



Successful Development of Local and Regional Food Systems



The New England Story



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New England is associated with independence, self-sufficiency, resourcefulness, and a strong work ethic. Thus it is unsurprising that the local and regional food systems that have emerged in recent years have arisen through grassroots efforts. Led by entrepreneurs, community organizers, farmers, and advocacy organizations, New England food markets have generated employment and income in rural communities.

Among the ongoing reasons to seek improvements in the dominant food system is the need to reduce energy consumption: the system accounts for 16 percent of the country's energy use.¹ Moreover, it is thought to be responsible, at least in part, for the overconsumption of unhealthy processed foods and the growing obesity rate, which has serious consequences for individuals and high costs to society. Now consumers are buying locally not only because they want to purchase healthful, fresh, and sustainably produced food, but also because they like the idea of supporting local business, interacting with farmers, and learning more about what they eat.

Local food is sold primarily through direct-marketing channels. In 2007, for example, New England farmers sold directly to consumers food products worth \$135 million.² A significant percentage of those sales occurred in the region's 654 farmers markets and 555 community-supported-agriculture (CSA) networks.³ Twenty-two percent of farmers in New England were engaged in such direct sales, compared with only 6 percent in the United States overall. And New England's direct agricultural sales constituted 11 percent of such sales nationally.

"Food hubs" that accommodate greater local-food sales are also appearing in New England. Many are coordinating supply-chain logistics for locally and regionally produced food by storing, lightly processing, and packaging it before sale. Examples include the Intervale Food Hub in Burlington, Vermont, and Red Tomato in Canton, Massachusetts.



Benefits of Local Food Systems

Among the benefits of local food systems are nourishing-food access and agriculture-related jobs.⁴

Food Access

“Food deserts,” or communities that lack access to fresh, healthful food, present a particular challenge for low-income people. Recently, recession-related economic

hardship has exacerbated the access issues. Research from the U.S. Department of Agriculture shows, for example, that the 2007-2009 annual average of Maine households experiencing food insecurity was 15 percent. The rate was almost 14 percent in Rhode Island and Vermont.⁵ In Massachusetts, the City of Boston recognized the seriousness of increasing food insecurity and hired its first food-policy director in 2010. The position promotes accessibility to fresh foods, particularly in low-income neighborhoods. At the same time, it supports community-based gardens and local farmers who sell products at farmers markets, public markets, and the like.

Employment in Rural Regions

Local and regional food systems also can increase employment, incomes, and economic output in rural communities. In New England, they support critical agricultural sectors, including dairy products, apples, potatoes, blueberries, and cranberries. One example, Backyard Farms in Madison, Maine, grows tomatoes year-round in a 42-acre greenhouse and sells them regionally.

Farmers selling through direct-to-consumer marketing channels tend to be younger farmers with small farms offering an array of products in addition to fruits and vegetables. Many adopt environmentally sustainable production practices, such as organic growing. Farmers often can earn greater profits by selling through local food systems and avoiding the marketing costs associated with selling to a wholesaler in the dominant, consolidated food system. And they like the opportunity to interact with consumers and hear their invaluable feedback.

Selling directly to customers—as opposed to purchasing food through conventional food markets—can result in greater economic benefits to a region because a greater percentage of the sales revenue is retained locally. Indirect economic effects also accrue when farmers turn to local suppliers for the equipment and other inputs they need. Such direct and indirect

effects increase incomes in households, which results in additional commerce.

For fruit and vegetable producers who offer relatively scarce and unprocessed goods, local and regional food systems provide a new opportunity to reach customers. For consumers, there are significant health benefits from increased fruit and vegetable availability. And for the environment, a shift to less processing of foods means lower energy use.

