North Country Regional Foods Initiative: Local & Regional Foods in Community and Economic Development

Cornell University
Cooperative Extension

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NCRFI Starting Points

- Growing interest in local and regional food enterprises in Northern NY
- CCE Associations providing programmatic support for local/regional food businesses and consumers
- CaRDI's approach to Community and Economic Development assumes they go hand in hand
- EDA University Center funding

NCRFI Objectives:

- Promote community and economic development in NNY through research-based support for local/regional foods initiatives
  - Assessment of local/regional food impacts in NNY
  - Development of regional community
  - Outreach and training
  - Regionally coordinated activities
- Build on the NCRFI to promote regional community and economic development more generally.

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What are local/regional food initiatives?

Production and Consumption

Tug Hill•Black River•Adirondacks
LEWIS COUNTY
NEW YORK

www.GardenShare.org
Local Food
Fresh to You - Fair to Farmers

PRIDE OF NEW YORK
Our Pride is Inside.™

ADIRONDACK HARVEST

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Agricultural economic development

- Increased profit making opportunities, financial and community support for agriculture.
  - Marketing and Enterprise Development, Essex County Farmland Protection Plan.
  - *Actively seek and develop new opportunities to expand markets for local production, and to expand local production for these markets*, Agricultural and Farmland Protection Plan for Clinton County.
  - Agricultural Market Development Initiative, St. Lawrence County Agricultural Development Plan.

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Examples

- Regional identity marketing
  - Economic development strategy that "brings together agriculture, tourism, value-adding, and direct marketing [in a way that] capitalizes on a wide range of unique products from a geographically and culturally defined area."
- Value-added
  - Transforming a raw, undifferentiated agricultural product into a prepared item which consumers can more readily use.
  - Demonstrating to customers shared values, social or environmental

Source: Green, J. and D. Hilchey (2002). *Growing Home: A guide to Reconnecting Agriculture, Food and Communities. Community , Food and Agriculture Program, Cornell University.*

How does it happen?

- Agritourism
- Direct marketing
  - Retail sales
  - Direct wholesale
- Wholesale
- Contract
- Cooperative

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Source: Green, J. and D. Hilchey (2002). *Growing Home: A guide to Reconnecting Agriculture, Food and Communities. Community , Food and Agriculture Program, Cornell University.*

Problem versus vision-driven AED

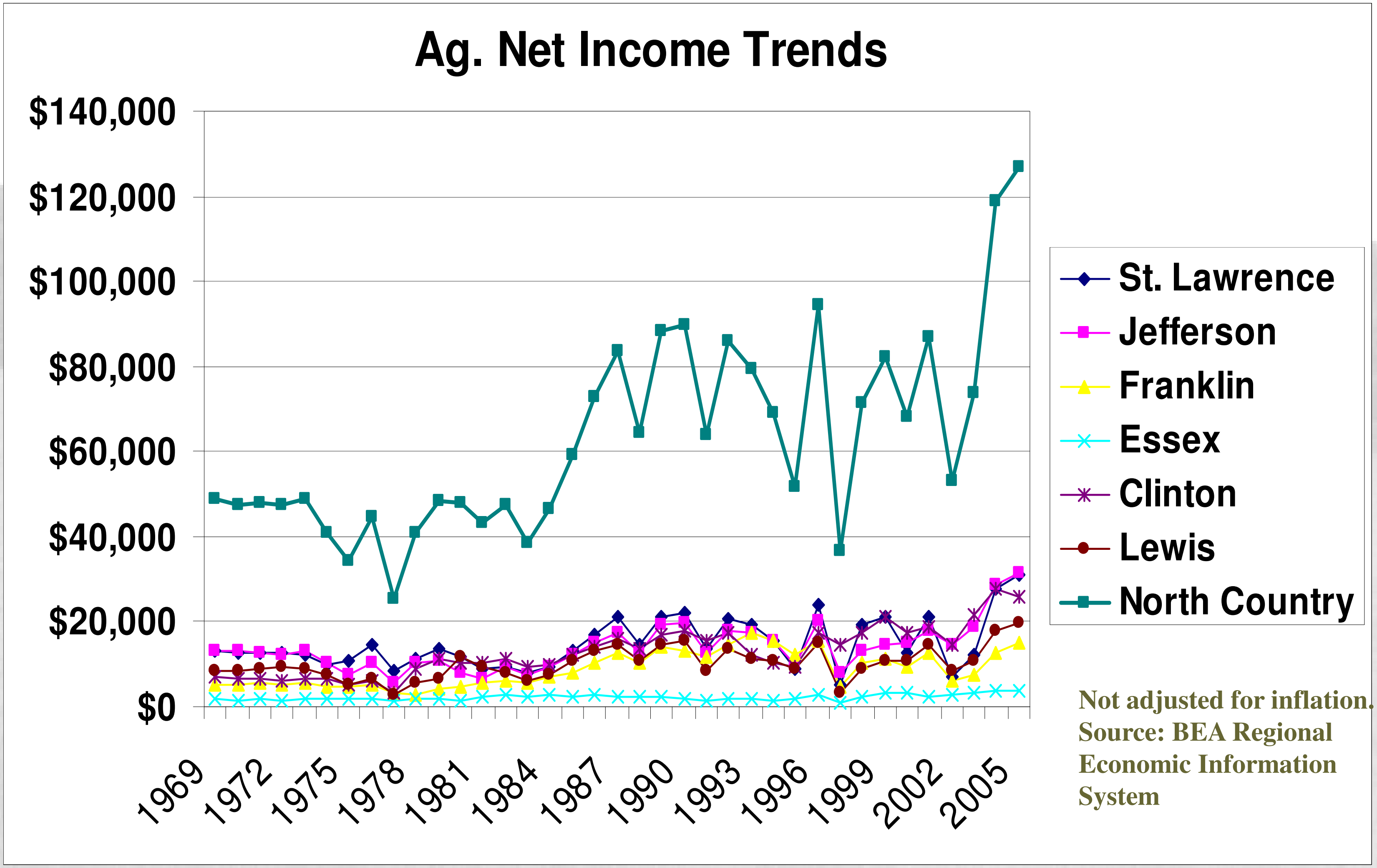
Problem-driven, expert AED	**Vision-driven, participatory AED**
Goals defined by problems	Goals defined by shared vision
Treats symptoms	Treats root causes
Deals with separate pieces of complex systems	Deals with whole complex systems of interacting parts
Piecemeal solutions create new problems	Builds on synergies within whole systems
Experts on top	Experts on tap
Too many cooks spoil the broth	Many heads better than one
Focus on economics	Balances multiple goals

