Community Food Systems and Economic Development

The role of local governments in supporting local food economies

Community food systems offer important economic development opportunities for communities. Investing in local and regional food economies can support local businesses, create jobs, and circulate money within the local economy. For community food systems to emerge as a viable part of economic development strategies, planners and local governments must make its case to the economic development community and better integrate food systems into economic development strategies.

The growth of community food systems holds the potential for positive economic impacts within communities, yet small and mid-sized farms and food entrepreneurs are commonly overlooked in economic development plans and may not be taken seriously by economic development officials focused on large-scale commercial and industrial development. Conventional economic development tends to focus on business recruitment of large corporate employers that produce and sell goods outside the community — but nearly 98 percent of U.S. businesses employ 20 or fewer employees. Small businesses act as incubators for innovation and employment growth and lead job creation.

Increasingly, economic development strategies are being integrated with community development principles that focus on using local resources to build wealth and improve social conditions throughout the community. Doing so brings a greater emphasis to creating new local businesses, retaining and expanding existing businesses, and serving local needs.

In the United States the food production sector is dominated by the conventional agricultural system, which focuses primarily on commodities. In this industrial system, most of the food that residents eat is grown, processed, and transported from elsewhere in the country or the world. In contrast, community-centered food systems make use of food value chains (also called values-based supply chains), which focus on small- and medium-scale food producers within a defined geographic area.

Food value chains look beyond economic profit to promote and maintain core social and environmental values when connecting agricultural products to markets. They emphasize elements such as transparency, ecological sustainability, equitable wages, local farm and food identity, healthy food access, and the connection of consumers to producers.

Transitioning even a small percentage of food industry economic activity to local businesses can reap benefits through import substitution — replacing a certain portion of a region’s food imports with locally produced food. Research shows that local economic benefits include a greater percentage of money spent on food staying within the local economy, spillovers to nearby businesses, and increased entrepreneurship. These benefits can accrue through avenues including farm-to-school programs, food hubs, agritourism, and farmers markets. This is especially true in urban areas, where demand is highest and the customer base is large enough to provide growing markets for local food.

Food systems are composed of multiple components (see sidebar on page 2), all of which represent areas that local governments can consider in their efforts to support and grow local economies.
The Vermont Farm to Plate Strategic Plan defines food systems as encompassing all of the resources, activities, and people needed to provide nourishment to communities, and identifies the following as key components:

- Consumer demand: the demand for local food products, both from local residents and those outside the community
- Farm inputs: land, labor, equipment, materials, supplies, and other resources that allow the production of food
- Food production: the growing or raising of raw food products by farmers, ranchers, and other food producers
- Food processing: the transformation of raw food products by packers, processors, and food entrepreneurs into value-added products for consumption
- Wholesale distribution: the aggregation, marketing, storage, and delivery of food to end consumers
- Retail distribution: the places and programs through which consumers purchase food
- Nutrient management: recycling plant and animal wastes back into the food system through composting and other mechanisms

ECONOMIC ELEMENTS OF COMMUNITY FOOD SYSTEMS

Data from the United States Department of Agriculture’s Economic Research Service (ERS) show that revenues from community food networks tend to stay in the local economy and are reinvested in supplies, labor, and other spending.

Studies have found that farmers’ markets positively affect regional economies through both the impacts of direct sales as well as induced and indirect effects on output, jobs, income, and spillover. Farmers’ markets can also increase sales for neighboring businesses, improve property values, and serve as business incubators by providing opportunities for vendors to build skills and gain business experience.

Beyond direct-to-consumer sales, the recent growth and success of regional food hubs and other food aggregation, marketing, and distribution infrastructure has allowed small and midsized commercial farmers and food entrepreneurs to tap into larger and more diverse markets. This creates new aggregation, marketing, and distribution jobs, increases profits and job growth within the farming and food production sectors, and supports the creation and success of new businesses that sell local and regional food products. Though “opportunity costs” are important to consider—i.e., the money that would have been spent at other businesses (e.g., farmers markets or conventional groceries) if food hubs did not exist—research still shows overall positive impacts on local economies of increasing food hub sales.

