyers benefit from access to lower priced, high-quality raw ingredients.
Example of Food Hub/Retail Partnership

- In August 2013, Milwaukee-based Roundy's Inc., a large regional supermarket chain and the market leader in metropolitan Milwaukee, formed a partnership with the Madison-based Wisconsin Food Hub Cooperative. The cooperative, based in Madison, supplies a variety of produce to Roundy’s stores in Wisconsin operating under the Pick 'n Save, Copps and Metro Market banners.

- The Wisconsin Food Hub Cooperative generated approximately $3 million in produce revenues in 2013, after only a year in operation.

Roundy’s operates 161 retail grocery stores and 100 pharmacies under the Pick 'n Save, Rainbow, Copps, Metro Market and Mariano’s retail banners in Wisconsin, Minnesota and Illinois. It has nearly $4 billion in sales and more than 20,000 employees.
Example of Food Hub/Retail Partnership

- Roundy's said the program has been well received by customers as well as management at individual stores.

- "Working with the Wisconsin Food Hub, Roundy's and our customers know that the produce is 100% local from Wisconsin," said James Hyland, vice president of investor relations for the grocery company.

- The company's Pick 'n Save chain, which is the market share leader in metro Milwaukee, uses point-of-purchase displays among other things to promote the program.
Example of Food Hub/Retail Partnership

- The partnership with Roundy's is designed to get food from farm to warehouse and on its way to grocery stores as quickly as 24 hours from when the produce is picked, said Ron Balsimo, sales manager for the cooperative. "You can't get any fresher unless you walked into a field and picked it yourself,"

- The cooperative has grown to more than 100 members, "and they keep coming," Balsimo said.
  - It's a big enough deal that Steve Hoekstra, a third-generation farmer and one of the family owners of Hoekstra's Sweet Corn LLC in Waupun, is expanding his business around it.
Example of Food Hub/Retail Partnership

- Roundy's and the Food Hub also are cognizant of market conditions affecting fresh fruits and vegetables, specifically the problems and potential problems brought on by extreme drought in California's produce-growing regions. Having sources of local produce can help mitigate any potential supply issues.

- There also is a demonstrated sales gain that comes from locally grown food programs in grocery stores, said Bill Justin, president of W.L. Justin & Assoc., a supermarket consulting company based in Atlanta. "We find that you can actually increase total store sales," he said. He has seen examples of such programs increasing sales by as much as 15% to 20% in the produce department.
Future Demand Drivers?

**Nutrition Assistance Programs**

Significant increases in SNAP participation by farmers markets and farm stands, **up from around 900 sites in 2009 to more than 6,400 in 2014.** Redemptions grew from **$4 million to nearly $19 million**, due to:

- Pro-active outreach by USDA Food and Nutrition Service (FNS) to certify markets and vendors
- AMS and FNS grants for EBT equipment installation
- Rise of non-profit voucher programs (i.e., Wholesome Wave, Fair Food Network)
- Rise of mobile FMs in low-income neighborhoods
Mobile Markets
Future Demand Drivers?

Schools

- From a handful of programs in the late 1990s, farm to school programs now exist in more than 40,000 sites
  - Serve 23.5 million students in all 50 states,
  - Spend more than $385 million on local food per year.

- Supported by:
  - 2008 Farm Bill clauses and subsequent interpretation by USDA/FNS that provided greater flexibility in taking geographic preference into account in the bid process
  - Creation of formal USDA farm to school grant program in 2012
  - Creation of State funding programs (e.g., Oregon in 2013)
Future Demand Drivers?

**Hospitals**
- Growing number of farmers markets operating at hospitals and health care facilities
  - More than 50 reported in USDA National Farmers Market Directory at hospitals or public health facilities
  - Kaiser Permanente lead in early years
  - Recent campaign to introduce them at VA hospitals

**Military Bases**
- New DoD “healthy base initiative” aims to expand farmers markets on base, local food in commissaries
AMS Programs and Services

- AMS Connection to Local Food
- Division Structure
- Applied Research Reports
- Facility Design
- Grants
  - Farmers Market Promotion Program (FMPP)
  - Local Food Promotion Program (LFPP)
  - Specialty Crop Block Grant (SCBG)
  - Federal-State Marketing Improvement Program (FSMIP)
- Cost-Share for Organic Certification
Legislative Authority Supports USDA/AMS Interest in Locally-Grown Food

1946 Agricultural Marketing Act:

- Agency mandated to reduce **distribution costs** and the **price spread** between producers and consumers.
- Directed to market the “full production” of American farmers—regardless of scale—in a useful, economical, profitable, and orderly manner.
- **Improvement of overall dietary and nutritional standards** is a primary policy goal.

1976 Farmer to Consumer Direct Marketing Act:

- Encourages promotion of direct farm marketing **activities** for mutual benefit of farmers and consumers.
Legislative Authority Supports USDA/AMS Interest in Locally-Grown Food

**Bottom line:** USDA/AMS is mandated to:

- Support the development and creation of **shorter food supply chains** wherever feasible

- Work to ensure that food producers receive a **greater share of the final retail price** that consumers pay

- Support profitable marketing of all American farmers at all scale levels

- Promote direct marketing of farm products where it provides **mutual benefit** to farmers and consumers
Farmers Markets and Direct-to-Consumer Marketing

- Through **market research, analysis, data products** and other tools, we help stakeholders better understand trends in the rapidly evolving direct to consumer marketplace.

  - Maintains four national directories on local food (FMs [8,527], CSAs [668], food hubs [153], on-farm markets [1,313]) at [www.usdalocalfooddirectories.com](http://www.usdalocalfooddirectories.com)

  - FM directory selected as first Federal API in 2013!