Regional Ag and Food System indicators

Why indicators and benchmarking?

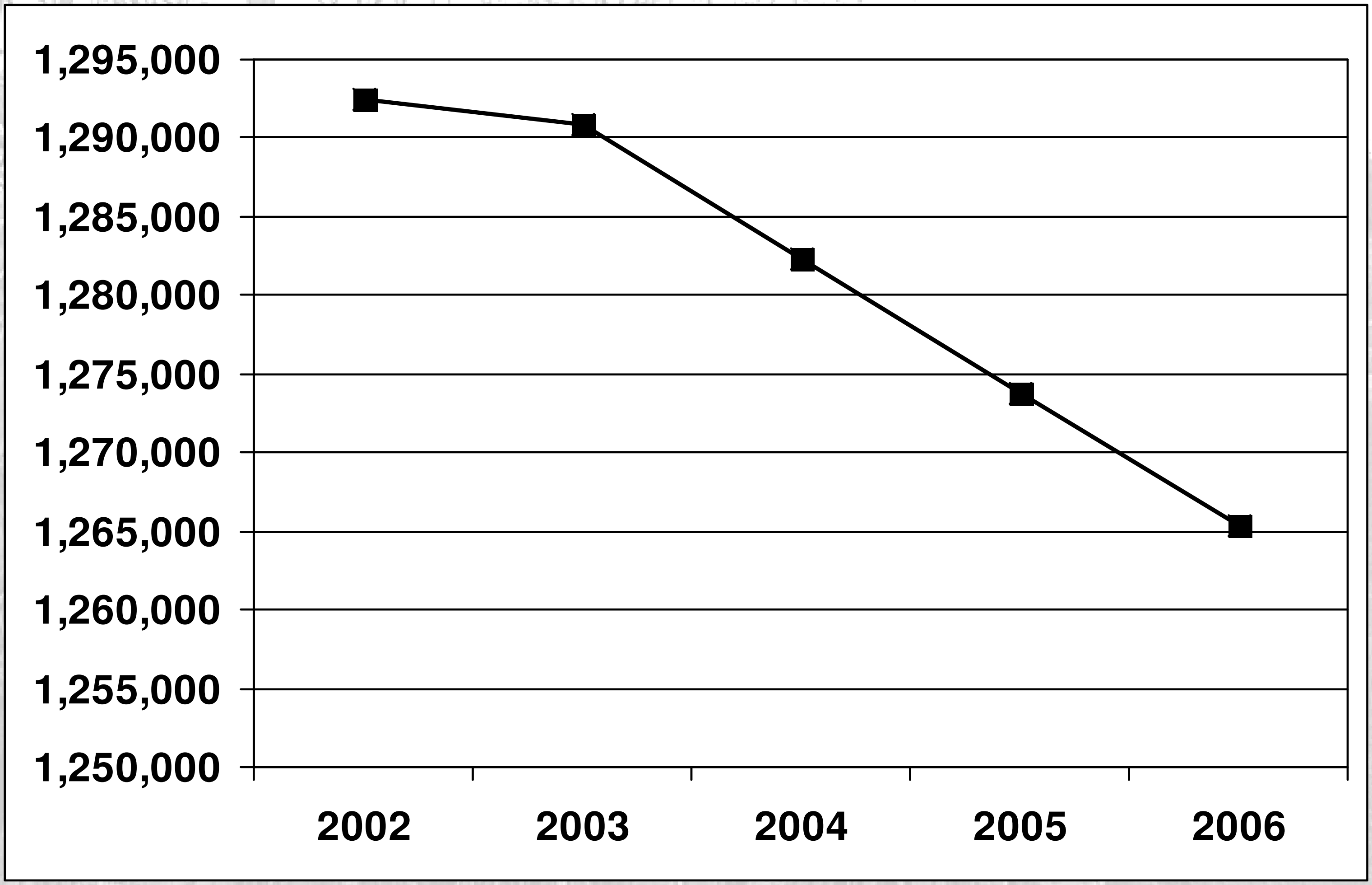
- Success depends on:
  - Consistency of data quality
  - Commitment to update and refresh
- Limitations:
  - Availability of data/use of proxies
  - Errors in data collection
  - Subjective interpretation of data