Other positive economic effects spill over when farmers markets attract shoppers to centralized business areas and neighboring businesses attract new patrons. Having a structured, organized gathering place also can promote civic engagement and foster stronger connections among urban and rural populations. Many farmers markets offer additional public services: providing a place for low-income residents to use subsidies for purchasing fresh produce, sending leftover but good produce to local food banks, composting, hosting health sessions, or disseminating nutritional information and related materials. Finally, selling food through direct-marketing channels can increase business innovation and entrepreneurship. By selling at farmers markets, many vendors have expanded their existing product lines. They also have developed their mailing lists, made new business contacts, and improved their customer relations and their merchandizing and pricing skills.⁶

For consumers, there are sometimes cost savings, too. A recent Vermont study found that, at least during peak growing season, some conventional food products and most organic food is cheaper at farmers markets than at grocery stores.⁷

Legislation and Implementation

Local food systems are important to the region, as evidenced by the fact that five New Englanders currently serve on agricultural committees in the U.S. Senate and House of Representatives. Recent legislation in support of local food systems includes the Child Nutrition Reauthorization, which allocated \$40 million in mandatory funding

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over eight years to help schools and nonprofits to implement farm-to-school programs.

Critical programs that support local and regional food systems were also authorized in the Farm Bill, an omnibus bill, dictating U.S. food policy.⁸ Important programs in the bill, scheduled to expire in 2012, include nutrition programs that offer financial assistance to low-income individuals to purchase fresh fruits and vegetables at farmers markets and other retail outlets. They also include marketing programs that assist farmers-market managers and administrators with establishing and maintaining the markets—and rural-development programs that invest in enterprises and infrastructure needed for local and regional food systems. The support is available for purposes such as slaughterhouses and dairy-bottling facilities. Or it may be used to help market, label, or produce value-added products, which in New England might include artisan cheeses, maple syrup, ice cream, and Maine lobster.

Local and regional food systems require local coordination to implement. Because extensive outreach and research are needed, some regions have developed food plans that document the networks, relationships, coordination, and infrastructure necessary for local and regional food systems to function. The work of Food Solutions New England, a collaborative project initiated by the University of New Hampshire, is an example. Food Solutions has been working to develop capacity to support the integration of local and regional food products into local markets and make the food accessible for families.

Local and regional food systems are one more way that New England's ingenuity can foster civic engagement and promote community economic development. And agriculture policy, if appropriately structured, can provide employment opportunities for the next generation of farmers.

As of this writing, Congressional efforts to reduce the large federal budget deficit are suggesting that the next Farm Bill will be smaller than the previous version. Some



important local-food programs will expire unless reauthorized. The focus needs to be on supporting targeted investments that can increase regional employment, income, and output. Fostering capacity among local governments, businesses, foundations, and entrepreneurs to promote local and regional food systems in New England also can help ensure a healthy future.

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Endnotes

¹ Patrick Canning, Ainsley Charles, Sonya Huang, Karen R. Polenske, and Arnold Waters, "Energy Use in the U.S. Food System," *Economic Research Report 94* (Washington, DC: USDA Economic Research Service, 2010).

² See www.agcensus.usda.gov/Publications/2007/Full_Report/index.asp.

³ See <http://apps.ams.usda.gov/FarmersMarkets>. See also <http://www.localharvest.org/csa>.

⁴ A more detailed evaluation of the economic benefits of local and regional food systems is found in Jeffrey O'Hara, *Market Forces* (Cambridge, Massachusetts: Union of Concerned Scientists, 2011).

⁵ See http://www.ers.usda.gov/Briefing/FoodSecurity/stats_graphs.htm.

⁶ G.W. Feenstra, C.C. Lewis, C.C. Hinrichs, G.W. Gillespie Jr., and D. Hilchey, "Entrepreneurial Outcomes and Enterprise Size in U.S. Retail Farmers Markets," *American Journal of Alternative Agriculture* 18, no. 1 (2003): 46-55.

⁷ J. Claro, "Vermont Farmers Markets and Grocery Stores: A Price Comparison" (report, Northeast Organic Farming Association of Vermont, 2011).

⁸ For more detail, see *NSAC Guide to Federal Funding for Local and Regional Food Systems*, <http://sustainableagriculture.net/blog/new-nsac-guide-to-usda-funding-for-food-systems>.