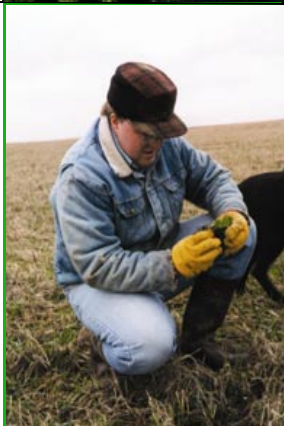


MINNESOTA FOOD

SYSTEMS:

Forging the links in the Value Chain

A publication of The Minnesota Project



June 2003

Minnesota Food Systems: Forging the Links in the Value Chain

By Karen Lehman
Layout by Amanda Bilek

The Minnesota Project connects people with policy to nurture collaborations that build strong local economies, vibrant communities and a healthy environment.

Local Food is a natural step for Minnesota farmers and consumers. Innovative, entrepreneurial farmers are seeking ways to increase profits through marketing what consumers want. Increasingly consumers want access to local food for freshness, health, security and the knowledge that they are supporting a local farm.

Minnesota Food Systems: Forging the Links in the Value Chain explains how local food systems can be drivers to increase farm income, preserve working farmland, increase local economic development, and provide fresh, healthy food to Minnesota communities.

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the
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www.mnproject.org

Minnesota Food Systems: *Forging the Links in the Value Chain*

Minnesota's farmers, processors and retailers can provide high quality, fresh local food to Minnesotans in city and countryside alike. Public and private support for their efforts will circulate dollars in towns and cities, improve community health, and protect land, air and water for future generations.

Few women look forward to bacteria growing on their walls. But as Pam Benike walks through the cheese house on her 40 cow dairy farm, she lights up when she talks about the cheese flora that will make her cheese more flavorful over time. Pam's uncle was the cheese maker at the former Elgin Creamery, and she uses his recipes for her colby, cheddar, and monterrey jack cheeses. But there are some new cheeses for the region: ricotta, queso blanco and mozzarella (the only one made in the state) reflecting changes in consumer preferences.

Pam and her husband David are part of a new movement in Minnesota to provide farm-fresh foods for Minnesotans' dinner plates as directly as possible. They sell products at the farm, at farmers' markets, and through distribution networks to restaurants, institutions, and grocery stores.

They exemplify a new generation of entrepreneurial farmers who are

A value chain is the series of steps from soil to cooler to processor to plate through which value is added—and values are carried—through the food system.

managing not just one business on their farm, but several. Like most entrepreneurs, they are prepared to take risks to create new businesses. This one started when Pam was helping her son with some Internet research and saw a website for a cheese-making course in Maine. An email led to a phone call, and that led to eight days in a one-on-one cheese-making course. When she came back, she and David made the leap, hired a carpenter, designed and built a cheese house.

Much of their cheese is sold straight from the farm, although they also market it to the Bluff Country Coop in Winona, and the Just Rite Grocery and Hy-Vee North, both in Rochester. They and other farmers in the region had a vision for a more effective distribution system. "We thought, wouldn't it be great if we didn't have to do all the marketing and the transportation ourselves?"

Other farmers in a number of networks in the region including the Sustainable Farming Association, the Land Stewardship Project, and the Full Circle



Pam Benike making cheese



Cooperative, were thinking along similar lines. With the support of the Experiment in Rural Cooperation, a regional partnership between the University of Minnesota and residents of southeast Minnesota, the Southeast Minnesota Food Network, a limited liability corporation, was born.

In their first year, 36 farmers and one processor—Sno Pac, an organic vegetable processor—sold \$25,000 worth of products to eight stores and restaurants. “We wanted to start slowly to establish a reputation for quality and customer service” said Benike. “We want to create and maintain relationships with customers who share our ideals about how food is produced and distributed.” That approach is paying off. In their second year, they have 18-20 customers, and are projecting sales of \$250,000.

The Benikes’ experience is more than a nice story. It exemplifies a promising future for local food systems in Minnesota. This is a future in which farmers, processors, distributors, retailers, public agencies and non-profit organizations are linked in strong networks, or value chains, that promote values of sustainability—community economic development, environmental protection, healthy food, and human treatment of

of animals. These are expressed in local marketing, organically grown vegetables, fruits produced with integrated pest management, and pasture-based livestock husbandry.

To ensure that values and value

“We are seeing farmers taking control of marketing as a way to capture more of the food dollar to help keep their farms viable. The ever changing agricultural system is very exciting and sustainable agriculture is truly on the cutting edge.”

Gene Hugoson, Commissioner
Minnesota Department of
Agriculture

don’t drop out at each link in the value chain, a complex alloy of public policy and private initiative is required that has as much to do with economic opportunity, water quality, energy expenditure, and health as it does with flavor, freshness and nutrition. Minnesota

is fortunate enough to have some of the infrastructure for a truly local food system: entrepreneurial farmers, a local processing infrastructure to support them, retailers and farmers’ markets that offer local foods, a strong land-grant university and other public agencies that support sustainable agriculture, and a network of some of the most innovative non-profit proponents of sustainable agriculture in the country. Minnesota’s nationally known small processors offer foods as diverse as organic pancake mix and Luxemburg sausage.

But many of the links in the value chain are still not strong enough. Funding is uncertain at the state level for food system programs from sustainable agriculture to processing innovation. There are significant barriers to placing local foods in retail markets. Sustainable and organic farmers are under constant pressure from commodity agriculture systems to get big or get out.

What’s more, most policy approaches have focused on individual links in the chain, like agriculture, rather than on the whole food system. That’s like treating the spleen without taking the heart into account. Thus the challenge is not only to strengthen each part of the value chain, but to improve the capacity to connect them.

Southeast Minnesota Food Network



Minnesota Department of Agriculture



Why Local Food?

All it takes is one bite into a home-grown tomato at the height of summer to give one answer to that question: it just tastes so much better than anything that comes from the other side of the continent or the world. Increasing numbers of people in Minnesota take advantage of farmers' markets, U-pick fruit farms, food coops, stores and restaurants that feature local foods, and community supported agriculture farms (CSAs) that deliver fresh

locally. Demand is strong for organic and sustainably produced foods, and although these are not necessarily local, many foods produced and sold locally use organic and sustainable methods.

In a national survey conducted by Whole Foods in 2002, more than half of Americans have tried organic foods, and of those who eat them regularly, almost 90% rated them as higher in quality than conventional products. The National Restaurant Association reports that

To illustrate how this shows up on the dinner plate, the authors cooked up two hypothetical tasty meals that included chuck roast, vegetables, stir-fried rice, and salad. One table was supplied locally, the other conventionally. The difference between the local and conventional meat and potatoes meals was 60 miles versus 10,200 miles, when all of the ingredients' distances were added together. Even the stir-fried rice meal, with rice from California, was 1,198 versus 12,558 miles.

Iowa/Minnesota jokes aside, Iowa and Minnesota just aren't that far apart. What the Leopold Center tells us about local food systems applies here. While there are costs in fuel, there are also costs in freshness, nutrient loss, and opportunity for spoilage in long-distance travel.