After period of stagnation, North Country net income makes jump



Not adjusted for inflation.
Source: BEA Regional Economic Information System

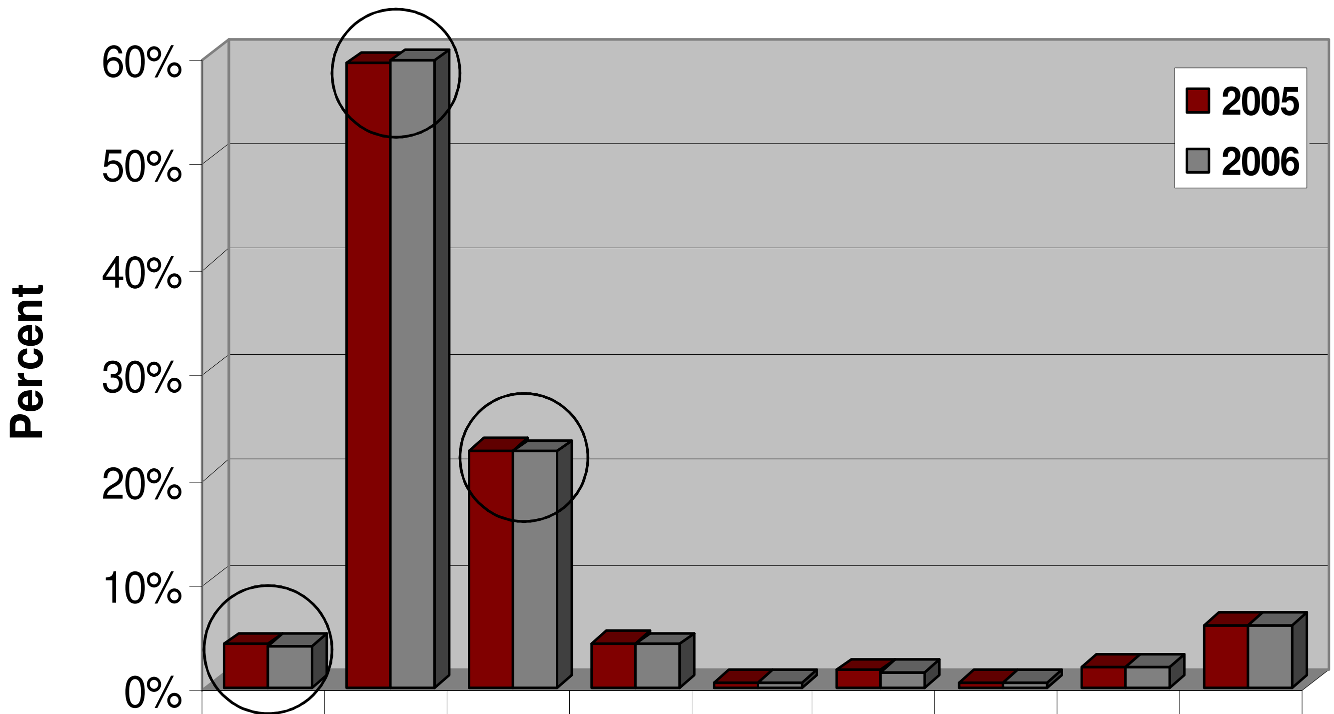
North Country farm acreage dropped 2.1% between 2002 and 2006



www.nass.usda.gov/Statistics_by_State/New_York/Publications/County_Estimates/index.asp

Land-Use changes

North County Tax Parcel Data, 2005–2006



	Agricultural	Residential	Vacant Land	Commercial	Recreation and	Community	Industrial	Public Service	Public Parks,
2005	4.08%	59.18%	22.45%	4.11%	0.40%	1.53%	0.44%	1.93%	5.87%
2006	3.98%	59.46%	22.34%	4.07%	0.40%	1.52%	0.43%	1.93%	5.86%

Tax Parcel Category

Sources: NYS Office of Real Property Services

Farm Type Inventory

Traditional Commodity Agriculture in the Region is Declining as Alternative Agriculture Increases

North Country
Number of Farms by Selected Farm Product Inventory

	1997	2002	% Change
Wheat	39	29	-25.6%
Dairy	1853	1487	-19.8%
Hogs	286	236	-17.5%
Corn	320	265	-17.2%
Berries	76	64	-15.8%
Poultry	404	367	-9.2%
Fruits and Vegetables	172	182	5.8%
Orchards	80	90	12.5%
Lamb and Sheep	200	236	18.0%
Nursery, greenhouse, floriculture, mushrooms, sod, and veget	NA	156	NM

Source: 2002 Census of Agriculture

Farms by Size Class

All But Large Farms in the Region Increase in Number (<$1000 Grows as Due to Shrinkage of Other Classes)