The limited national data available on intermediated marketing channels show substantial growth in this area: the number of food hubs in the U.S. increased by 288 percent between 2006 and 2014 and the number of farm-to-school programs increased 430 percent between 2006 and 2011.

In areas with strong farming traditions, agricultural-focused economic development activity is important in helping to maintain existing farm viability and local character. One strategy is agritourism, the business of inviting the public onto farms for on-farm sales of agricultural products, educational tourism, entertainment, accommodations, or outdoor recreation. This can be an important strategy for bolstering farm profitability and expanding economic activity within the agricultural sector, particularly in boosting income and enhancing viability of small farms. Agritourism benefits both farmers and communities. It allows farmers to expand farm operations, diversify and grow product lines and markets, generate additional income from farm assets that may be underutilized, and create new revenue streams for family members that might otherwise have to work off the farm. It also provides venues for educating tourists about local agricultural heritage and food production; enhances community quality of life by expanding recreational opportunities and promoting the retention of agricultural lands; and increases opportunities for purchasing and consuming fresh, local, healthy foods.

Studies suggest that agritourism not only presents a viable strategy for economic development, but may also do so while decreasing income inequality and promoting a more egalitarian distribution of income throughout a community.

Communities can also look to the food sector for economic development opportunities. A new landscape for food businesses is opening up, populated both with new, small food entrepreneurs and larger, more mature food businesses with access to new funds and resources when acquired by larger corporations. Both types are increasingly focused on tapping into local food products and systems to satisfy growing consumer demand in urban centers for local, fresh, and healthy foods. Though food sector jobs can be of uneven quality with low wages and difficult working conditions, the number and quality of these jobs can depend on where investments are made along the supply chain. Local government investments in regional food hubs, food business technology companies, food business incubators, and farm-to-institution support businesses show the highest potential for positive impacts on local and regional economic development and job creation.

Nationally, interest in local and artisanal food products is growing—specialty food sales at retail outlets grew 19 percent between 2012 and 2014, compared to 2.2 percent growth for all food sales—and support infrastructure for new food businesses entrepreneurship can help boost economic development within this sector. Kitchen incubators—shared-use commercial kitchens that can be rented to commercially produce food products and that offer capacity-building support to users—can be key in helping new food-product entrepreneurs get their start and helping established small businesses scale up to meet in-
Increasing demand. Though some dismissed kitchen incubators as a post-recession fad, the last few years have seen continued growth in the numbers of kitchen incubators and increasing financial stability and success for many of these facilities. A 2015 survey found that 40 percent of all incubators and a full 70 percent of nonprofit incubators have received grant support, so local government investment in these facilities can be vital in enabling them to serve communities. Studies show that shoppers buy local foods for their superior freshness and flavor, but concern about supporting the local economy is also a major factor in purchasing decisions, especially among farmers’ market shoppers. The average consumer, however, is less aware of the rationale for supporting local food markets, so strategic awareness and local food marketing campaigns will be important to continue to grow markets for local foods. Wholesale and retail food buyers show increasing interest in purchasing local foods, but barriers of supply consistency and inadequate product volume remain common. Continued development of food aggregation, marketing, and distribution infrastructure, such as regional food hubs, is vital in helping small and midsized local farms tap into these new and expanded markets and ensuring a consistent food supply for wholesalers and retailers, further driving demand. Institutional purchasers—restaurants, schools, hospitals, and other entities—primarily seek out local foods to support local producers and the local economy, as well as to procure more fresh, healthy, and high-quality food. The barriers these purchasers face are similar to those of wholesale buyers—consistent and adequate supplies of local foods—so continued development of local food aggregation and distribution capacity, as well as programs (such as farm-to-school) that help connect local producers and institutions, will be important in continuing to grow these markets.

In summary, community food systems hold much potential for increasing local revenues and stimulating economic growth, but face challenges to their further development and expansion. Local governments and their planning staff can play important roles in building local wealth by supporting the growth of community food systems.