  - Administers voluntary FM market manager survey

  - Developing national surveys for CSAs, food hubs, on-farm markets (directories launched in 2014)
Food Hubs and Other Aggregation Models

- Conducts research on emerging business enterprises that offer \textit{aggregation, distribution, and/or marketing} services to small and mid-sized agricultural producers who cater to local food markets.

Facility Design

- Provides targeted \textit{site assessment, design services and layout analysis} for food market and facility personnel to improve the efficiency of permanent food market, distribution and warehouse facilities.
Research Reports on Local Food Systems

Regional Food Hub Resource Guide
Food hub impacts on regional food systems, and the resources available to support their growth and development

Moving Food Along the Value Chain:
Innovations in Regional Food Distribution

Food Value Chains:
Creating Shared Value to Enhance Marketing Success

Building a Food Hub from the Ground Up:
A Facility Design Case Study of Tuscarora Organic Growers
Research Reports on Local Food Systems

Upcoming Releases in CY 2015:

- The Evolving CSA Business Model *(results of national survey and focus group interviews in six states)*
- Local Food Economic Assessment Toolkit: *a guide to creating your own community assessment using secondary/primary data and IMPLAN input/output software*
- Potential Demand for Local Agricultural Products by Mobile Markets
Farmers Market Promotion Program

Mission: To increase domestic consumption of, and access to, locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets

- Diverse applicant eligibility (non-profits, local governments, producer networks, etc.) Excludes state governments and individual producers
- Only funds **direct** producer-to-consumer marketing activities (e.g., FMs, CSAs, on-farm markets)
- Approximately $13 million in funding available in FY 2015
- $25,000-$100,000 per grant
- Awards to be announced by end of September 2015
Local Food Promotion Program

- Mission: To increase domestic consumption of, and access to, locally and regionally produced agricultural products marketing *through intermediaries* (not direct to consumer)

- Launched in FY 2014, result of new Farm Bill
- Approximately $13 million in funding available in FY 2015
- Planning Grants – up to $25,000 each
- Implementation Grants - up to $100,000 each
- Diverse applicant eligibility (State governments and individual producers are prohibited)
- Awards expected to be announced by the end of September 2015
Local Food Grant Example: South Central Farmers Cooperative

- Sells their organically grown produce at:
  - 17 Los Angeles area farmers markets
  - 3,000 member CSA
  - Corner stores, bodegas and restaurants

- A portion of their initial produce and any leftovers from market is used to make 70 value-added, culturally sensitive products (salsa, tomato sauces and pastes, vegetable chips, and powdered herb and spice blends)

- 40,000 Los Angelenos (mostly in low-income neighborhoods) are served.

- The coop owns its own produce and receives 92% of the income from its sales
South Central Farmers Cooperative

Agricultural Marketing Service

[Images of produce, organic certification logo, cooperative members, production equipment, and packaged products]
Agency oversees management of grants **administered by State Departments of Agriculture** solely to enhance the competitiveness of specialty crops

- Specialty crops are defined as “fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture)”
- $63 million in funding available in FY 2015 (pro-rated based on state share of specialty crop production)
NEW: Multi-State Specialty Crop Block Grant Program

Designed to:

- Support food safety and research
- Address plant pests, disease, and crop-specific issues
- Increase marketing opportunities for specialty crops

- Announced September 4, 2015
- AMS will hold a teleconference on Sept. 16, 2015, at 2:00 p.m. Eastern time. Details will be posted at the SCMP website
- Applications must be submitted to www.grants.gov by January 14, 2016
NEW: Multi-State Specialty Crop Block Grant Programs

- **Program is open to** state departments of agriculture in the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

- **Involves at least two partners located in different states.** USDA encourages other State agencies, Tribal governments, universities, non-profits, and other specialty crop organizations to partner with participating State departments of agriculture.
NEW: Multi-State Specialty Crop Block Grant Program

Priority areas:

• Benefitting **underserved communities and veterans**
• Improving producers’ and facilities’ capacity to comply with the requirements of the **Food Safety Modernization Act**
• Developing adaptation and mitigation strategies for farmers in **drought-stricken regions** of the country
• Increasing opportunities for **new and beginning farmers**
• Developing strong **local and regional food systems**
• Protecting **pollinator habitats/improving pollinator health**
• Supporting the growth of **organic specialty crops**.
Federal-State Marketing Improvement Program

- Provides matching funds to **State Departments of Agriculture, State agricultural experiment stations, and other appropriate State agencies**
- Assists in **exploring new market opportunities** for U.S. food and agricultural products, and to **encourage research and innovation** aimed at improving the efficiency and performance of the marketing system
  - About $1 million per year
  - Funds approximately 20 projects per year at an average of $50,000 per grant
Cost-Share for Organic Certification

- Organic producers can be reimbursed up to 75 percent of their certification costs (not to exceed $750)
- Two organic certification cost share programs are offered in 2015 through the NOP, valued at $11.9 million
  - National Organic Certification Cost Share Program (NOCCSP) - $11 million per year
  - Agricultural Management Assistance (AMA) Organic Certification Cost Share Program - $900K per year
Cost-Share for Organic Certification

- In 2014, USDA issued nearly 10,000 reimbursements totaling over $6 million, providing critical support to the organic community.
- To receive cost share assistance, certified organic producers and handlers should contact their appropriate state agencies via the contact information on the National Organic Program's (NOP) cost share website: www.ams.usda.gov/services/grants/occsp
- Only available through Sept. 30, 2015.
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