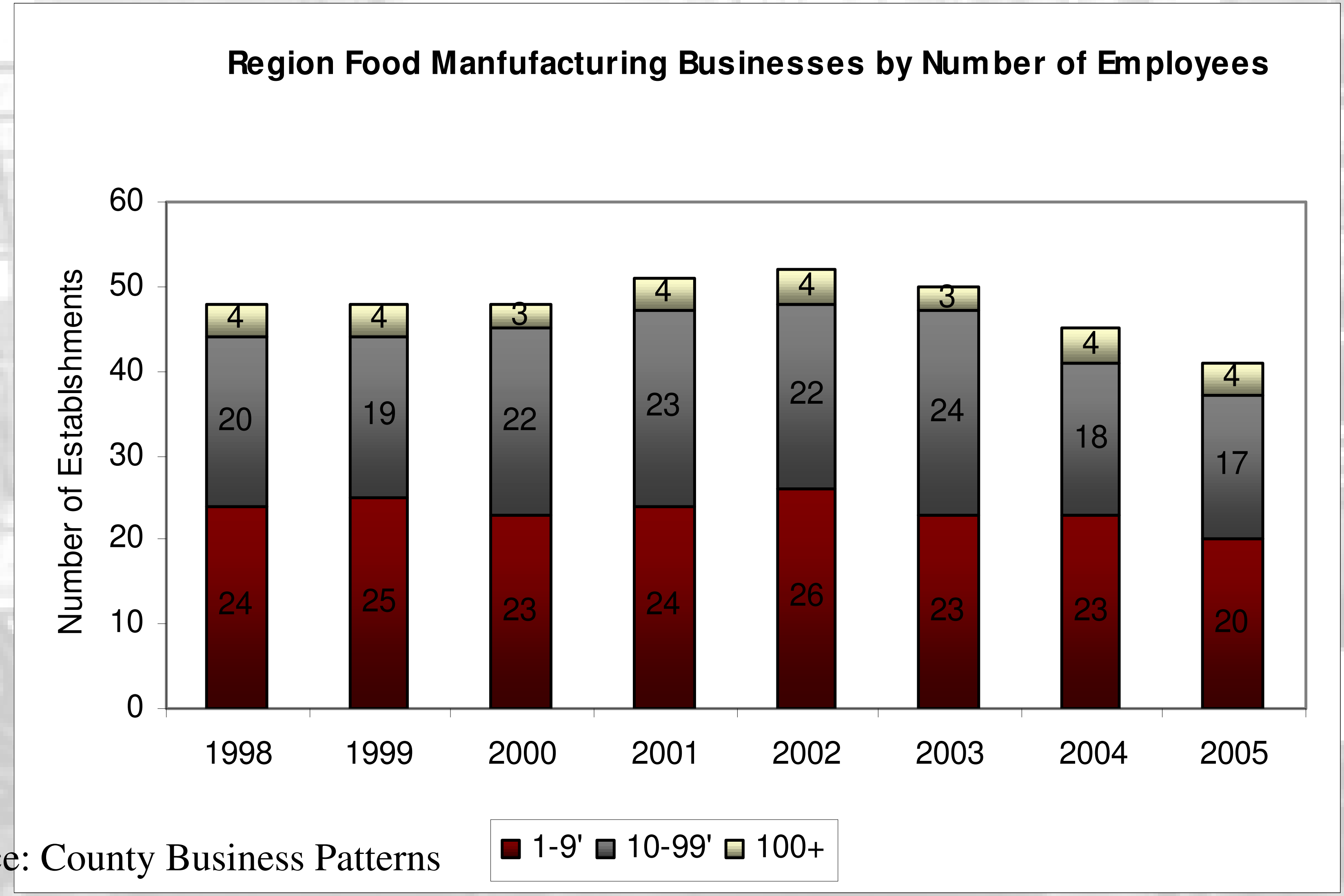
North Country

Number of Farms by Market Value of Agricultural Products Sold

	1997	2002	% Change
Less than $1,000	828	1018	22.9%
$1,000 to $2,499	510	505	-1.0%
$2,500 to $4,999	473	424	-10.4%
$5,000 to $9,999	489	379	-22.5%
$10,000 to $19,999	381	354	-7.1%
$20,000 to $24,999	132	91	-31.1%
$25,000 to $39,999	249	235	-5.6%
$40,000 to $49,999	138	96	-30.4%
$50,000 to $99,999	511	460	-10.0%
$100,000 to $249,999	765	661	-13.6%
$250,000 to $499,999	180	227	26.1%
$500,000 or more	105	122	16.2%