PROMISING PRACTICES

There are a number of community food system-related strategies that local governments and planners can explore to stimulate economic development. In many cases the role of local government is indirect through policy development and regulatory reforms that support local farmers and food businesses that make up the community food economy. In other cases, financial investments and programmatic actions can have direct impacts on creating new food-related businesses and expanding existing food markets.

Indirect Strategies

Plans and Policies

Community plans and policy documents should identify the potential of community food systems as economic development engines and lay out strategies and actions local governments can take to grow this sector. In rural Marquette County, Michigan, the local planning commission adopted a Local Food Supply Plan (2013) as a chapter of the county’s comprehensive plan. The plan explains how food choices impact the health of both citizens and the local economy, and sets a vision, goals, and policies that enhance the local economy through increasing local production, processing, and consumption of food. The county planning commission uses the plan as a reference document to advise decision makers regarding the role of local government in supporting a community-based food system. Within Marquette County, Chocolay Township’s Master Plan integrates food within numerous subsections of the plan; the “Managed Economy” section calls for promoting and pursuing “a niche economic development opportunity associated with local food systems,” through providing space for food system infrastructure—processing, storage, and retail facilities; amending regulations to support agritourism; and marketing local products. In Ohio, the Fairfield County Regional Planning Council worked with the Fairfield Economic Development Department to produce “Fairfield GROWING” (2011), an agricultural economic development plan to promote sustainable economic development that improves the availability of local foods in this fast-growing county near Columbus. In Washington, King County and the City of Seattle worked with other partners to convene local food system actors for a Farm and Food Roundtable; the resulting report offered detailed policy and action recommendations in five component areas to strengthen the local food economy through farmland preservation and boosting market and distribution opportunities for the region’s small and mid-sized farmers. Vermont’s Farm to Plate Strategic Plan, perhaps the most comprehensive state-level food system plan in the country, lays out a detailed and extensive set of goals, actions, and indicators to increase economic development and create jobs in the state’s farm and food sectors. See the sidebar on pages 4-6 for examples of plan and policy language from these documents.
Sample Plan and Policy Language for Food Systems as Economic Development

MARQUETTE COUNTY, MI LOCAL FOOD SUPPLY PLAN

The level of awareness of food distribution and local food supply by people and governments impacts the local economy. Revenue from the sale of food grown locally is put into the pocket of one of our farmers. The majority of that money is likely to be reinvested into our community. This concept is called “local dollars staying local”. Providing opportunities to ensure that local dollars stay local, is a big win for the local economy. . .

The value of a strong local food system is important for our leaders of government to understand. Such a system improves the local economy and increases our food security. Once those benefits are understood it is essential for governments to evaluate how existing policies can be modified to encourage local food production, processing, and consumption (pp. 28–29).

• GOAL: The economy in Marquette County improves through the increase in local production, processing, and consumption of food (p. 5).
  - POLICY: Encourage the establishment of food processing facilities including meat and frozen produce.
  - POLICY: Support efforts to improve the marketing of food from local farms.
  - POLICY: Encourage partnerships between local food producers and institutions, such as schools, hospitals, prisons, and elder care.

CHOCOLAY TOWNSHIP MASTER PLAN

REGULATORY TASKS: ECONOMIC DEVELOPMENT

• Strategy ED-2.5. Promote and pursue a niche economic development opportunity associated with local food systems, including the support of kitchen incubators, food processing facilities, food aggregation and storage facilities, distribution centers, and agritourism (events, food stands, farmer’s markets, breweries, wineries, tasting rooms, and other distributors of value-added ag products). Local zoning should reflect this goal.

• Strategy ED-2.6. Ensure that local ordinances support the operations of mobile food vendors at various locations in the Township near residential neighborhoods, in the commercial district, near public recreation areas, and near institutions such as schools.

REGULATORY TASKS: FOOD SYSTEMS

• Strategy FS-2. Amend regulations to support local food systems by increasing opportunities for context-sensitive production, processing, marketing, distribution, and waste processing in more areas of the Township.

