



Executive Summary

Exploring Economic and Health Impacts of Local Food Procurement

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Executive Summary

Local food initiatives across the US have launched determined efforts to encourage institutional purchasers to source locally grown foods. These have generated significant enthusiasm at the local level. Yet the evidence base for documenting positive impacts on health and local economies is still being developed.

This study seeks to draw insight from both scholarly studies and on-the-ground experience in order to distill practical strategies, recommend ways to conceptualize and measure economic and health impacts, and highlight effective methods for building the capacities of communities for this work.

The research focused on:

- **How are communities across the country structuring local food procurement activities?** What roles do collaboration and partnership play in this work? What are key successes, challenges, and factors for sustainability?
- **Does institutional procurement of locally sourced food improve health or create economic benefits?** How are impacts best measured?
- **What policies, systems, processes, and procedures maximize health and economic benefits?**

Methodologies included expert interviews, quantitative analysis of economic data, case studies based upon interviews with key leaders in five regions, and critical analysis of prevailing economic impact methodologies.

The case study process offered community-specific insights that highlight the unique qualities, community assets, and innovative partnerships that characterize each region. By viewing these in historical context, we were able to compare conditions in each community over time.

For analysis of the case study interviews, the research team used a social determinants of health lens to help facilitate understanding of the health and economic impacts that emerged from the case studies as mutually influenced and reinforcing impacts.

Core to the research approach was the high value placed on the lived experience of the communities we profiled and a desire that the research support and enhance existing community assets. The goal of this study is to serve as a resource to communities pursuing institutional procurement of local foods, to help them increase their health and economic impacts. We are deeply indebted to practitioners in the communities we studied, and our expert advisors, for the insights they offered that aided this research endeavor.

Key Assumptions that Guided this Research

Drawing upon the insights of our literature review as well as experts in the field of local food systems development, the study utilized several key concepts to frame the research:

- **The definition of “local” is inherently a local one.** Depending on specific local conditions such as population density, climate, transportation routes, and prevalent types of farming, the geographic scope of local procurement initiatives varies widely.
- **Local food purchasing encompasses a variety of concerns, some of which are not strictly geographic.** For instance, some buyers place a priority on organic foods, or prefer to purchase from a specific ethnic community, or type of business.
- **How “local” is defined has important implications for measuring impacts.** For example, it is easier to claim larger levels of local food purchasing when one defines “local” to mean a multi-state region or a wide radius in miles, but greater social connectivity and more visible impacts may be realized in a community that defines “local” more narrowly.
- **Local food is procured through a number of different market channels.** Local food projects may include direct farm-to-institution sales; sales through local intermediaries; or transactions made through broadline vendors. Market channels are often very specific to place.
- **Local food initiatives are operating in the context of a global food system.** The prevailing global food system exerts downward pressure on food prices and influences buyer expectations for the size, shape and color of food; public policy and established infrastructure for food distribution favor long-distance food trade.

Communities Tell Their Stories

One core component of the research project was interviewing and compiling stories from communities in five diverse regions that have implemented local food procurement initiatives, in order to understand and draw lessons from their experience. Their stories help shed light on the impacts, factors for success, and challenges faced in growing local food procurement efforts.

Southern Arizona

This case study highlights the work of a local food partnership that engages a food bank, an elementary school, and other community stakeholders. With the help of private and federal grants, these groups have built thriving farmers' markets accessible to low-income residents; more local food procurement by the food bank; a flourishing school garden that is helping students find more success in school and the community to eat healthier; and job training and business development opportunities to low-income residents.

Jefferson County, Kentucky

The case study highlights the efforts and contributions of a farm-to-table initiative and a public school district, that has extensive support from a private food distribution firm. With local and federal support, these Louisville/Jefferson County initiatives have developed extensive physical infrastructure, and cultivated considerable skills and capacity among local growers. All told, the Farm to Table initiative brokered more than \$1.5 million in local food sales in just four years.