Local Food Builds Community

But even those who are well versed in the virtues of fresh local foods are often unaware of one of the most crucial issues of all: the strength in community economies that grow, process and sell foods locally, and the weakness of those that grow commodities for export. During the farm crisis of the 1980's, farmers put stickers on the back of their checks saying, "This is a Farm

Retail sales of organic products grew from \$1 billion in 1990 to \$5.5 billion in 1998, and an estimated 1/3 of the U.S. population buys organic products.

Organic Trade Association

produce weekly. (CSAs are a form of subscription farming in which people buy "shares" of that year's harvest, which could include fruits, vegetables, meat and even flowers.)

Freshness and quality are important, and they're what first attract people to local foods. The crunch of that carrot! That juicy tomato! But there are more reasons to buy locally than that first, oh-so-gratifying bite. There are more dollars circulating in the local economy, more vitamins in that fresh produce, and fewer greenhouse gases in the atmosphere.

Fortunately, many consumers are already aware that organic and sustainably produced foods contain little or no antibiotics, no hormones, and fewer agricultural chemicals, and that most foods retain more of their nutrients if sold quickly and

organic items are now offered by more than half of restaurants with per person dinner checks of \$25 or more, and almost one third of restaurants with prices in the \$15 to \$24 range.

Many people who are aware of and purchase organic and sustainably produced local foods also value their environmental benefits. And these are considerable. The Leopold Center, a sustainable agriculture research institute at Iowa State University, produced a report in June 2001 entitled *Food, Fuel and Freeways: An Iowa Perspective on How Far Food Travels, Fuel Usage and Greenhouse Gas Emissions*. Author Rich Pirog and colleagues found that energy use in the food system represents 16% of total US energy usage, and that 11% of that can be traced to transportation.

Transportation costs account for 6-12% of each dollar consumers spend for food eaten at home.

The Leopold Center

Dollar" to educate people in the local community about the importance of family farms to the community. As those farms went out of business, so did the local merchants who supplied them. In many small communities in Minnesota, Main Streets with once thriving businesses, have empty storefronts.

A value chain in which food is produced, processed, and consumed locally ensures that dollars that would otherwise leave the region remain there and circulate in the local economy.

The Community Design Center, a non-profit with a long history of food system work in southeast Minnesota, commissioned a study in 2001 to look at the local food system in southeast Minnesota's eight county region, and proposed an alternative vision.

Direct Marketing: Internalizing the Value Chain

Chickens were an afterthought for Marty and Georgiann Primus. When they moved back to Georgiann's family farm in the early 1980s, they managed it as a conventional dairy farm, until a combination of health and quality of life issues led them to shift to rotational grazing a decade ago. They dedicated their 128 tillable acres to a herd of 60 Jersey, Ayresshire, Milking Shorthorns and Dutch Belted cows, chosen for their

adaptability to low-input farming.

To control pests naturally as the cows move from pasture to pasture, Marty decided to try an old method: putting chickens into the grazing rotation to follow the cows. "I call them my debuggers and sanitizers," he quipped.

Now with 800 White Rock chickens in the pasture and Cornish Rock

(Continued on page 8)

As much as \$800 million each year flows out of [the southeast Minnesota] agricultural region as local families grow and buy food . . . This represents an amount equivalent to one of every nine dollars of income earned by the region's 303,000 residents, and constitutes a tremendously significant—and brutally weakening—loss."

Ken Meter and Jon Rosales, *Finding Food in Farm Country: The Economics of Food and Farming in Southeast Minnesota*. Community Design Center, March 2001.

They reasoned that a cluster of 200 families spends \$500,000 per year on food. A local distribution system that provides eggs, meat, poultry, flowers, baked goods and other value-added products could get a significant portion of the region's food expenditures. If every household in the region joined a CSA, that could create 600 CSAs. And if each of these CSAs were made up of 20 farms, there would be 12,000 farms, 3,500 more than the current number.

Some farmers would also have off-farm jobs, and some would raise commodities. But if commodity farmers would divert even two acres of their current production to alternatives for the local market, the authors suggested, they could increase their income and protect themselves from the volatility of commodity markets.



Natural Resources Conservation Service



Minnesota Department of Agriculture

"Our farm, for example, is on its way toward supporting two families. The farm is based upon a land area so small that it would constitute less than 20% of the typical corn/soybean operations, which surround us. Now this is a startling improvement! In a rural countryside starving for people, farms like ours should have the

attention of the local Chamber of Commerce, the school board, and other civic and commercial groups, such as the Kiwanis and the Lions, who work so diligently for community improvement. The local business community should understand that, although our farm buys less in machinery, crop chemicals and fertilizer, this should be weighed against our significant purchase of feed, lumber, hardware, and veterinary services. The community also benefits from the fact that we buy for the people living on the farm. All of us working on this farm need clothes, shoes, some groceries, a car to use, and many other material goods. Our active membership in our community should constitute a ready-made support group when we go to ask the government for what we need. The lack of support is due, at least in part, to the fact that we don't talk about support for the farm, probably because it seems immodest to do so."

Jim Van Der Pol, *The Greenbook 2002*, Minnesota Department of Agriculture

Suppose your plate were a window, and through it, you could see how your food arrived there. A single plate of food is a culinary history of stories about farmers' markets, animals grazing in pasture, and farmers earning a good living—or it is a story of industrial feedlots, inhumane animal slaughter and boarded up Main Streets. It all depends on what's on the plate.

With every bite, we make choices we probably don't know we're making. For the last 50 years, the food system in the U.S. has been less transparent than it was previously. Industrialization of food production and increasing urbanization removed people from the daily realities of farm life and food production. With eco-labeling, direct marketing, and food journalism, consumers once again are getting in touch with the sources of their food.

Here's what our choices might look like . . .

Resources:

Whole Foods Coop
www.wholefoods.coop

Cedar Summit Farm
www.cedarsummit.com

Land Stewardship Project,
www.landstewardshipproject.org

Institute for Agriculture and Trade Policy www.iatp.org/eatwell

Renewing the Countryside
www.renewingthecountryside.org

Midwest Food Alliance
www.thefoodalliance.org/midwest

Sustainable Farming Association of MN www.sfa-mn.org

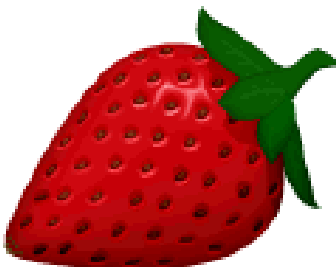
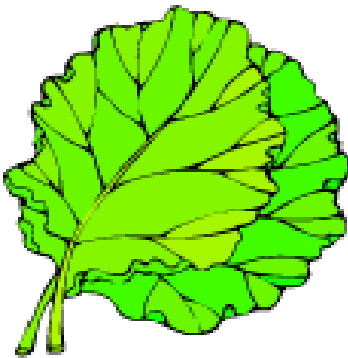
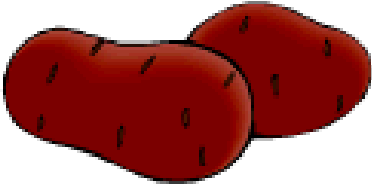
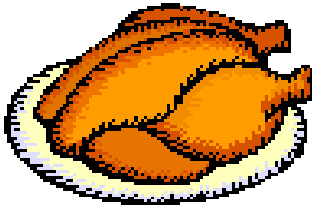
Factory Farm Chicken: Four companies produce 50% of the broiler chickens sold in the US. Industrial chickens are inhumanely crowded into cages where stress makes them more vulnerable to disease, and crowded conditions make it spread. To keep disease levels down and promote growth, factory managers routinely gave the birds antibiotics for many years, whether they were sick or not. The result? Increasing numbers of bacteria such as *campylobacter* and *salmonella* that became resistant to antibiotics. When harmful bacteria slip onto your plate from an undercooked chicken breast, you can get sick—and the antibiotics you expect to cure you can't always do the job. Right now, these two bacteria produce an estimated 3.3 million cases of food-borne illnesses and about 650 deaths a year. As they become more resistant to antibiotics, that number could get higher. Many companies now claim that they have changed their practices and no longer routinely administer antibiotics. But there's no way to monitor those claims.

