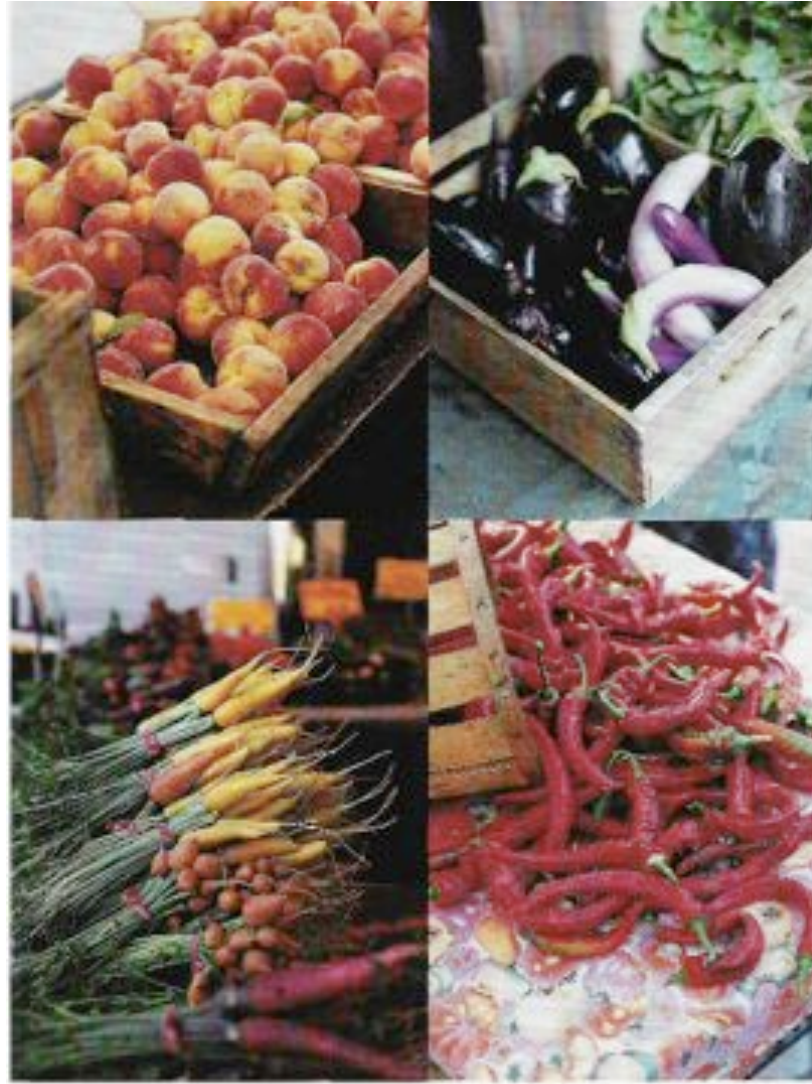




# **Envisioning a Local Food Economy**

**Kansas Rural Center  
Sustainable Agriculture Conference**

**Emporia, Kansas  
November 20, 2010**



**What's so special about food?**

*“The pleasure of good eating is not about fast, convenient, and cheap, but about memory, romance, and trust. To be successful in today’s food market requires offering products so good that customers will say ‘Wow, where did that come from? I want that again’ (**memory**).*

*We also need to provide customers with a genuine food story so they can feel good about eating that good-tasting product. Increasingly, customers want to know who produced the food; what kind of environmental stewardship was practiced in growing, processing, and transporting it; how the animals were treated; and so on (**romance**).*

*And customers want to be active participants in the food chain - to be able to access information and to have a relationship that reaches all the way back to the farmer (**trust**).”*

**Rick Schnieders**, recently retired Chairman, CEO & President of SYSCO  
\$37.2 billion annual sales

# Converging reasons for increased demand for fresh, local, sustainably-produced food

- Profit & quality
- Saving small family farms & rural economic development
- Health & nutrition
- Food safety and accountability
- Input, transportation, & fuel costs
- Urban land use concerns
- Cuisine & taste
- Environmental stewardship
- Cultural diversity
- Romance/nostalgia - search for connection



# 2010 Restaurant & Industry Forecast

(survey of chefs and restaurants)