Burlington, Vermont

Burlington is leveraging a long history of independent action in Vermont to build a thriving local food system. This includes buying direct from producers and working with a broadline distributor. Burlington School District has also built vibrant partnerships with a local co-op grocery that extend its volunteer reach. A local hospital system is serving local foods in its cafeterias and food service, and hosts three gardens, one of which is a community garden with educational programming. As told by the school district, distributors, farmers, and a hospital, Burlington efforts are fostered by a unique local culture that raises responsive leaders who realize they have much to gain by collaborating with each other and by building capacity among their constituents.

Southwest Wisconsin

Despite having limited soil quality and a short growing season, this region has transformed itself into one of the strongest centers of organic farming in the United States over the past forty years. Through partnerships between growers, food distributors, a local hospital system, the health department, a cooperative grocery store, and school districts, local leaders have created a nationally innovative distribution system that helped increase local food procurement by several institutions while paying farmers at rewarding price levels. Students now eat more healthy, fresh, local foods, and have learned more about diet and nutrition. The hospital has set a goal of sourcing 20% of its foods locally. New food processing capability has been built, fostering new products tailored for local use.

San Diego County, California

Farm to school efforts in San Diego County are putting a number of collaborative principles to work to support the long-term sustainability of efforts to bring farm-fresh foods to local children. Through application of these principles, San Diego Unified

School District, has grown its local food purchasing from 2.5% of its food budget in 2010/2011 (\$60,000) to 15% of its budget in 2013/2014 (\$540,000). San Diego's definition of local is somewhat broader than in the other communities studied.

Findings and Conclusions

The stories told in the case study communities showed that achieving both health and economic impacts through institutional procurement of local foods relied on building trusting relationships among stakeholders, identifying and mobilizing resources and assets already present within the communities, creating supportive policies, and building appropriate food-system infrastructure. The research team identified seven categories of mutually influenced and reinforcing impacts:

- **Building social capital and community connectivity.** This research suggests that building stronger economic impacts depends on building stronger social cohesion and social capital. The communities studied exhibited several common elements of successful social networks, including a shared sense of identity, place, and heritage; a common vision or mission across sectors; a diversity of engaged stakeholders; trust built over time; a systems perspective; clear organizational roles; willingness to defer individual short-term gain for long-term mutual gain; and efforts by larger organizations to nurture smaller ones.
- **Creating jobs and generating income.** In each locale studied, local food trade increased, resulting in greater sales for selected farmers, more widespread local food commerce, greater visibility for local foods and local farmers, and marginally higher employment, not only for growers but also within distribution systems. The process of local food procurement itself resulted in job creation. In certain cases, the collaboration among farmers, institutional food buyers, and intermediaries led to the creation of new products, such as processed produce (cut carrots) and premade foods (like soup) that had not previously been offered for sale.
- **Increasing economic activity and developing resources.** Each locale studied suffers from significant leakage of economic resources, as outlined in each case example. Each region has the ability to produce a greater proportion of its food locally. Several of the case study locales have set explicit objectives related to local economic development, and in all of the communities there was at least an implicit understanding that launching or increasing local procurement activities could have economic benefits for the community. The case studies demonstrated that the strength of local procurement networks, and the construction of new physical, social, economic, and knowledge infrastructure, helped create local efficiencies that made expansion of local food procurement more likely over time.

- **Improving diet and nutrition.** All of the case study communities had established improved nutrition as a core objective for their local food procurement activities. In particular, the institutional purchasers across sites were motivated by an intention to improve access to fresh, healthy food options. For all sites, this included fresh fruits and vegetables, and many communities also included other products, such as antibiotic-free meats or gluten-free pasta.
- **Increasing student academic achievement.** As in many farm to school programs, the programs included in these case studies integrated local food procurement into curricular and extracurricular activities. This included incorporating concepts of food production and preparation into math and science programs, culinary arts education and horticultural activities.
- **Improving mental health.** Several case study sites discussed leveraging farm to school and gardening activities to create opportunities for students to more fully reach their potential and contribute to the school community. One case study site—southern Arizona—reported an intentional approach to using school gardening activities to aid social/emotional learning and development.
- **Environmental stewardship.** In several case study sites, stakeholders also attended to environmental concerns, working to reduce food waste and diverting food waste from the traditional waste stream to composting, which enhanced the local capacity to grow food.