Conventional Potatoes: Conventional potatoes are raised in chemicals: soil fumigants before planting, systemic insecticides, herbicides, and pesticides applied as often as weekly during the growing season to fight blight and the Colorado potato beetle. Many farmers don't want to be on the chemical treadmill—but low profit margins make it difficult to convert to organic, which takes three years.

Conventional Dairy: A great majority of the milk sold in Minnesota comes from three Texas-based companies: Dean Foods (which owns Land O'Lakes), National Dairy Holdings (which owns Kemps), and Oak Grove. And much of that milk was produced from cows that were given bovine growth hormone (rBGH). rBGH is a genetically engineered growth hormone injected twice monthly into 30% of the nation's dairy herd to increase milk production. Banned in Canada and Europe, rBGH increases milk production, but makes cows susceptible to health problems including infertility, infections, and diseases. It also generates the production of a powerful hormone, Insulin Growth Factor-1, or IGF-1, which we also produce in our bodies. Elevated levels of IGF-1 increase the risk of some cancers. Do our IGF-1 levels go up when we drink milk from rBGH-injected cows? No one knows.

California Organic Lettuce: Can organics be industrial? You bet! In California, the same companies produce organic and conventional lettuce to offer large consolidated buyers a full range of products. When local Minnesota lettuces come in, they drop their prices in those markets to drive the local produce off the shelves. Consumers see the "organic" label and think it's the same as a local organic lettuce. Far from it. California's lettuce industry is built on migrant workers who on average earn \$5,000 - \$7,000 per year. The price in the store may be the same as or lower than local lettuce, but the social costs are much higher.

Conventional Strawberries from California: Big and red, but sometimes tasteless and hard, they're bred to withstand long journeys and often picked before they're ripe to make the 3,400 mile trek to Minneapolis. Tagging along are residues of the 142 pounds of pesticides applied on average per acre of California strawberry crops. They're neurotoxins, carcinogens, and developmental toxins—not appealing additions to strawberry shortcake, and worse for the farm workers who are exposed to them.



Free Range Poultry: In almost every corner of the state, farmers are letting chickens roam freely in and out of shelters or peck and scratch in pastures. Many are receiving no antibiotics. The best way to know how to get a plump chicken that lived as nature intended it to is to know the farmer. The second best way is to shop at stores and eat at restaurants that will tell you where the poultry came from. Next time you go to a store or restaurant, ask who supplied the wings or the Cordon Bleu. If they can't tell you, go somewhere else!

Organic Potatoes: "Flaming" is more than an Internet insult. It's one of John Fisher-Merritt's preferred techniques for eliminating potato bugs in his organic potato fields. He also tricks potato bugs by planting their favorite food, eggplant, at the end of rows, so they'll be less tempted by the potatoes. Those who get by are attacked by a natural biological enemy, *Bacillus thuringiensis*, that Fisher-Merritt applies only to affected plants with a squirt bottle. And he's going one step further. He's developing a rotation between fields that are located half a mile apart. Through aggressive control, he'll ensure that any bug that matures after September 1 won't have flying muscles developed before hibernation. "They'll have quite a trek on foot over a hayfield, pasture, woods, even a pond to get to the new field." The potato bug doesn't have a chance, but members on Fisher-Merritt's CSA and customers at the Whole Foods Coop in Duluth will have chemical-free Yukon Gold, Red Norland, Red Dale, and Goldrush Russet potatoes.

Family Dairy: Dave and Florence Minar are farmers who think about how the grass their cows eat makes the milk taste. With home delivery and outlets in 20 food coops and grocery stores in the Twin Cities and south metro, Cedar Summit milk and other products like ice cream, yogurt, and butter are great alternatives to conventional dairy products. Long-time members of the Sustainable Farming Association, the Minars converted a farm that has been in Dave's family almost 80 years to sustainable practices including rotational grazing and on-farm milk processing.

Local Lettuce: For ten weeks in Minnesota, red and green leaf, romaine and Boston lettuces are bursting from farm fields. One of the best ways to get local lettuce is through a CSA—a subscription farm that delivers produce weekly to a specific group of "shareholders." Local lettuce can stay fresh in the refrigerator two weeks, while lettuces that make a cross country trip may last only a week. And let the salad mix go for the summer, unless you're in a CSA. Minnesota simply can't sell it commercially at a price competitive with California growers. Minnesota family farmers pay higher wages to seasonal workers than California companies do and have a shorter season to make up the cost. Check out the Land Stewardship Project's guide to CSA farms and join one!

IPM Strawberries: Short but very sweet, the strawberry season in Minnesota and Wisconsin offers a challenge to those who prefer local foods. Do you savor the berries you can pick yourself or purchase in food coops for the three-week season? Or do you make it a year-round habit with berries from California or Latin America? Midwest strawberries are available in 24-36 hours, picked ripe. California berries can take anywhere from 2-10 days in transit. If you do the taste test and compare, you may do what many people do, and freeze a flat of local berries to use throughout the year. Check the Minnesota Grown website to find farms where you can pick this marvelous fruit, loaded with vitamin C and fruit acids. Look for farmers who follow organic or integrated pest management (IPM) practices.

Adapted from, "This American Meal," *Utne* magazine, May-June 2002 by Karen Lehman

(Direct Marketing continued from page 5)

chickens in pasture pens, Marty and Georgiann face the challenge of getting them processed and to market. They process poultry on the farm for on-farm pickup, thus maintaining control over their product until it reaches the consumer's hands.

By enclosing the entire value chain, they are secure in the knowledge that their values of sustainability and humane treatment are fully expressed in the product they deliver to the purchaser. Plus, they keep all of the profit on the farm by direct marketing.

“Consumers have the power to define the way the countryside will be in the future by the way they spend money. The only way this industrial system is going to turn around is if the consumer says ‘I want this product, and I want it raised this way.’ We have to take care of our soil, because it’s all we’ve got. Consumers need to understand that, and if we can share why we want to raise our animals on grass, we can help them learn.”

Marty Primus

Marty and Georgiann are among a new wave of sustainable and organic farmers (and increasingly, conventional farmers) who are staking their futures on raising, processing and selling food directly to consumers. For them, getting more milk from a cow is less important than getting more products from a dairy farm.