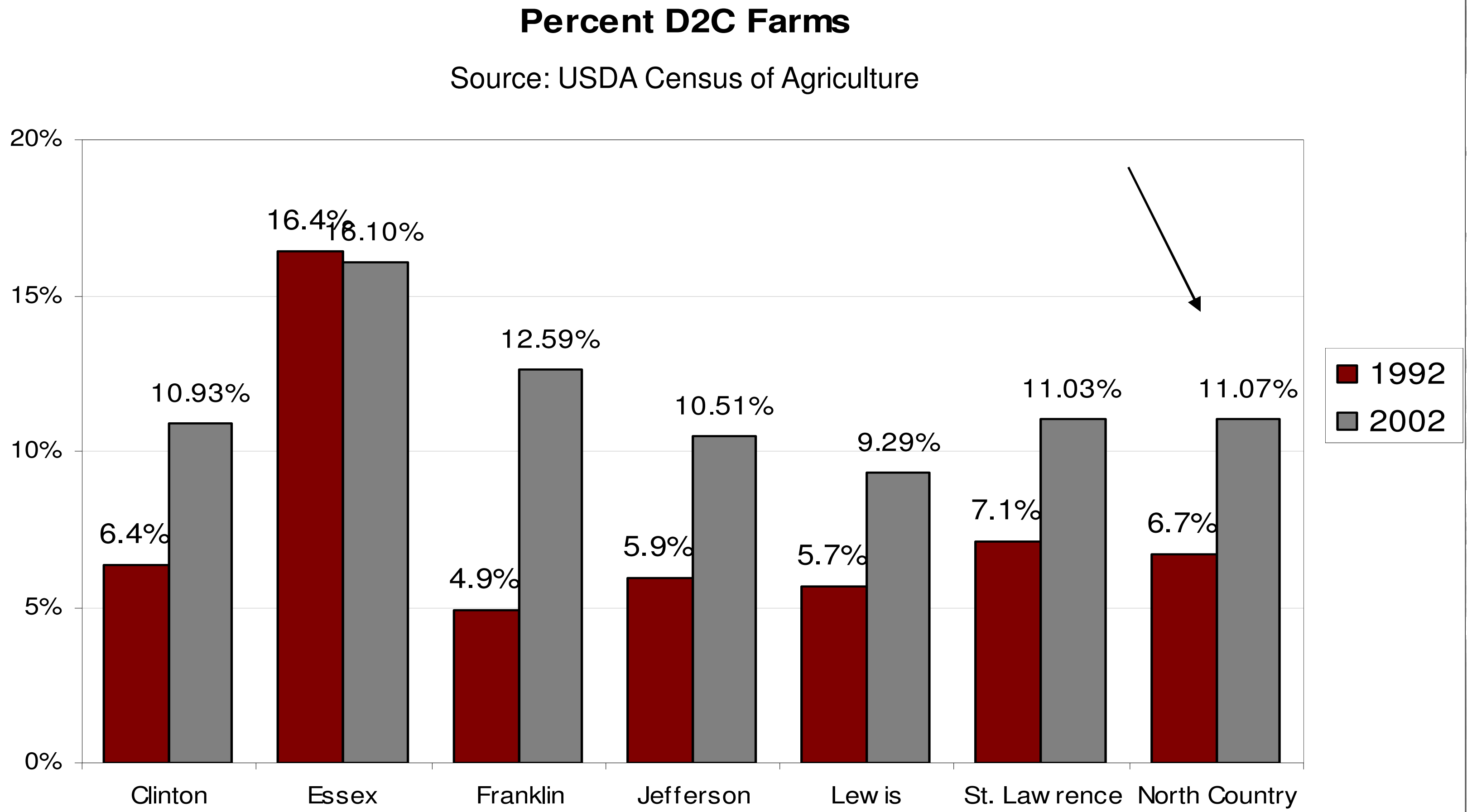
Source: 2002 Census of Agriculture

NC Regional Processing Trends



Source: County Business Patterns

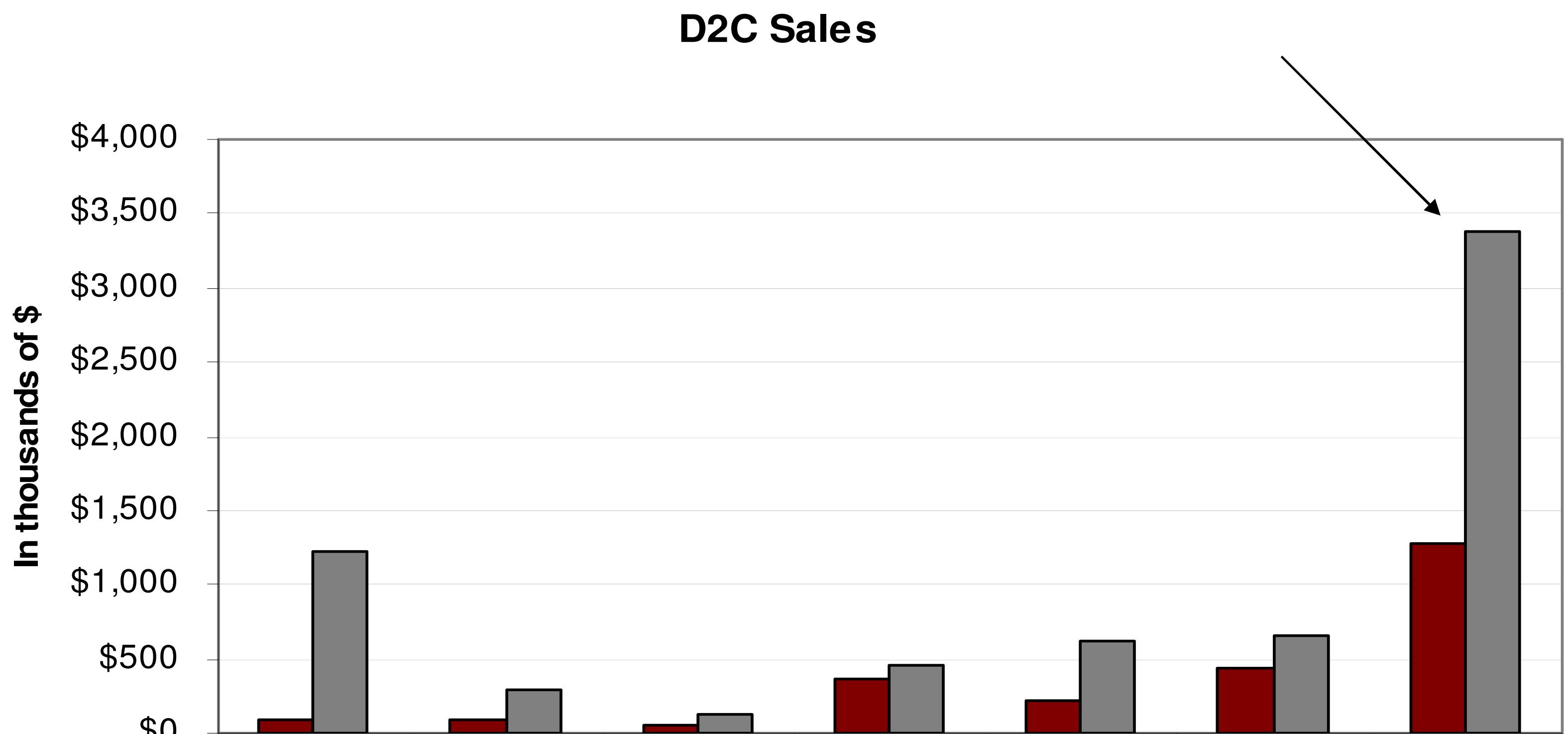
Share of Farmers Selling D2C is Growing



Number of D2C Farms

Year	Clinton	Essex	Franklin	Jefferson	Lewis	St. Lawrence	North Country