## Top 20 Food Trends

1. Locally grown produce
2. Locally sourced meats & seafood
3. Sustainability
4. Bite-size/mini desserts
5. Locally-produced wine & beer
6. Nutritionally balanced children's dishes
7. Half/smaller portions - lower price
8. Farm/estate-branded ingredients
9. Gluten-free/food allergy conscious
10. Sustainable seafood
11. Superfruits
12. Organic produce
13. Culinary cocktails (savory, fresh ingredients, etc.)
14. Micro-distilled/artisan liquor
15. Nutrition/health
16. Simplicity/back to basics
17. Regional ethnic cuisine
18. Non-traditional fish
19. Newly fabricated cuts of meat
20. Fruit/veggie children's sides

eating smart

Because they're so fresh, locally-grown fruits and vegetables are more nutritious than produce raised on factory farms and shipped across the country.

### Locally Grown Foods

As you eat fresher foods, they may begin to taste better, too. Freshness. Community-supported agriculture (CSA) programs and local markets are common ways to buy locally-grown produce. These items are often fresher, more nutritious, and also foods that are produced to meet your needs. As the local food movement grows, the number of local markets and farmers' markets has doubled—up 40% from 1,700 to 2,400, according to the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service.

Why's the big deal? Because they are so fresh, locally-grown produce is especially nutritious. It also has a seasonal edge over produce raised on "factory farms." The list of which products and of the produce grows in the United States is picked about twice a year, depending on the season, and shipped to



Can local food make money?

# Wal-Mart thinks so.

Wal-Mart spent more than \$400 million on locally grown food in 2008 initially in order to:

- Reduce food waste
- Cut transportation costs
- Respond to customer demand

# The company recently revised its sustainability policy to include specific food goals:

- **Support farmers and their communities**
  - \$1 Billion in food sales sourced from 1 million small & medium farmers
  - Training to 1 million farmers
  - Increase farm income by 10-15%
- **Produce more food with fewer resources and less waste**
  - Sustainable produce assessment for top producers
  - \$1 Billion invested in global fresh supply chain over 5 years
  - Reduce retail food waste by 10-15% by 2015
- **Sustainably source key agricultural products**
  - Focus on palm oil (SE Asia) & beef (Brazil)



Idaho's Director of the Department of Agriculture Celia Gould says one farmer in that state saw a doubling of his asparagus sales and a 30 percent increase in organic grape sales over the past two years due to Wal Mart contracts. Gould says the revitalization in farming is great for the region's economy. "We haven't had that kind of demand until recently," she says.

*U.S. News and World Report - July 24th, 2008*

## But There Are Challenges

- Labor requirements
- Capital costs and rate of financial return
- Adding value, access, and “experience” to food production
- Distribution and quality assurance
- Coordinated, sustained marketing
- Availability/value of land and planning conflicts
- Loss of skills and of experienced producers
- Prevailing agricultural model is resistant to scale reduction
- Our food system is a captured market, not a free market
- Image and ignorance of food production

And opportunities. One example - tourism.

## HOW TOURISM DOLLARS ARE SPENT



**Tourism** connects people to places in which they do not live through **memory, romance, and trust** for the benefit of the people who do live there.

*Following figures cited courtesy of:*

- *Travel Industry Association of America*
- *Tourism Division-KDOC*
- *Fermata Inc.*
- *2002 - 2006*

# Tourism Snapshot

- **Shopping** and **dining** are consistently two of the top three experiences travelers seek out (worldwide), whatever else may motivate their travel decisions.
- Whatever else we do when we travel
  - everybody eats
  - everybody shops