To do that, they’ve shifted from a single-minded focus on production to develop competencies in diversification, processing and marketing. To the extent they can, many have cut out the middlemen—processors and distributors—who take part of the food dollar. In doing so, they’ve enclosed the value chain within the activity of their farm enterprises.

Mike Lorentz, of Lorentz Meats, a meat processor in Cannon Falls, approves. “If they want to put money in their pockets, they need to sell something off their farm. Even if they’re mid-sized, they need to get customers to buy directly from them.”

Entrepreneurial farmers market their products directly from their farms, through subscription-based CSAs, buyers’ clubs, farmers’ markets and, to a limited extent, to restaurants and retail grocery stores.

Such direct sales are nothing to sneeze at. There are 55 farmers’ markets in Minnesota, the largest of which are in the Twin Cities. How much money people make at these markets is one of the best kept secrets around. But at the St. Paul Farmers Market, the 300 growers who sell there watch 20,000 people pour through every weekend during peak season.

Public and non-profit organizations play an important role in facilitating on-farm processing and direct marketing. Through the Department of Agriculture’s *Minnesota Grown* program, 500 farmers and processors, whose products are at least 80% produced in Minnesota are listed in a directory and other promotions.

The Minnesota Institute for Sustainable Agriculture (MISA) provides an information exchange related to sustainable agriculture and published a report on cooperative marketing. (MISA is a unique partnership between the College of Food, Agricultural and Environmental Sciences at the University of Minnesota a group of non-profits and individuals cooperating promote sustainable agriculture.)

The Land Stewardship Project has been instrumental in supporting rotational grazing, CSA development, and beginning farmers. Another non-profit, Renewing the Countryside, highlights stories of people involved in all aspects of local food systems in books, calendars, and a website.

Whole Farm Cooperative

Minnesota Institute for Sustainable Agriculture



Local food systems are like several circles linked together. The inner circle is the farm itself, where the farmer internalizes the value chain, as Marty Primus did by raising, processing and selling products on the farm. Taking that one step further, the Primus family became mem-

bers of Whole Farm Coop, a group of 40 farmers who have developed direct marketing outlets in 27 churches and non-profits in the Twin Cities, Duluth, Little Falls, and St. Cloud. In addition to poultry, Whole Farm Coop distributes eggs, flour and breads, fruits and vegetables, lamb, beef, pork, fair-trade coffee and many unique items. To participate in this distribution system, Primus takes larger quantities of chickens to Pilgrim’s Way, a local state-inspected processor, and then takes them to Whole Farm Coop’s cooler for distribution. Whole Farm Coop then delivers them to participating organizations, as well as to 12 food coops and stores, and four restaurants. Restaurants like Chet’s Taverna in St. Paul market the food as “sustainably and locally produced,” thus making sure consumers understand that the value and great taste are being passed directly to them from the farm.

Contact: Whole Farm Coop, Herman Hendrickson, www.wholefarmcoop.com, 320-732-3023, info@wholefarmcoop.com

Widening the Circle: Restaurants, Institutions, and Retail Grocers

As important as direct marketing is to building local food systems, it requires an effort on the part of consumers that so far only a small percentage of the population is willing to make on a regular basis. Most often, people get their food from retail grocery stores, at restaurants, and through school or hospital food service. These are critical components of a local food system, representing both great promise and great obstacles for those interested in supplying them.

Minnesota has one of the strongest retail food coop networks in the country, with warehouses founded to supply them, such as Coop Partners and Roots and Fruits. Individual coops, like the Wedge in Minneapolis, the Whole Foods Coop in Duluth, and the Bluff Country Coop in Winona, develop marketing relationships with local farmers. They're often the first retail markets open to local farmers because they're locally and cooperatively owned, they value local organic and sustainably produced food, and they're committed to building alternative economic relationships. They also don't accept

Northeast Chapter, Sustainable Farming Association



Duluth Farmers Market

the “slotting fees” that industrial produce and dairy companies pay grocery stores to buy shelf space.

“Sourcing from Minnesota is a top priority,” asserted Edward Brown, founder and manager of Coop Partners Warehouse, Minnesota’s first certified organic produce warehouse. “We paid a local farmer 150% the price of California lettuce mix to have a local supply. And we have signed agreements with farms to grow produce for us.”

Independent and family-owned grocers, or even chains in which stores are independently managed

are the next tier. The Midwest Food Alliance, a collaboration between the Land Stewardship Project and Cooperative Development Services, has developed a certification program for sustainably produced foods, which they define as reducing or eliminating pesticides, conserving soil and water, preserving wildlife habitat, providing safe and fair working conditions, and treating livestock humanely.

Over 60 farms that produce more than 100 varieties of products in Minnesota, Wisconsin and South Dakota have been certified. In 2003, the Midwest Food Alliance placed products in 44 retail stores from food coops to locally owned grocery chains including Kowalski’s, Coborn’s and Hy-Vee.

Farmers’ coops have also developed creative ways to compete on a larger scale in retail grocery stores. Organic Valley® has developed one of the most successful approaches for placing local products in grocery stores ranging from coops to Walmart. From its beginnings in 1988 with a core of vegetable farmers looking for alternatives to tobacco, the cooperative has grown to include dairy, brown egg, and meat marketing pools. Proponents of organic agriculture and family farming cite Organic Valley as a great success in producing high quality food, paying farmers well, and reaching into national markets.



Pat Bailey

The coop generated \$200 million in sales in 2002 and has successfully entered markets in the Midwest, Pacific Northwest, Texas, and East Coast. They do so by working with local farmers' cooperatives in areas where they develop markets to supply them.

Is There Anything Local on the Menu?

Alma. Auriga. Birchwood. Chet's. Dakota. Lucia's. Rebekah's. Sapor. Trotter's. Zander. . . From A to Z, Minnesota is home to restaurants committed to local foods. Restaurants play an important role in "pulling" local foods through the value chain. Lucia Watson, chef and proprietor of Lucia's Restaurant in Minneapolis, serves 850 meals in an average summer week, and 98% of the dairy products, and 99% of the produce are local.

"Food is totally about nurturing. If you go in with that philosophy instead of thinking of food as entertainment, you focus on how food tastes, not what it looks like. You want to see what happens in the field, to know the nuances of how the food was handled."

Julie Bloor, Great Cian, Inc.

"We've found that restaurants are better for our products than grocery stores, because they can absorb the extra cost," Pam Benike noted. "Our first principle is that farmers need to get a price for their product that respects both their inputs and their labor. So our prices are higher. Restaurants can explain that to customers. The quality is good, and sometimes the farm name is even on the menu."

Not only do restaurants provide important markets for local foods,



Minneapolis St. Paul Star Tribune, 2003

"Whoa! What's that? That looks nasty!"

That was the first reaction, but certainly not the last, for one young participant in the Youth Farm and Market Project's summer program, on seeing the whole grains and vegetables his peers had prepared for lunch. It's a natural reaction for the 9-13 year olds who come to Youth Farm believing that milk and eggs both come from cartons. Yet after 10 weeks of growing vegetables, marketing them, and cooking them, they have different attitudes about food.