1992	31	32	25	53	35	97	273
2002	66	38	67	108	67	160	506

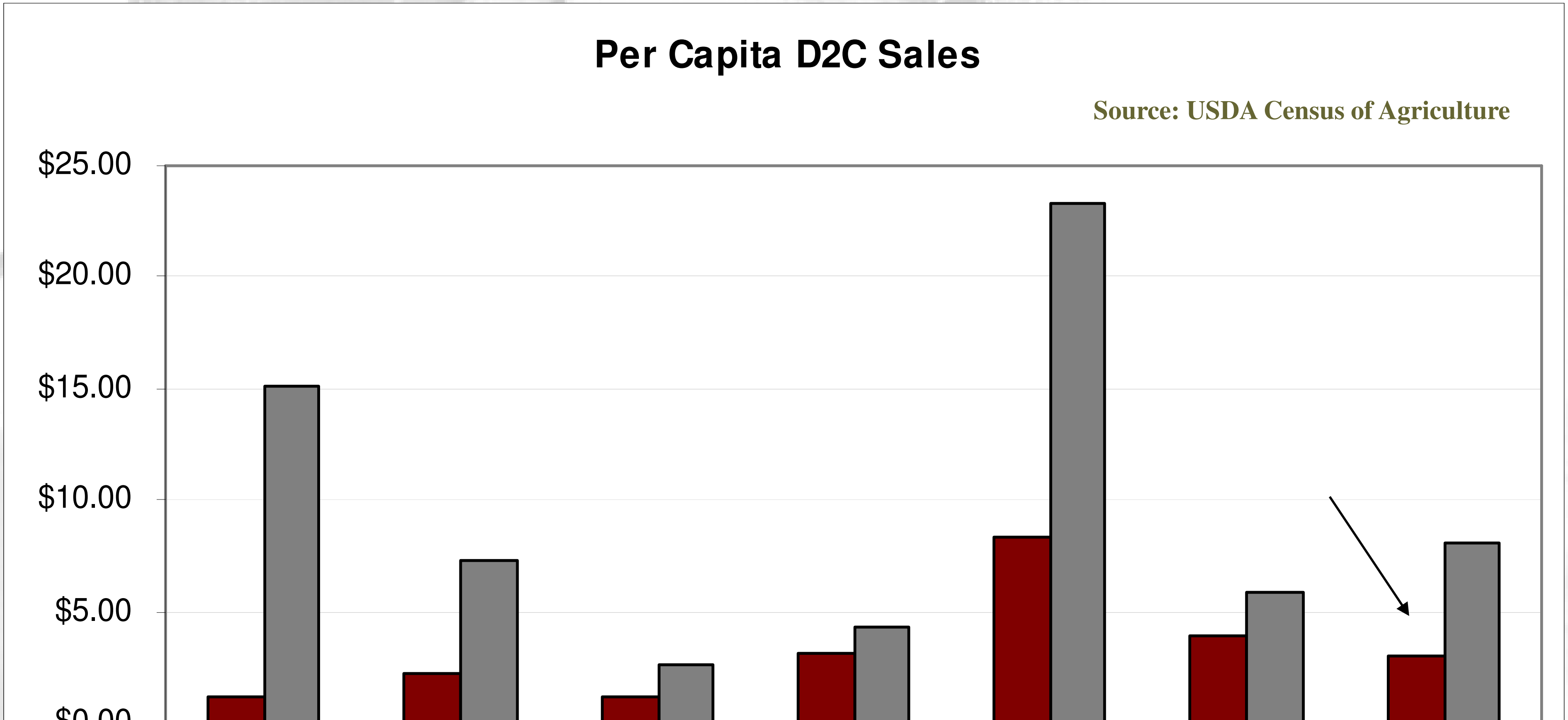
North Country D2C Sales Has Nearly Tripled



	Clinton	Essex	Franklin	Jefferson	Lewis	St. Lawrence	North Country
1992	$100	$84	$55	$362	$225	$447	$1,273
2002	$1,224	$284	$134	$460	$623	$652	$3,377