Practical strategies and approaches

The people interviewed for the case studies shared various practical strategies and approaches to successful and sustainable procurement of locally produced food. Common strategies across all types of institutional purchasers and sectors included:

Networks

- Building respectful, trusting relationships between food service directors/institutions and local farmers, producers, and businesses (however the institution or its supportive networks define “local”).
- Establishing clear and reliable purchasing agreements that offer producers a fair price while still being sustainable for all members of the value network.

Education

- Offering professional development opportunities for foodservice staff on preparation of raw foods and reductions of waste food; conducting health education/conveying the links between nutrition and health for other staff (clinicians, food bank client-service staff); providing farmers education about food safety protocols).

Marketing

- Marketing local food programs to parents, constituents, customers, and community members to gain political and financial support and public relations benefits.
- Highlighting the local farmers/producers/businesses that are featured in meals served in the cafeteria, sold in retail stores through tie-in initiatives, and in food provided to clients.
- Marketing the availability and wisdom of buying local foods more generally.

In addition, each type of institution (schools, hospitals, etc.) featured in the case studies had unique strategies that can provide practical guidance, which are detailed in the full report.

Key factors for success

Overall, the case study analysis demonstrated that leaders, systems, and programs that are flexible, innovative, and able to respond to opportunities are critical to success. Other key success factors that cut across the case study communities include:

- Linking institutional change with broad, long-term community support and engagement
- Inclusive partnerships and networks that enable open communication
- Collaborative and entrepreneurial leadership
- Development of local productive and processing capacity
- Dedicated funding to build sustainability

Challenges

Sources from the case study communities also reported facing challenges to sustainable local food procurement that produces economic and health impacts. These included:

- In most of the communities studied, institutional food purchasing records were incomplete or unavailable. Dedicated resources will be required to provide adequate documentation
- Accessing or acquiring capital equipment and basic infrastructure
- Stopping financial leakage/outflow of economic resources from purchase of products from distant sources
- Finding ways to sustainably fund long-term systems change is difficult because some funding is limited in scope
- Overcoming barriers related to regulation, record-keeping, and food safety requirements
- Competing priorities to local food procurement

- Developing and adopting institutional policies must be followed by strong policy implementation activities

Critical Analysis of Economic Impact Methodologies

The critical review of economic impact methodologies drew several key conclusions:

- Prevailing tools/software/methods for measuring economic impacts are often not appropriate for use in an emergent small context such as local food trade. Although the standard economic impact software programs are powerful tools, they rely upon data that model larger industries and commercial linkages. These reflect an export-based commodity industry, not the actual transactions that take place in local foods trade.
- Strong local economic multipliers rely on strong social and commercial networks. Any local businesses transaction requires some form of local connection. Often the limiting factor for farmers who wish to sell to local markets is whether a purchaser will continue buying from local farms for the sake of supporting local businesses, even when lower-cost items are available from far away.
- Measuring the strength of local social and commercial networks appears to be a promising alternative to standard economic impact analysis.

Principles for Expanding and Enhancing Support of Local Food Procurement

Through the case studies and analysis of the literature, the research team identified several principles to guide further investment in local foods initiatives:

- Effective intervention from outside requires gaining adequate knowledge of unique local conditions and appreciating prevailing local assets.
- Financial support must address long-term needs and comprehensive strategies.
- It is important to invest in communities at all levels of network maturity; not simply those that are the most successful, or the most challenged.
- External funding has increased the ability of local institutions to procure food, and similar funding infusions could help sustain and deepen this work.
- Institutional food purchasing should be framed around the formation of strong and resilient local social, professional, and business networks.
- Institutional food purchasing should engender a long-term, inclusive educational process and capacity building among adults and children.
- Local food networks are well positioned to assume responsibility for planning and implementation based on unique local conditions.