Youth Farm's summer lunch program, called "Our Own Lunch," was a direct response to youth's desire for better nutrition. As most participants are eligible for the federal school lunch program, in previous years they had taken their break from farming urban land to open a bag lunch supplied by the USDA. The lunches met the USDA's nutritional requirements—but the youth disparaged them as "wet and soggy." So youth in the West Side neighborhood of St. Paul began experimenting by taking turns preparing a meal for program participants that might be served at home: sa-kao, burritos or spaghetti. They were meals that spanned the cultural diversity of the community in which they lived.

The Youth Farm and Market Project was created to build a youth-based community food system. Youth in the Lyndale and Powderhorn neighborhoods of Minneapolis and the West Side of St. Paul grow vegetables and flowers on urban farms and sell them at their own neighborhood farm markets, located at public housing high-rises and urban crossroads. They also sell produce to local restaurants, including, Lucia's, The May Day Café, and Old Man River Café. To date, Youth Farm has developed over an acre of urban farmland in Minneapolis and St. Paul on public housing high-rise grounds, vacant lots, and schoolyards.

The Youth Farm has received two grants from the USDA's Community Food Projects Program, an example of the kind of public support that can promote the development of local food systems. The benefits to youth may be lifelong. After all, they now regularly eat fresh wholesome foods they once thought were "nasty."

Contact: Youth Farm, Jeff Bauer, Executive Director, 612-872-4226 Ext. 123, www.youthfarm.net, jeff@youthfarm.net

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Minneapolis St. Paul Star Tribune, 2003

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 munity garden plots.

nd systems that have sprung up in cities are as
 e people who grow and eat the food. In a backyard
 nneapolis, an immigrant family grows pápalo, an
 in southern and central Mexico, and shares it with
 Over 100 community gardens in Minneapolis alone
 etables and green space for urban residents.

ns and gardens play an important role in preserving
 nary traditions of the people who have settled here.
 es Horn Terrace community garden, immigrants
 na who were of East Indian heritage grew the
 nd spices from their homelands. Hmong gardeners
 the urban food landscape, and now make up
 f the farmers selling produce at the St. Paul Farmers

at these foods traditions rely on fresh vegetables,
 ed grains, and meats often raised to religious
 ns, they contribute to overall community health by
 ertatives to the highly processed American diet
 oducing unprecedented levels of obesity, diabetes
 ease



Live Locally, Eat Globally

New crops are bursting from the ground in Chaska, Rosemount, and from backyard gardens throughout the state of Minnesota. Cocoa yam, bitter melon and epazote are herbs and vegetables dear to the hearts of recent African, Asian, and Latin American immigrants who, though far from their homelands, are making themselves at home in Minnesota with traditional foods. With the help of the *New Immigrant Agriculture Program*, they are getting access to land and education in growing foods organically, as well as help with marketing and farm business management.

The New Immigrant Agriculture Project is a program of the Minnesota Food Association in partnership with the University of Minnesota College of Agriculture, Food, and Environmental Sciences, and funded largely by the USDA's Farm Service Agency.

"It's a great example of how public agencies, non-profit organizations and farmers can reinforce each other," asserted Chris Morton, executive director of the Minnesota Food Association. "We'd developed a program, supported by Minnesota Grown, to contract with farmers to grow food for legal immigrants who'd been kicked off the food-stamp program during welfare reform. We concluded that it made more sense to support immigrants, many of whom were farmers in their homelands, to produce food, rather than pay others to give it to them and a USDA program for disadvantaged farmers supported us."

At the same time, the University of Minnesota decided to set aside some of its Rosemount Experiment Station for a New Immigrant Farm Program. So we came together, hired African, Asian and Latino outreach staff, and now people are getting access to farmland in Minnesota."

For many years, Hmong farmers have been an important presence in the Minneapolis and St. Paul Farmers' Markets, and African and Latino farmers in these and other farmers markets throughout the state are joining them. Not only do they provide their own communities with their preferred foods, they also wake up the Minnesota palate with new vegetables and spices.

And a multicultural presence is rippling through local Minnesota food systems. Small processors are essential to making culturally and religiously appropriate foods available to new immigrant communities. Burt's Hilltop Poultry, an on-farm processor in the rolling countryside outside Utica in southeast Minnesota, is a vital link in the Hmong community's value chain. Burt's processes black chickens in ways that conform to both Buddhist and Confucian guidelines.

New immigrants are remaking the local food system with their traditions and practices. For the first time, perhaps, it is now possible for Minnesotans to experience the culinary pleasures of four continents without leaving home.

Contact: *Minnesota Food Association, Chris Morton, Executive Director, 651-766-8895, www.mnfoodassociation.org*



Minneapolis St. Paul Star Tribune, 2003

Lucia's = Local

As a child at her family's cabin on Rainy Lake, Lucia Watson used to pick blueberries and catch walleye, and in college, she foraged the woods for wild onions and morel mushrooms. "There was something so gratifying and nourishing about finding wild things to eat. Over the years, that practice evolved into meeting local farmers and getting corn at farm stands. It was so inspiring." Now a successful restaurateur and author, Lucia is one of the region's strongest proponents of local foods.



Lucia's Restaurant

A self-taught chef who started her own catering business at the Minnetonka Arts Center, Lucia opened her own restaurant, *Lucia's*, in 1987. She began looking for the freshest ingredients she could find—and that meant local. At first, she used mushrooms or herbs that local people brought to her door. By 1998, her food buyer, Julie Bloor, began dedicating the majority of her time to procuring local foods for the week's menus.

Lucia is a member of the Minnesota Department of Agriculture's Organic Advisory Task Force and a proponent of organic foods. But given the choice between imported organics and local conventional foods, she'll often choose the local foods. "I like to support the local farmers, and I think the food is fresher. It's better."

Her involvement with local food soon moved beyond her restaurant out into the community. One day, she opened her door and found two youth from the Youth Farm and Market Project asking if she wanted to buy some of their braising greens. She bought some, and that led to her teaching cooking to Youth Farm participants, hiring them to work in her restaurant, helping them establish a market site in Uptown, joining the board of directors, and even hanging Youth Farm photographs in her restaurant. "Youth Farm is the most local food I get. Amazing beets and carrots from right down the street. It's the best you can do for local food and community building."

Contact: Lucia Watson,
Lucia's Restaurant, 612-825-1572,
www.lucias.com



they also educate people about the flavors and qualities of fresh foods. They both preserve and playfully tweak the root culinary traditions of Latin America, Asia, Europe, Africa and North America.

They motivate consumers to seek the foods served on their menus in grocery stores, giving them ideas for what they could do if they shopped "the outside aisles"—the produce, meat, dairy and seafood sections that ring the processed food sections in grocery stores.

Chefs' choices to serve more local foods also put pressure on food distributors to provide those foods to their clientele.

They are some of the most vocal opponents of genetically modified organisms, which are controversial foods created when genes from different species are combined to form new life forms.

They've come together in organizations like the Chef's Collaborative, through which, they affirm, "member restaurants celebrate the joys of local, seasonal and artisanal ingredients. They understand that the source of their ingredients—the way they have been grown, raised or caught—significantly affects the flavor and quality of their dishes."

Nor are restaurants that can support a clientele interested in local foods limited to urban areas. Ask Diane Lutzke of Rebekah's where the chicken on her restaurant menu comes from, and she's liable to say "a few miles from here from the Timms' farm."