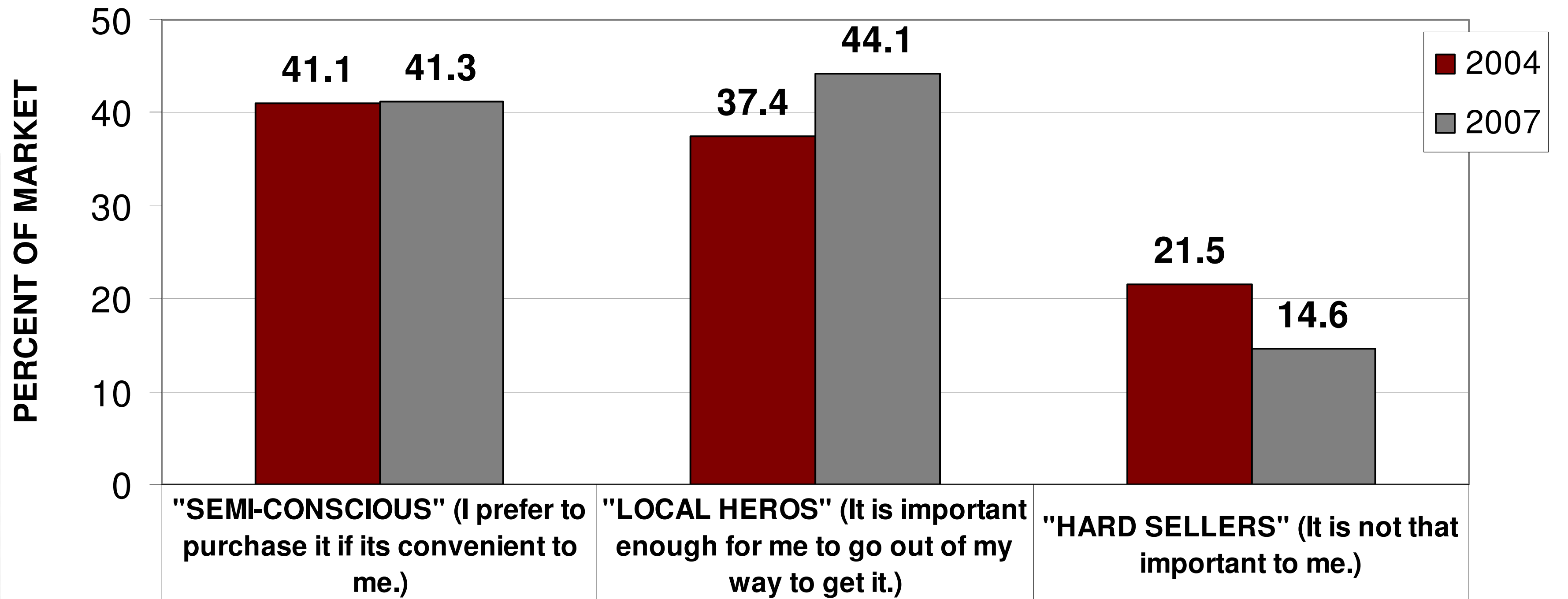
Source: USDA Census of Agriculture

NC Per Capita D2C Sales Increased Significantly



	Clinton	Essex	Franklin	Jefferson	Lew is	St. Law rence	North Country
1992	$1.17	$2.23	$1.13	$3.16	$8.28	$3.92	$2.98
2002	$15.10	$7.29	$2.63	$4.25	$23.36	$5.86	$8.10

Trends in consumer preferences, NYS



	"SEMI-CONSCIOUS" (I prefer to purchase it if its convenient to me.)	"LOCAL HEROS" (It is important enough for me to go out of my way to get it.)	"HARD SELLERS" (It is not that important to me.)
2004	41.1	37.4	21.5
2007	41.3	44.1	14.6

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Consumer preferences cntd.

"What one thing would motivate you to buy more local food?"

Response	No.	%
Greater Convenience/Availability/Accessibility	214	28%
Competitive Pricing/Affordable	124	16%
Combination of factors	103	13%
Good Quality/Freshness/Taste	82	11%
Knowing I'm helping economy/community/farmer	71	9%
Unknown/Don't know/Nothing/Doesn't Matter	49	6%
Knowing it is Organic	42	5%
Marketing/Labeling	30	4%
Health-related factors	23	3%
Motivated Already	20	3%
Selection	12	2%
Total	**770**	**100%**

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Source: Empire State Poll, 2004

Local Food Share of the NC Economy

Indicators show robust growth in North Country local food system. However, local food sales still constitute less than 1% of *total* food sales in the region– suggesting plenty of room for improvement.