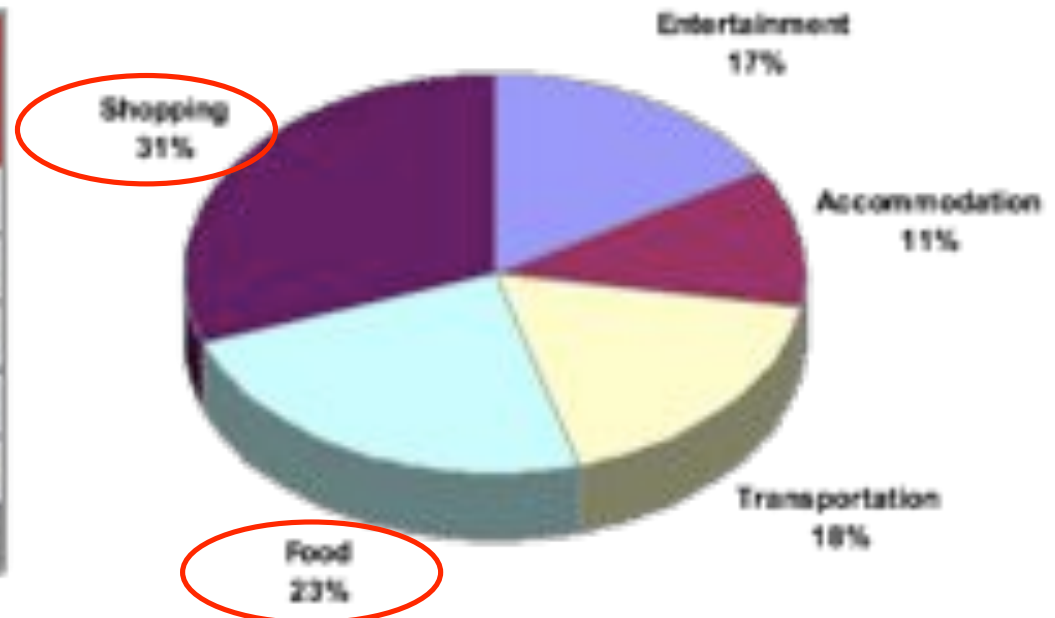
And that's where much of the revenue comes from.

## Industry Distribution of Expenditures

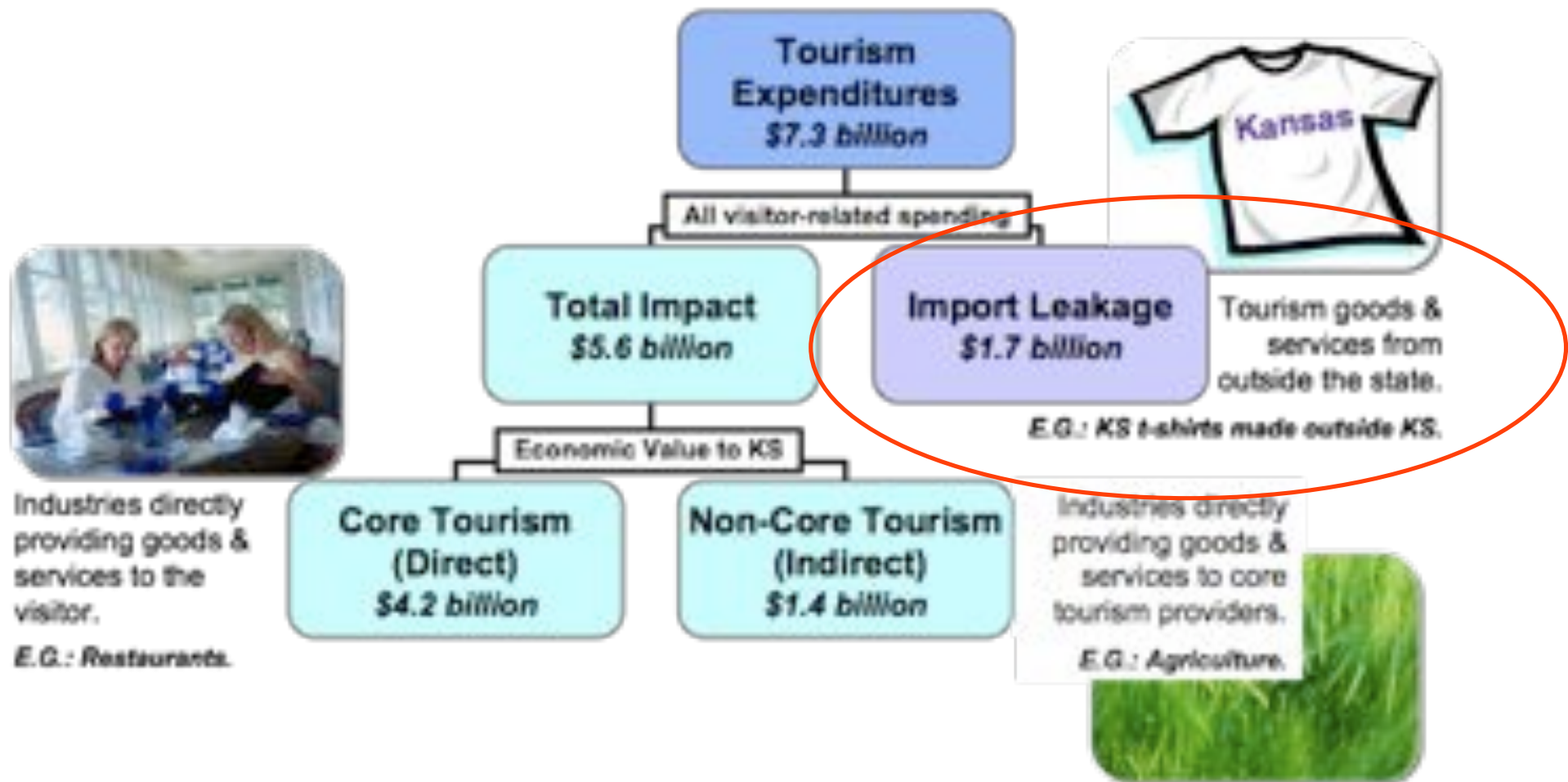
Shopping accounts for the largest share of tourism expenditure in the state of Kansas. Combined with food and transportation, these three components represent nearly 75% of visitor expenditures.