• Strategy FS-2.4. Amend the zoning ordinance to allow food processing facilities (mobile or fixed) in mixed-use, commercial, industrial, agricultural and perhaps rural residential districts.

• Strategy FS-2.5. Amend the zoning ordinance to allow food marketing and distribution facilities (mobile or fixed) with appropriate restrictions in all districts. Examples include farmer’s markets, food stands, mobile vendors such as food trucks, and farm stores or tasting rooms that feature products produced on-site at commercial farms.

• Strategy FS-2.6. Amend the zoning ordinance to expand the accessory commercial uses permitted on farms to allow processing, packaging and direct marketing of products produced on-site, agritourism, and energy production facilities such as biomass or methane digesters.

CAPITAL PROJECTS: FOOD SYSTEMS

• Strategy FS-1.5. Support appropriate projects, facilities, and partnerships that enhance diverse local food processing and distribution options, such as community kitchen incubators and community food processing facilities.
FAIRFIELD GROWING: AN AGRICULTURAL ECONOMIC DEVELOPMENT PLAN

The purpose of this plan is to promote sustainable economic development growth that will improve the availability of local foods in the county. Counties and cities across the state have harnessed their agricultural economy into an economic driver. In order to achieve continued vitality, Fairfield County must cultivate its local food system in order to drive sustainable economic development. Fairfield Growing and its recommendations will help to strengthen the county’s food system so that it creates jobs and strengthens the economy for decades to come.

GOALS

• PUBLIC EDUCATION: Increase the market for locally grown foods by raising awareness of where our food comes from and providing education, for citizens and public officials, on health, environmental benefits, and sustainable growth associated with locally grown, processed and distributed foods.

• INCREASE LOCAL FOOD DEMAND: Increase local food demand through partnerships and programs aimed at increasing the community’s access to local foods.

• INCREASE LOCAL FOOD SUPPLY: Increase access to local foods by improving the connections between producers, processors, and retailers and decreasing barriers to food related businesses.

RECOMMENDATIONS OF THE KING COUNTY FARMS AND FOOD ROUNDTABLE

ACQUIRE AND STEWARD LAND AND CAPITAL

• Goal 1: Preserve the farmability of sufficient farmland to help sustain a vibrant agricultural economy in King County

GROW/HARVEST

Local Policy Goals: To restore a fully functioning local agricultural economy as a source of healthy food and employment opportunity for future generations, the partner agencies should:

• Enact policies and support programs that enhance the economic viability of farming in King County

Actions to Achieve the Goals:

• A. Create an economic development plan for the local agricultural and food system that is as robust as those recently developed for other sectors of the economy. The plan should identify specific sectors where there are opportunities for expansion, the gaps that must be filled to take advantage of those opportunities, and methods to fill those gaps.

PROCESS/STORE/TRANSPORT

Local Policy Goals: Improve the economic viability of operating farms in King County by:

• Identifying and helping to fill gaps in the capacity of each sector of the agricultural economy — and each farming community — to store, process and transport its products to market.

• Focusing research, technical assistance and financial support on implementing safe and sustainable production systems.

Actions to Achieve the Goals: The members of the Roundtable recommend the partner agencies:

• Lead planning to identify the needed capacity and infrastructure to aggregate, store and process local farm products and develop sound business plans to sustain that capacity.

MARKET/SELL/USE

Local Policy Goals: Improve the viability of local agriculture, and improve the health of all King County residents by:

• Enabling more King County residents to participate in the market for local agricultural products.