Vegetables, dairy products, and meats including lamb, chicken, beef, elk, and buffalo all come from the region, most from within 50 miles. "It's important to us for farmers to come into the restaurant, to have that face-to-face connection," states Lutzke. Housed in a former Odd Fellows hall in the town of Plainview, Minnesota, Rebekah's has become a standard bearer in the Rochester region for the values of locality and sustainability.

No More Mystery Meat

Does local food make you smarter? That hasn't been proven, but the University of Minnesota Morris (UMM) believes that, at a minimum, it's smart to eat local food. In 2000, administrators had the foresight to include local food purchasing in the bidding process when the food service contract was negotiated with Sodexo, a multinational company that supplies the majority of US campuses.

It was a simple, but daring idea. Why not serve local foods to college students? In every other

food service with 60 farmers of the Upper Minnesota River Valley.

The West Central Regional Sustainable Development Partnership provides the primary support to the project, with additional involvement from the West Central Research and Outreach Center, Prairie Renaissance Cultural Alliance, and the campus-based Minnesota Public Interest Research Group. Pride of the Prairie is an effort not only to provide local food to UMM students, but to other institutions, retailers and individual residents of the region as well.

Food scares like mad cow disease, *Salmonella* and *E coli* infections (often linked to industrial practices)

share stories with students about how they farm the land that surrounds the campus.

The Midwest Food Alliance signed an agreement in 2003 with Sodexo to offer foods labeled with its seal to college and university campuses in the Midwest, including University of Minnesota Morris. This will create incentives for more farmers to become certified as a way to enter the university food service market.

UMM's example has stimulated interest in other parts of the University of Minnesota system. The Local Foods Initiative of the Regional Sustainable Development

"I used to be able to look at a carrot and taste it to see if it was what I considered good. Now, things are more complicated. I want to know how the carrot was packaged, how it was shipped to me, where it came from, and how it was harvested. How is the soil it was planted in cared for and nurtured? Is the carrot sprayed and fertilized with ingredients harmful to the soil or to the consumer's health? . . . I propose that if farmers are stewards of the land, chefs become stewards of the table, providing food that is purchased and prepared consciously."

Lucia Watson, *The Greenbook 2002*, Minnesota Department of Agriculture

area of its procurement, the University of Minnesota is required to purchase 20% of what it buys from Minnesota businesses. Why not food?

Food service holds promise for the mid-size farmers who want to make transitions from conventional agriculture to meet the rising demand for high quality local foods. The combined efforts of public and private sectors are critical to making this happen. To meet the stringent demands for food safety, product aggregation and processing, farmers and local processors need technical assistance from both food service enterprises and public institutions such as the University of Minnesota and the Minnesota Department of Agriculture. On the other side, institutions often need support from other organizations to link them with farmers.

Trying to source local food might have been nearly impossible for UMM, if not for a creative partnership with Pride of the Prairie, led by the Land Stewardship Project, that links the campus and

create hurdles for local food procurement. Some foods that are easy to produce and deliver locally—ground beef, eggs, strawberries and honey—are on Sodexo's list of high food safety risks. Pride of the Prairie and the Land Stewardship Project worked with Sodexo to serve meals at UMM that include fruits, vegetables, meats, grains and dairy products from over 40 farms. At festivals and special events, farmers and volunteers carve hams, slice whole grain breads, and

Partnerships is exploring how to work with other food service providers in the University system to offer local foods. They and the Minnesota Institute for Sustainable Agriculture are also working hard to ensure that the University uses its resources to support the local small and medium-sized farmers with the technical assistance and information they need to provide food for University students. Now how smart is that?



Land Stewardship Project Staff

Pride of the Prairie 2002 Fall Fest

Reclaiming the Middle

Internalizing the processing and distribution “middle” within a single farm is one approach to forging the links in the value chain. Another is to redefine the middle to reach broader markets, even in local food systems. For that, processing and distribution are essential. Given that processing, packaging and distribution receive 80 cents of the food dollar, the economic benefits could be huge if that money circulated among the farms, processors, and retailers in a local community.



Natural Resources Conservation Service

The processing sector is in many respects the crucial missing link. Since Sinclair Lewis wrote *The Jungle*, processing has been suspect. After all, farms are places people can relate to. The amber waves of grain sway with the wheat still heavy on the stalk. The chickens run in the yard and the cows nestle in the barn.

The processing plant is where the grain gets crushed, the chickens get killed, and the milk gets heated up and made into curds. When we think of the processing part of the food system, we envision industry.

Testing Values

But processing is more. It's the place where the values in the value chain are tested, and either passed on to the next step or dropped out of the system. Consumers are

questioning whether animals raised carefully in free-range conditions were slaughtered humanely. Was the organic milk processed in plants that respected the practices that went into producing the milk? Was the organic GMO-free grain milled in a plant that made sure that it wasn't contaminated with GMO grain from previous customers?

Small local processors are better for local food systems, yet they are few. Some parts of the processing sector that once supported local food systems are still in place, but

few independent and organic grain and feed mills in the state alongside the largely corporate held mills owned by Cargill, General Mills and others.

Small meat processing is perhaps the strongest, with over 100 state and federally inspected plants in Minnesota that can serve customers bringing in as few as three animals at a time.

Processing is Crucial

“We wouldn't be able to do what we're doing without the local processors,” asserted Pam Benike. “And we help them. Our poultry growers take their birds to Burt's Hilltop Poultry, and we schedule everyone in on a schedule so they can plan.”

Burt's is a USDA inspected on-farm processor in Utica, Minnesota. “We can schedule our truck to go directly to Burt's to pick up the chickens to deliver to Rochester, Winona and the Twin Cities,” Benike added. And consumers benefit. At Burt's and other small processors, the inspectors physically inspect almost every bird, whereas in larger industrial processors, the average is closer to one in twelve.

“There are 20 plants wanting to come under the state meat inspection program, but we don't have the funding to serve them,” asserted Kevin Elfering, director of Minnesota's Dairy, Food and Meat Inspection Program. Using the program's 2002 study as a baseline, that

others have been decimated. Of the 600 creameries that once dotted Minnesota's dairy country, only a handful remain. The rest are large-scale processors. There are also a

ECONOMIC IMPACT ANALYSIS OF STATE-INSPECTED MEAT PROCESSORS

Number of plants:	65
Production output:	8.8 million pounds of meat
Unit value of products:	\$4.50 - \$5.00 per pound
Total value of production:	\$39.5 million - \$43.8 million
Employment:	116 jobs

Total output impact:	\$92.5 million - \$101.4 million
Total employment impact:	446 jobs
Total labor income impact:	\$15.8 million
Total tax impact:	\$6.2 million

*Agricultural Marketing Services Division
Minnesota Department of Agriculture, 2002*

means that production output could increase by up to \$13.4 million, and the total output impact could increase by up to \$31.1 million.

“About half the plants that came on-line under the state inspection program were new plants,” Elfering said. “If larger distributors got interested in distributing meat locally, the number of plants we’d need could go up another 25.”

Return of the Creamery

Just a few miles down the road from Marty and Georgiann Primus’ farm in Sauk Center (in fact, right on Sinclair Lewis’ “Main Street,”) George Economy and the *Pride of Main Street Dairy* are quietly transforming local food and farming systems. Pride of Main Street produces organic fluid milk, ice cream, and kefir, a drinkable product with healthful bacterial cultures similar to yogurt.