Millions	
Entertainment	1,132
Accommodation	771
Transportation	1,225
Food	1,609
Shopping	2,119
<b>Total *</b>	<b>6,855</b>

\* Tourism expenditures except investment  
Numbers may differ due to rounding



# Industry Structure: Definitions



# Cultural and Heritage Travel

- 81% of U.S. adults who traveled in 2003 (**118 million**) were considered historic/cultural travelers.
- A significant number of “historic/cultural trips” are made by college graduates (60%) of the Baby Boom generation (40%) with a household income of more than \$75,000 (30%).
- 49% prefer to experience the local culture and support local businesses.

## **Memory. Romance. Trust.**

- These tourists are willing to make **additional** purchases - (\$202/visitor/trip) mainly for products and services - but only if these items are made or offered by local businesses using local materials.

## **Shopping. Dining.**



Follow  
the  
food\$...



# Not Just Tourism

## Fresh, quality, local food for:

- Schools
- Hospitals
- Nursing homes
- Corporate offices
- Grocery stores
- Restaurants
- Regional delivery and distribution
- Export
- You fill in...



# Not just fresh food

## High quality, value-added products

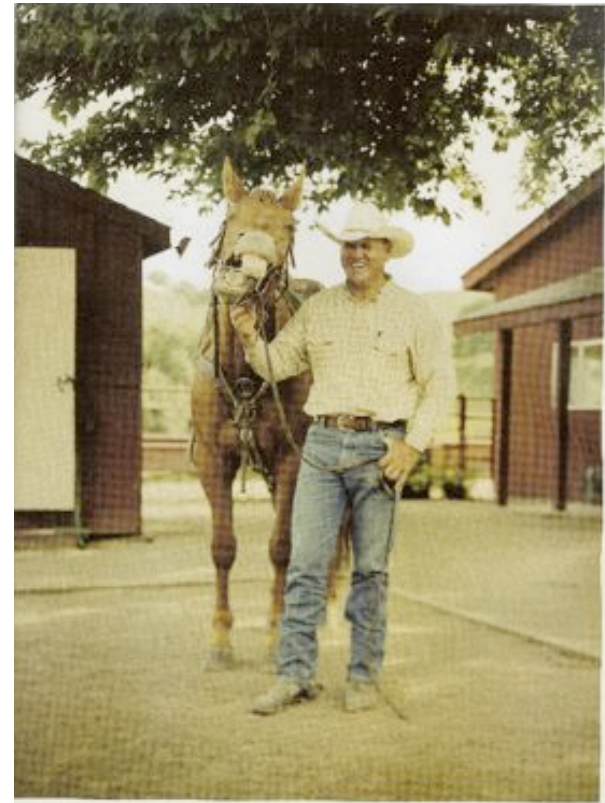


- Specialty foods
- Gifts
- Prepared foods
- Pre-prepared meals
- Agritourism
- Regional/local branded products
- Compost
- E-commerce
- Mail order
- You fill in...