• Helping local farmers to participate in a spectrum of market opportunities including direct sales, farm to institution programs, and commercial markets.
VERMONT FARM TO PLATE STRATEGIC PLAN

- Goal 11: Vermont’s food processing and manufacturing capacity will expand to meet the needs of a growing food system.
- Goal 13: Local food will be available at all Vermont market outlets and increasingly available at regional, national, and international market outlets.
- Goal 17: The number of locally owned and operated food system businesses is expanding.
- Goal 18: Vermont’s food system establishments will provide safe and welcoming working conditions, livable wages, and have access to a skilled, reliable workforce.
- Goal 19: Business planning and technical assistance services will be highly coordinated, strategic, and accessible to Vermont’s food system businesses.
- Goal 20: Food system entrepreneurs and farmers will have greater access to the right match of capital (grants, loans, mezzanine debt, equity, loan guarantees, leases, and incentives) to meet their financing needs at their stage of growth and for their scale of business.
- Goal 24: Vermont’s governor, legislature, and state agencies will continue to celebrate Vermont’s food system and will champion it as an economic development driver for the state.
- Goal 25: Food system market development needs will be strategically coordinated.

Commissioning Policy Studies

To help generate ideas for policies supporting economic development within the agricultural sector, local governments can also create task forces or other special committees to study the local food production economy; gather input from farmers, residents, and other stakeholders; and develop recommendations for strengthening its viability. In Lancaster County, Pennsylvania, the Board of County Commissioners created the Lancaster County Blue Ribbon Commission on Agriculture to seek innovative and successful ways to keep agriculture viable within the county. The Blue Ribbon Commission held 18 listening sessions to gather public input over a two-month period and then distilled that input into a series of recommendations and goals in six categories, including economic development. The Commission recommended creating an agricultural economic development authority to help local farm and food businesses grow as its highest-priority recommendation.

Local Land-Use and Other Regulations

Once a policy basis for promoting community food systems as economic development is in place, local governments should next turn to implementation through reviewing and amending local land-use and other regulations where necessary to support the growth of local farms and food enterprises. Zoning codes should make it easy to expand and diversify farming operations; establish community gardens and market farms within urban areas; sell local produce to consumers; and develop a wide range of food-related businesses and infrastructure, while local solid-waste ordinances can require diversion of food waste from landfills.

Supporting Farm Expansion and Diversification

In rural farming areas, local regulations can stifle on-farm business expansion and diversification efforts that might otherwise be supported by state and regional pro-agriculture policies and business assistance programs. Douglas County, Kansas, passed a zoning amendment affirming agritourism and processing and sale of farm products as permitted agricultural uses; supplemental regulations create three tiers of agritourism uses based on intensity, with administrative registration for low-intensity uses and conditional use or special event permit requirements for high-intensity uses. The state’s Office of Travel and Tourism currently lists more than 100 registered agritourism enterprises in the Douglas County region, with 300 listed for the state as a whole. In Calaveras County, California, growth of the agricultural industry was being inhibited by outdated zoning regulations that did not allow for value-added product development or agritourism enterprises. The county worked with Extension and local farmers to update local codes to allow a wide range of agriculturally related uses, offering hundreds of opportunities for farmers and ranchers to expand and diversify operations. In connection with its comprehensive plan, Lancaster County, Pennsylvania, offers guidance and model ordinance language on promoting and developing sustainable agritourism enterprises for its constituent jurisdictions. Similarly, the Michigan Agricultural Tourism Advisory Commission created guidelines and model ordinance provisions for agritourism to allow farmers to sell their products directly to consumers, expand and diversify economic activities, and strengthen farm viability within rural areas.
Urban Agriculture as a Permitted Use
Many communities have added community gardens, urban farms, and urban livestock as permitted uses within their jurisdictions, expanding the land base on which food can be grown and providing more opportunities and access for local entrepreneurs and residents. For more information on these efforts, see the GFC Planning and Policy Brief Community Food Production.

Expanding Sale of Locally Grown & Produced Foods
To maximize economic development opportunities, local regulations should also expand outlets for sales of locally grown and produced foods. The City of Cleveland passed zoning amendments in 2010 that allow the Board of Zoning Appeals to approve farmstands and the sale of produce and prepared foods on agricultural uses in residential areas. In urban areas, cities such as Minneapolis, San Jose, and Vancouver, British Columbia, have adopted zoning provisions making it easier to locate more farmers markets in a wider range of neighborhoods within their jurisdictions, as noted in the GFC Planning and Policy Brief Incentivizing the Sale of Healthy and Local Food.