When he started, there was one organic farmer in the area who was selling his milk into conventional processors like Kraft for lack of other markets. Six farmers now supply milk for Pride of Main Street’s organic kefir, and 25 farmers have started organic dairy operations in the last three years. Going organic is a clear choice when there’s a local market paying a premium price.

Economy had been a customer of what was originally the Central Minnesota Cooperative Creamery because he was dissatisfied with his St. Paul processor. “The dairy industry is used to high-volume,

In 1980 Minnesota had approximately 862,000 dairy cows; today there are 474,000, a 45% loss.

Milk Power News, March 2002

low-margin products. The Creamery worked with me to get the product right. Then, just when we did, they decided they needed to sell.”

Economy said that the cooperative wanted to sell to him because they knew his work would benefit the community. “We have

14 employees, 8 farmers, 6 independent distributors. This facility drives local grain sales, employs local truckers, and our employees spend their money locally. We pay living wages and provide benefits to our employees, and pay almost double the conventional price for organic milk.”

A Web of Processors

Pride of Main Street has formed alliances with Sonny’s Ice Cream and Hope Butter. Economy pays attention to scale. “When companies reach a certain scale, their goals start to change. They focus more on volume, and quality slips. The challenge is to teach the consumer about what this means.

“Take Sonny’s Ice Cream. Sonny and I both buy Madagascar vanilla, which is \$300 per pound, and our competitors are using artificial vanilla flavor. People say, ‘I love your product and I buy it

when it’s on sale.’ It’s not that organic is expensive, it’s that other food is so cheap. There are all kinds of subsidies, blatant and hidden, for the conventional food system.”

Processors like Pride of Main Street that are also market developers provide opportunity to the most

threatened segment of American agriculture: the mid-sized family farm. Unlike those who started small and early identified niche specialty markets, mid-size farmers who have been selling product into commodity markets, have a hard time adjusting their enterprises to direct marketing. They need to find ways to supply local food systems that include larger volume sales, and local processors can help facilitate that.

Mike Lorentz is thinking along similar lines, believing that the farmer/processor link is key. Lorentz is working with a group of western Minnesota farmers and a niche distributor to supply pork to local food service and retailers. “The farmer holds the brand. Instead of just listing the product in a catalog, the distributor goes out and says to the customer, ‘This is the best product I can find.’ When a high quality pork loin price is \$5 - \$7 per pound, and the commodity price is \$1.75 - \$4.00, that’s important. What we say to the farmer is, ‘You develop the value, and we’ll carry it through to the consumer.’”

Forging the Links

Minnesota’s economy, environment and public health all benefit from strong local food systems. But significant public and private investment is necessary to fully recognize its potential. We need policies, capital and capacity.

Public policy has largely focused on the farm: production, on farm processing and marketing.



“Branding Your Beliefs”

Mike Lorentz is fond of saying that within 90 miles of Cannon Falls, there’s one billion dollars worth of pork, beef and chicken consumed each year. The challenge is to help farmers market that value. Originally a custom processing plant, Lorentz Meats recently expanded and became a USDA inspected facility. They did so without losing their commitment to small-scale producers. “Whether a farmer processes 20 animals per year, or 100 animals per week, we want to work with them,” Mike asserts. “No producer is too small.”

Lorentz Meats’ goal is to empower farmers to market their own products. “Farmers are used to producing things, but they’ll bring in their animals to be processed without a market lined up to sell them,” lamented Mike’s father, Ed Lorentz. “The money is in the marketing.” To help farmers make the shift to marketing, Lorentz Meats developed “Branding Your Beliefs,” a 16-hour training program designed to help farmers identify opportunities and develop plans to take advantage of them.



Minnesota Department of Agriculture

Processing beef at Lorentz Meats

Lorentz has taken advantage of its own opportunities. The plant was certified organic in August 2000, and is processing beef weekly for Organic Valley. They’ve partnered with Kowalski’s Markets to produce its private label sausage and are marketing their own brand through Simon Delivers. Lorentz also has a full service deli that offers many varieties of cheeses, sausage and specialty meats.

Lorentz Meats is known as a humane slaughter facility. Michael Pollan praised Lorentz in his November 10, 2002 *New York Times Magazine* piece, “An Animal’s Place,” by dubbing its kill floor, “the glass abattoir.” Making it possible for people to see how

meat is processed, Pollan believes, is essential to a humane meat production and processing system.

Like many other businesses, Lorentz sought (and found) local investment after banks turned them down when they were starting their expansion. They view themselves as a family and community business with 13 shareholders, all of whom are farmers, relatives, or local business owners. The business has grown to 36 full-time and 25 part-time staff people. “We’re taking a big risk and still proving ourselves,” concludes Mike. “It’s not an easy business. But we’re convinced the demand is there.”

Contact: Lorentz Meats, Cannon Falls, MN 507-263-3617

If farming, processing and distribution are viewed as a cluster of linked enterprises, local food systems become a focus of economic development, public policy and resource allocation for the State of Minnesota. Policy to support local food systems should be oriented to support the whole value chain, not just its individual links. This approach works. The Southeast Food Network, Pride of the Prairie, Midwest Food Alliance, and Organic Valley are all examples of initiatives

“If there’s one large marketer driving the market, there will be downward pressure in the system, pushing the farmer to produce for lower and lower costs.”

Mike Lorentz

building food systems holistically. The state of Minnesota is well positioned to place the local food system cluster of linked enterprises in the center of economic development and public policy.

Federal support channeled through states could be analyzed and directed to contribute more to local food system development. As an example, the Minnesota Agricultural Statistics Service division is set up to do sampling and surveys, but is limited to collecting data on agriculture. If the mandates for USDA funding took a food systems approach and could be broadened to include consumer sampling, the State of Minnesota could learn more about food consumption patterns and preferences, thus providing needed information for local food system development.

Then there’s money

Local food systems need patient capital. Mike Lorentz calls it “capital that’s aggressive enough for a return, but passive enough to be patient. Venture capitalists want a minimum

annual return on investment of 30% with 5-year liquidity. What we want to offer is a 10% annual return on investment with a 15 year window for liquidity.”

One promising approach to support local businesses with a regional mutual fund is being developed by the Experiment in Rural Cooperation.

As a banker in Plainview, MN, Dean Harrington earns part of his living by making loans. When he looked around his community, he realized that many businesses wouldn't be viable if they were debt financed, but would do well if they were supported by equity, farms included.

When the farm implement dealership in town was slated to close, he observed that area farmers, for whom it was critical, pooled their resources to purchase it. Why couldn't that happen in a more structured way, he wondered, for other rural Minnesota businesses?

The Minnesota Initiative Funds and others could work together to develop regional financing initiatives that draw on the resources of all.

George Economy also noted the need for gap financing. “When you're building a market, there's always a time when you have more product than you have market for.”

The state's Sustainable Agriculture Loan Program could be changed to allow funds to be used for bridge financing for processors that are upgrading their facilities.