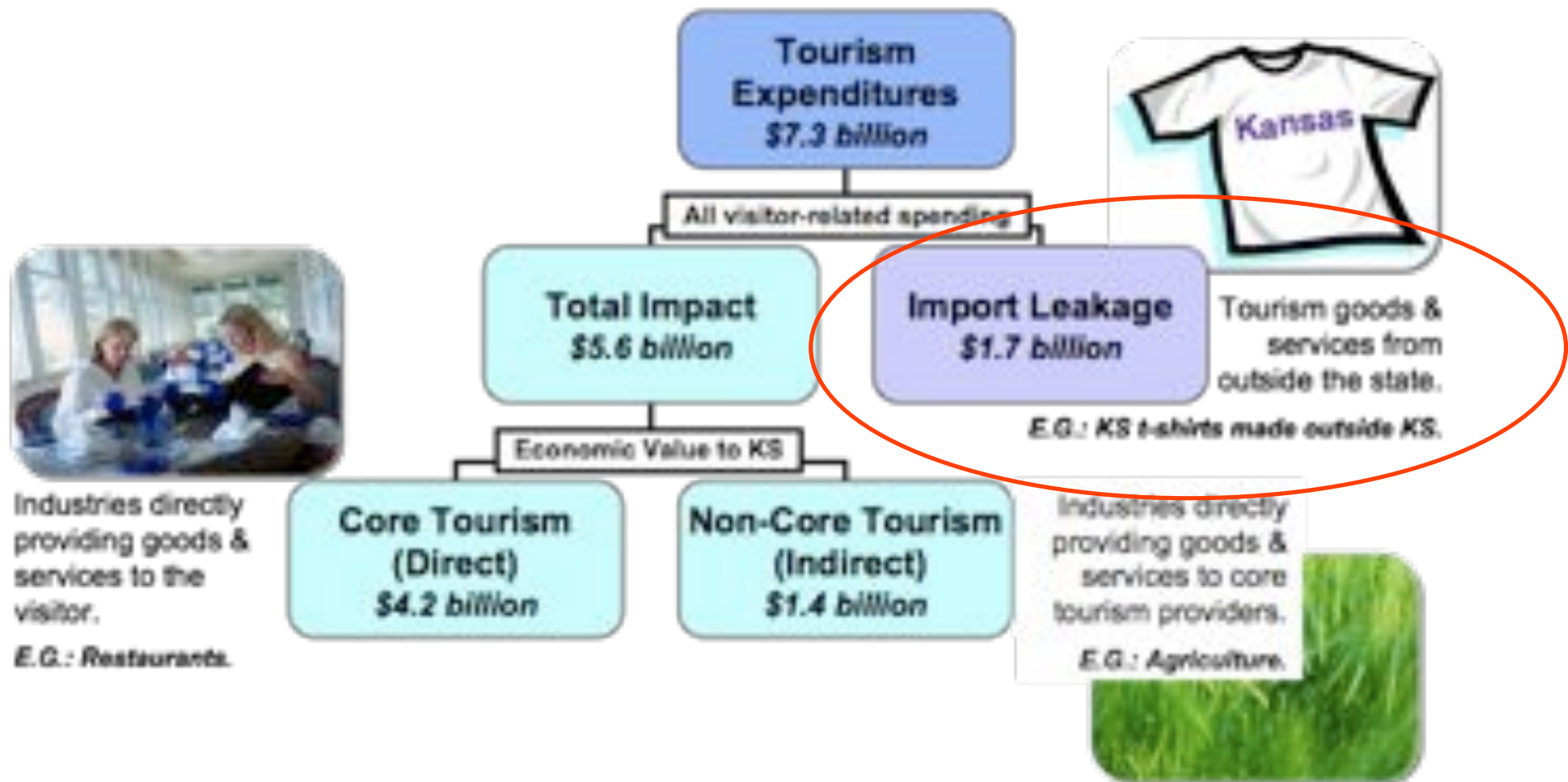
# Not just food

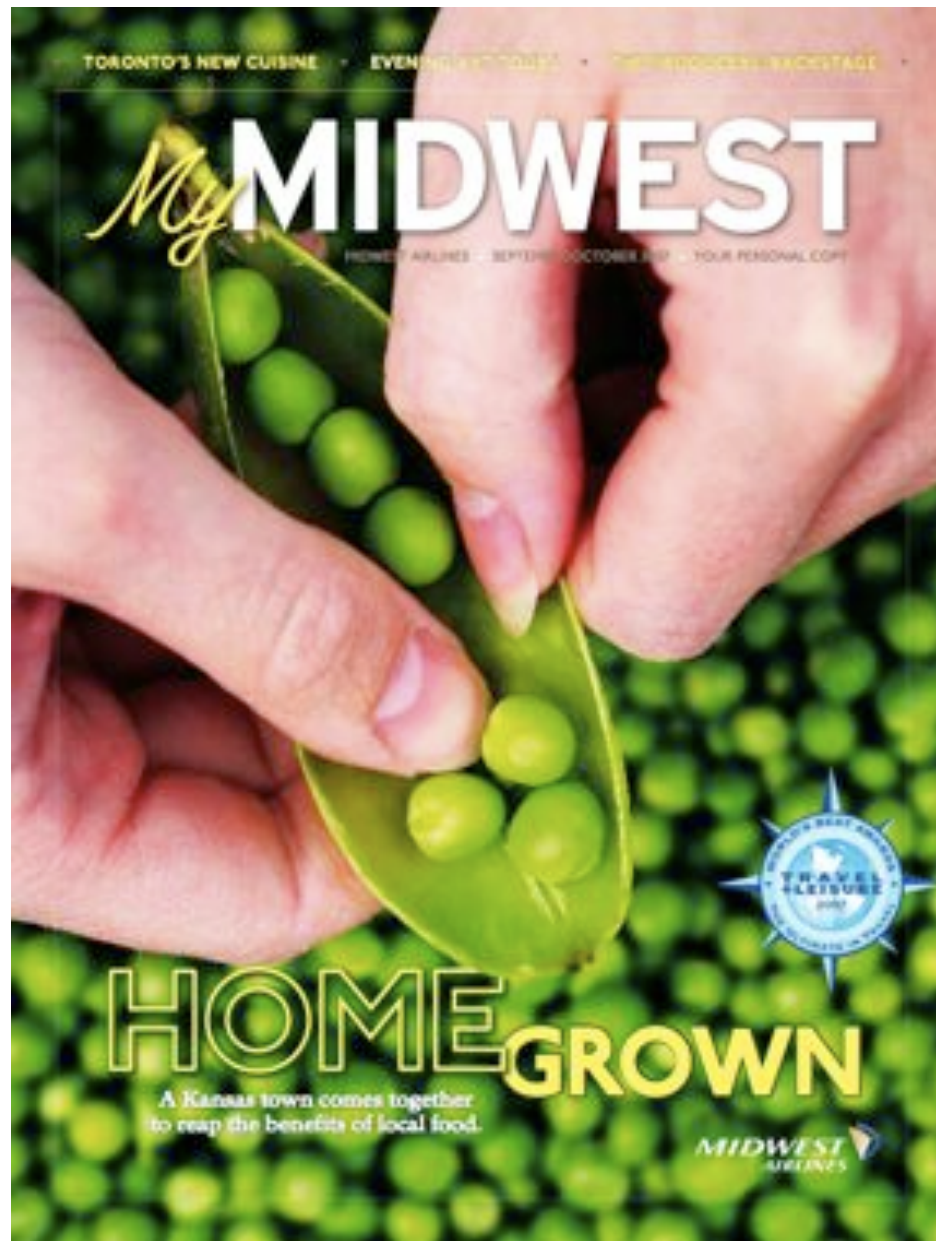
## Coordinated branding & retail

- Regional art and artists
- Quality local and historic crafts
- Cooking classes
- Guided tours
- Artisan demonstrations
- Hands-on experiences
- Interpreters/guides
- Outdoor recreation
- Entertainment
- Boutique lodging
- Events
- You fill in...(Santa Fe, Napa Valley...)



# Industry Structure: Definitions





Here? In Kansas?

# How Many People Live in the Kansas River Valley?



**1.06 Million People in 7 counties.**

From a presentation by KSU Horticulture professor Rhonda Janke.



# All told, Eastern Kaw River region..

- Loses \$28 million raising crops, &



- Buys \$95 million of outside inputs

- Buys \$2 billion of outside food

**Potential wealth lost each year**



1999 research by Kansas University found an unmet demand for  
Environmentally Identified Products  
(organic/natural/local/sustainable food items)  
of about **\$100,000,000 annually**  
in the Kansas River Valley from Junction City to Kansas City.

- No travel dollars included
- Findings were prior to recent explosion in EIP market share and demand

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**Original drawings by Lisa Grossman**