Permitting and Allowing Food Infrastructure
Beyond supporting agricultural uses of land, zoning ordinances should also allow the food-related uses that comprise food system infrastructure: aggregation and distribution facilities, community kitchens and kitchen incubators, food processing facilities, food-related research and development facilities, community/educational centers, restaurants, and food retail outlets. Defining, line-listing and permitting these uses by right in commercial, industrial, and other appropriate districts provides regulatory certainty, reducing time and costs of development. See the GFC Planning and Policy Brief Food Aggregation, Processing, and Distribution.

Planning and zoning can also help to establish food innovation districts: geographic concentrations of food-oriented businesses, services, and community activities that local governments support through planning and economic development initiatives to spur community food system development. Food innovation districts represent an economic gardening approach of building supportive environments for existing and emerging businesses. They capitalize on the benefits of business clustering and create special places that become destinations for consumers and entrepreneurs alike.

Food innovation districts can be implemented by creating a new zoning district; through an overlay district that adds additional regulations to an underlying district; via form-based zoning, which focuses on the design of development rather than permitted uses; or through planned development districts that provide regulatory flexibility for specific project proposals. Michigan State University and the Northwest Michigan Council of Governments produced a guidebook for local communities on zoning for, planning, and implementing food innovation districts.

In Seattle, the city’s Office of Planning and Community Development is working with residents and consultants to develop a plan for a Rainier Beach Food Innovation District as part of transit-oriented development in the Rainier Beach Light Rail Station area. The district is envisioned to encompass educational uses; business uses including incubators, food research and development, food processing, food truck commissaries, and food retail; and community spaces, including a gathering hall, community kitchen, maker space, food bank, and daycare. Other examples of food innovation districts working to generate food systems-based economic development include the Michigan Food Innovation District and Cleveland’s Urban Agriculture Innovation Zone.

Food System Economic Studies and Strategies
As described in the GFC Planning and Policy Brief Food Aggregation, Processing, and Distribution, a number of local governments have coordinated or financed community food system analyses. The next step is to develop or commission studies that
target specific investments and strategies to boost the community food economy. Lawrence-Douglas County, Kansas, commissioned a feasibility study that recommended development of a regional food hub to overcome challenges threatening to stall the nascent community food economy developing in the region.\textsuperscript{57} In San Francisco, the city’s food and beverage production and distribution sectors started growing again after years of contraction in the early 2000s, but faced a number of challenges to further development. Recognizing the importance of local food manufacturing to the city’s economy and identity, the Planning Department worked with the city’s Office of Economic and Workforce Development to create an economic cluster strategy for this sector, which creates employment and economic diversity within the city and offers entrepreneurial opportunities and access to local food to residents. Recommendations addressed local government actions to increase the supply of affordable, suitable space for food production and distribution businesses within the city; provide technical assistance and business support; develop and retain a skilled local workforce for this sector; and improve transportation access to job sites and mobility for distributors.\textsuperscript{58}

To help make the case and plan for the integration of community food systems and economic development, in 2016 the USDA’s Agricultural Marketing Service released The Economics of Local Food Systems, a toolkit to help local communities collect local food system data and analyze the impacts of local food systems and initiatives on local economies through input-output (I-O), opportunity-cost, and IMPLAN economic analyses.\textsuperscript{59}

DIRECT STRATEGIES

Hiring Agricultural Economic Development Specialists

Once a community has established the importance of agriculture to the local economy and is committed to support its development, a key implementation piece can be the creation of a position in the local economic development department focusing on agricultural production and other food-related enterprises. Wayne County, Ohio, was the first local government in that state to hire an agricultural economic development professional within the economic development department.\textsuperscript{60} Wayne County, New York, hired a full-time Agricultural Development Specialist in 1998 within its department of economic development and planning. The position was created to help preserve the existing agricultural industry while developing new and innovative agricultural initiatives to restore economic vitality to this sector. In addition to helping protect viable farmland and working with farmers and business owners to enhance their economic viability, the Ag Specialist represents the agricultural industry on local economic development committees or task forces.\textsuperscript{61} Orange County, North Carolina, was the first community in that state to hire an agricultural economic development coordinator. Within a few years, the new hire had secured more than $1.1 million in grant funding to develop new local food production infrastructure, including a multi-county shared-use food processing and production facility.\textsuperscript{62} Opened in 2011, the Piedmont Food and Agricultural Processing Center (PFAP) now provides preparation, processing, and packaging facilities for 28 local food-related businesses.\textsuperscript{63}