Local Food Shares of the Economy, North Country, NY		% Change
Direct-To-Consumer Sales 02 ($1,000)	$3,377.0	85.7%
Direct-To-Consumer Sales 97 ($1,000)	$1,818.7	
Direct-To-Consumer Share of Total Regional Grocery Purchases 02	0.59%	85.7%
Direct-To-Consumer Share of Total Regional Grocery Purchases 97	0.32%	
Per Capital Direct-To-Consumer Sales 02	$8.10	93.3%
Per Capital Direct-To-Consumer Sales 97	$4.19	
Direct-To-Consumer Share of Regional Ag Income 02	0.83%	78.5%
Direct-To-Consumer Share of Regional Ag Income 97	0.47%	

Source: USDA Census of Agriculture

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For more information on AED indicators and benchmarking

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Primary Data Analysis: Interviews & Questionnaire

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Farm/Food Business Characteristics

- **15 Farms/Food Businesses**

- **Business type**
  - Sole proprietorships: 8
  - Corporations: 3
  - Cooperative corporations: 3
  - Partnership: 1

- **Acres in production (maple, vegetables, hay, orchards)**
  - 5 or less: 3
  - 6-10: 1
  - 11-20: 0
  - 21-50: 1
  - 51- 200: 3
  - 201 or more: 2

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- **Gross farm/business receipts, 2007**
  - \$5,000 – \$19,999: 1
  - \$20,000 – \$39,000: 1
  - \$40,000 – \$99,999: 2
  - \$100,000 – \$249,999: 3
  - \$250,000 or more: 2

- **Years in farm/food business**
  - 0-4 years: 2
  - 5-9 years: 6
  - 10-14 years: 1
  - 15-19 years: 2
  - 20+ years: 4

Farm/Food Business Characteristics, cntd.

- **Market outlets**
  - Farm stand/retail store: 5
  - Delivery to stores/restaurant/schools: 10
  - Farmers markets: 3
  - Wholesale distributors: 3
  - Mail order direct to consumer: 2
  - CSA/supply others' CSAs: 5

- **Trade Area**
  - < 25 miles: 2
  - 25 – 50 miles: 6
  - Local to Regional: 2
  - Local to State: 1
  - Local to State, National, International: 4

- **Farm/retail store labor**
  - 12 use family members (including owner/operator)
  - 7 do not have established annual payrolls

- **Off farm employment**
  - 5 have at least one spouse has part-time position off farm
  - 8 both spouses have positions off farm (at least part-time)

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Organizational Characteristics

- **11 organizations**
- **Organizational purpose**
  - Provide consumers with source of healthy, fresh/quality, locally produced foods and other goods: 4
  - Community Food Security: 1
  - Provide producers a market opportunity: 5
  - Create a community center: 1
  - Protect agriculture/lobby on its behalf: 1
  - Ag Economic Development: 1
  - Community and Economic Development: 1
  - Education/Mentoring: 2
- **Years doing local foods work**
  - 5-9 years: 3
  - 10-14 years: 0
  - 15-19 years: 2
  - 20+ years : 2
- **Annual revenue**
  - Less than $5,000: 1
  - $5,000 – $19,999: 5
  - $20,000 – $39,000: 1
  - $40,000 – $99,999: 2
  - $100,000 or more: 1

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Findings - General

- Business decisions tied to personal goals/interests, not just economics
- Contributions to community are intentional
- Experience and educational opportunities and resources are key
- Collaborations highly valuable to enterprises
- Support for local/regional food initiatives is secondary to primary mission for most organizations
- Optimistic about future but profitability varies
- Owners/Managers offered lots of strategies

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Findings – Some specifics

Role in the community as a farmer/food business owner:

Support the local economy

- Provide a good product.
- Build trust
- Economic – support & buy local too
- Developing entrepreneurship
- Advocate for the farmers, trying to help them stay in business – those that believe in the co-op model.
- Community member – foremost, active in church, school, scouts, sports, local boards. Provide employment, sales tax, property tax, use of local commodities

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Findings – Some specifics, cntd.

Role in the community as a farmer/food business owner:

Protect local resources

- Maintaining open space
- Protecting resources (seeds and livestock varieties, land, property rights, etc.) for local food production.
- Returning fallow land to production/protecting water
- Responsible land stewardship (low chemical, erosion control, soil health)
- Maintaining agricultural knowledge base (practical/sensible passed on from experience)

Support and develop local food systems

- Meet the local community's need/demand for local products
- Help build model for local production – consumption
- Be a role model for other communities.
- Promote public health
- Education

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Findings – Some specifics, cntd.

General feelings on profitability of direct marketing/local foods business:

- We are still not making a profit; We are working on niche markets in order not to always have to compete with large national companies.

- It's been improving. There's as much if not more opportunity for growth in direct marketing than in wholesale apples.

- Took 10 years to be independent of outside job. Profitability has been improving each year.

- Profitability has been improving – diversification has provided new opportunities, hard work – but positive outcomes and satisfying.

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Findings – Some specifics, cntd.

Impacts of your organizational work in support of local/regional food initiatives on the *individuals* and *communities* in the region you serve:

- Farm Viability -Having a successful market place encourages new people to start farming and start their own business with food and other local ag products.

- Consumer Awareness/Access - Heightened awareness re: benefits of local food and of local food sources.

- Environmental – Food does not travel as far from farm to table (or hoof to mouth).

- Health – Developing healthy habits

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Findings – Some specifics, cntd.

Identified future needs:

- Consumer education
- More farms to produce local supply
- Infrastructure
- Collaboration
- Additional ‘support groups’
- Reform of regulatory issues
- More information on institutional sales

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Recommendations

- Specific to enhancing:
  - Farm and Food Businesses
  - Community and Economic Development
  - Both Businesses and Communities

Next Steps

- Share report broadly
- Share personally with local officials & community/economic developers
- Facilitate development of a regional plan
- Pursue further research to fill in knowledge gaps
- Use research to monitor and evaluate progress

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Contributors

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