Training and Business Development Assistance

Local governments can also support farmer training and business development assistance as economic development strategies to help grow local farm enterprises. The Howard County Economic Development Authority in Maryland runs an Agricultural Marketing Program that offers technical assistance with zoning, permitting, business planning, and grant writing to support both new farmers and existing farmers that want to diversify their enterprises.\textsuperscript{64} King County, Washington, in partnership with King Conservation District, Washington State Department of Agriculture, and Washington State University Extension, established Farm King County. This initiative connects local farmers to services, information, and technical resources on the business of farming, farmland access, food production, and marketing and food safety to make it easier to start, operate, and expand a farm within the county.\textsuperscript{65} In Orange County, the department of economic development has partnered with county Cooperative Extension to offer the PLANt Farm Enterprise Incubator program, an eight-week series of workshops for aspiring farmers. Once participants complete the course and submit a business plan, they can rent a quarter-acre plot for $150 per year to start their farming or food-production business.\textsuperscript{66}

Marketing Local Foods

As noted above, while some consumers understand the health and economic benefits of purchasing fresh, local foods, others may not, so local governments can help with marketing efforts to educate consumers about community food systems and boost awareness of local food products and retail outlets. In Maryland, the Frederick County Office of Economic Development launched a “Homegrown Frederick” campaign promoting the county’s agricultural bounty, describing the benefits of a local food economy, and providing guides to local farms, food producers, farmers markets and CSAs, and retail outlets for local food products. In Garrett County, Maryland, the Economic Development Department offers an Agricultural Marketing Grant Program to any farm or farm-related business or organization within the county to help fund agricultural marketing projects.\textsuperscript{67} Placer County, California, launched a local agriculture marketing campaign in 2001. Economic troubles forced the program’s suspension in 2009, but in 2012 the County Board of Supervisors again hired a marketing company to promote local agricultural products and events that feature those products.\textsuperscript{68}

Investing in Food System Infrastructure

Local governments can make direct financial investments in food system infrastructure to fill gaps and boost economic productivity of farmers and food producers in their jurisdictions. In 2008, Cabarrus County, North Carolina, created a special fund...
for local food programming using revenues from the county’s present use tax program. A **local food system assessment** identified the need to add slaughtering capacity to a local meat fabrication plant to better support local livestock production, the county’s agricultural strength.69 The county used $151,178 in present use tax funds, along with $622,000 in state grant money and a $325,000 loan, to help finance the slaughterhouse addition.70 Now livestock farmers no longer need to ship cattle across the state for processing; in 2014, the slaughterhouse served about 75 local farmers within a 10-county region on a regular basis, with business continuing to grow.71 Several communities have invested in kitchen incubators to support the growth of new food businesses. As described in the GFC Planning and Policy Brief Food Aggregation, Processing, and Distribution, Madison, Wisconsin, and the City of Boston dedicated substantial Community Development Block Grant funds towards the development of successful kitchen incubator projects the Food Enterprise & Economic Development Kitchens and the Bornstein & Pearl Food Production Center.

**Funding Food System Producers**

Local governments can also invest in local farmers and food producers through grant and loan programs. In Region Five, Minnesota, the Region Five Development Commission’s North Central Economic Development Association staff identified a need to help local food businesses access capital financing, so they tapped into the USDA’s Rural Microenterprise Assistance Program (RMAP) in 2012 to provide business loans to agricultural entrepreneurs. By 2015 the program had 16 active loans with $365,000 in balances; $79,000 in four new loans were made with repaid dollars from the original funds.72 Elsewhere in the state, the Homegrown Minneapolis initiative committed that city to expanding local, healthy food production and consumption. To support local economic development in this sector, the department of Community Planning and Economic Development helped establish the Homegrown Business Development Center, which provides loans and technical assistance for local food businesses.73 The department also wrote a guide to help current and aspiring entrepreneurs use the Center’s resources to start local food businesses in the city. In Wayne County, New York, the planning department’s Agricultural Development Specialist oversees the county’s Agribusiness Micro-Enterprise Program.74 The program is targeted at agricultural businesses employing five or fewer workers and was established in 2002 using $600,000 in Community Development Block Grant funds. It provides up to 20 hours of free technical assistance, including business-planning seminars conducted in partnership with Cornell Cooperative Extension and access to an Agribusiness Development Center, and offers below-market interest rates on loans of up to $40,000 for equipment, start-up costs, leasehold improvements, and working capital.75 In Orange County, North Carolina, the Board of Commissioners approved the creation of an **agricultural economic development grant program** offering small (up to $1,000) and large ($1,000.01 up to $10,000) grants to local farmers seeking to expand and diversify their farm enterprises. Farmers can use the funds to cover costs of equipment, labor, and marketing or processing operations.76

**COMMUNITY GUIDE TO PLANNING FOR AGRICULTURE AND FOOD SYSTEMS**

As part of the Growing Food Connections project, the American Farmland Trust has developed a new resource, Growing Local: A Community Guide to Planning for Agriculture and Food Systems. The Guide explains the importance of planning for agriculture and food systems, defines key food systems planning terms, establishes important principles and practices for food systems planning and policy making, and provides an extensive implementation toolbox to help achieve food systems goals. The Guide together with the Planning and Policy Briefs series offer helpful guidance for planners and local governments seeking to strengthen their community food systems.

**Partnerships**

Many counties have local offices of the Cooperative Extension System that work to translate research-based agricultural information into technical assistance to audiences ranging from farmers to school children.77 Because most Extension services engage a full range of agricultural economic development activities, from entrepreneurship and recruitment to retention and expansion, and Extension agents tend to have strong relationships with local farmers and ranchers, local governments and planners should be sure to reach out to their local Extension offices in their food system economic development efforts.78 In Cabarrus County, North Carolina, the local Extension agent was instrumental in turning a seasonal, informal farmers market into a collection of five local markets hosting more than 60 vendors throughout the county, including two year-round, permanent facilities.79 At least eight entrepreneurs that started at the farmers markets have scaled up and spun off new local businesses. Extension took the lead in obtaining grant funding to support the market operations and infrastructure, developing the additional markets, and working with the county to identify sites and tap into utilities for the market expansion.80

**CONCLUSION**

The food sector holds great potential for generating jobs, revenue, and building community wealth. Local governments have many opportunities to support and promote local farming and food production as well as the infrastructure and marketing necessary to increase both the supply of and demand for local foods. While studies have only begun to examine the full impacts of community food systems on economic activity, initial data suggest multiple benefits for both farmers and food producers and the communities they live in.

This publication describes a wide range of both direct and indirect strategies and actions that local governments have taken in
their efforts to support local farmers and food businesses. Each community is different, and not all strategies will be relevant for all communities. It is important that planners and local governments engage local food producers and entrepreneurs, as well as partners such as Extension agents and economic development staff, to determine what specific barriers and challenges apply to food system development and what plan, policy, or programmatic interventions might be most effective and appropriate. This brief provides a menu of potential approaches that planners and local government officials can draw from to help build their community food systems, and, by doing so, strengthen their local economies.

METHOD

The information contained in this brief was gathered through Growing Food Connections’ Communities of Innovation research, as well as additional research completed for the writing of this brief. For more information visit: http://growingfoodconnections.org/research/communities-of-innovation/.

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ENDNOTES

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26 Pinchot 2014, p. 5.
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