Public Policy Matters

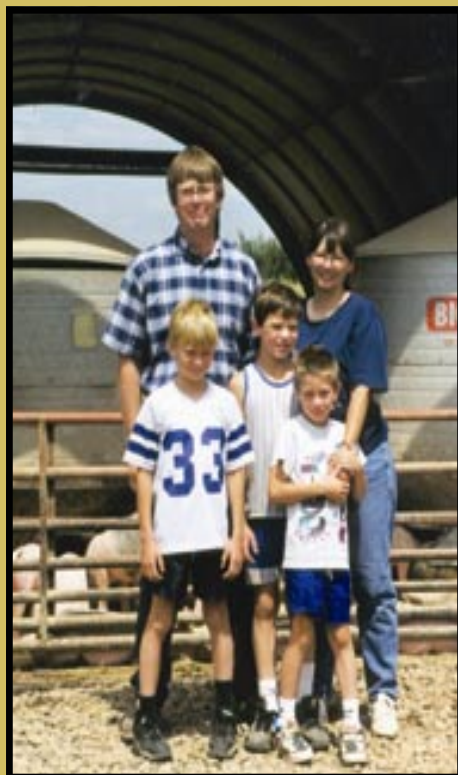
A third focus is to link the talents and capacities of businesses, non-profits and government to work on specific barriers to the development of local and regional food systems.

Efforts like the Minnesota Food Summit, jointly sponsored by state, university and non-profit organizations are important initiatives.

Finally, it's important to stop state policies that discourage the strengthening of local food systems. Policies that promote large dairies, feedlots and commodity grain production promote the flow of

Partnering for Local Food

What do alternative swine production, a group of farmers teaching 5th graders about food, a multi-county network of farmers' markets, a straw bale community food education center, and the Southeast Minnesota Food Network have in common? They are all supported by the Regional Sustainable Development Partnerships, a joint effort by citizens of five regions of Minnesota and the land grant University of Minnesota that serves them.



Minnesota Department of Agriculture

The partnership concept was conceived by members and staff of the Minnesota Institute for Sustainable Agriculture in collaboration with legislators as an innovative approach to university/community engagement.

The Regional Partnerships were created when the Minnesota Legislature appropriated \$2.4 million biannually, beginning in 1998, in recurring funding to the College of Agricultural, Food and Environmental Sciences (COAFES), the College of Natural Resources (CNR), and the University of Minnesota Extension Service.

Each of the five regions involved in the initiative receives \$200,000 of this appropriation per year, which is to be spent on sustainable development related projects. Residents in the region bring their good ideas for projects and requests for funding to an active board of directors composed mainly of local citizens, with a few university faculty and staff. Participants in the southeast Minnesota Regional Partnership, known as the Experiment in Rural Cooperation, describe the partnership as “a farmer tending the fields of sustainable development. The crops are community self-reliance and a healthy environment. The tractors that work the fields are homegrown businesses or enterprises—the ones that the Experiment wishes to support and that comprise the homegrown economy. The equipment or implements that make it feasible for the tractor to do its work are University of Minnesota resources.”

This link between citizens and community has already had significant impact on local food systems. To date, the Regional Partnerships have supported 44 projects that build local and regional food systems. As a result, the fields of sustainable local food systems are being seeded for the future.

Contact: *The Regional Sustainable Development Partnerships*
Cynthia Pansing, Statewide Coordinator, 612-625-8759
www.regionalpartnerships.umn.edu

Go Public

When April 15 rolls around every year, few of us imagine that the checks we lob into the hampers at the post office at midnight might show up in the promotion of local food systems. But perhaps we should. The Minnesota Department of Agriculture effectively supports organic and sustainable agriculture as well as local food systems in a number of ways.

It's "trendy" to say that the private sector can do things better than the public sector. What many don't recognize is that much of the government support they receive isn't visible—and this is especially true in the food system. Although consumer surveys show that people would prefer to eat foods grown locally with fewer pesticides, most consumers aren't sufficiently informed to know what that takes.

Want fewer pesticides? Teams of experts from the Minnesota Department of Agriculture Plant Pest Survey monitor pests so that farmers can use the least amount of pesticides necessary to prevent crop damage. (Contrary to popular belief, it ISN'T always possible to grow crops organically in every climate and be economically viable. Farmers who use integrated pest management practices can tap into eco-labels to inform consumers about their practices.)

We also rely on state programs to help farmers develop innovative products and market them. Between 1989 and 2002, the Sustainable Agriculture Program awarded \$2.4 million to 226 farmer-driven projects that showed promise for improving profitability and protecting natural resources, and could be replicated on other farms. Every year, the Minnesota Department of Agriculture publishes *The Greenbook*, profiling the results of the Sustainable Agriculture Grant projects. Farmers can borrow up to \$15,000 to purchase equipment or make improvements that are environmentally sound and economically advantageous from a \$1 million revolving fund.

Need help finding local foods? Minnesota Grown, a labeling and promotion program in which 500 farmers and processors participate, is one of the best ways to find local farmers who produce high quality local foods.

"What the public sector can do is make sure that public dollars are spent for the public good," explained Mary Hanks, director of the Sustainable Agriculture Program. "We help make farms environmentally sound, strengthen communities by making farms profitable, and reduce the risk of trying new things. Those are smart ways to put tax dollars to work."

This is work the private sector doesn't do. So next time you toss that check in the mailbox, imagine that the journey it's taking is to the fields of innovation in the Minnesota countryside. There are few better places it could go.

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This is a story. It could be real, but it's not. Whether it remains a fantasy, or whether it's a vision that someday will be realized, is up to us. The public policy framework described here is very similar to what's currently in place in France.

Twenty poultry farmers in south-east Minnesota approached a feed mill and a poultry processor to form a regional group. They prepared a business plan that defined the geographic area for the group, described the quality of the product's genetic lines, production methods and processing methods. The plan rigorously followed requirements to ensure food safety. They named their group "Zumbro Poultry," and applied to the National Commission for Labels and Quality Certification for a regional label under the Controlled Origin Label program. They named a local third party certifier in the plan to oversee their performance on quality standards.

Zumbro Poultry was awarded its label under the "Little Red Hen" designation and joined the National Association of Labeled Poultry. For every bird they sell, farmers contribute .5 cents to NALP that uses the funds for national consumer education campaigns on the value of locally produced, high quality food.

commodities into and out of the state, but don't support the holistic development required by a local food system.

Working on a food system as a whole requires an approach to policy that integrates one sector with another. Unfortunately, some of the state-funded resources that support such an approach are not consistently funded. And those programs that support sustainable agriculture are not well linked with those that support technical innovations and economic development programs.

Long term what is needed is a new overarching vision for how the public and private sectors could interact to promote local food systems.

Zumbro Poultry could demonstrate that their salmonella counts were lower than higher-volume producers because of the genetics of their chickens, their production practices, the quality of the processing facility, and the per-bird inspection rate (much higher than for larger-volume processors).

Institutional purchasers, increasingly nervous about food-related illnesses, particularly for vulnerable populations such as nursing home residents and children, began to shift to Zumbro Poultry suppliers nationwide. After all, with all of the E coli, Mad Cow disease, debates on “frankenfoods,” and the like, junior high school teachers were even assigning The Jungle again to their classes. A whole generation was starting to ask where their hamburger came from and how long it had been cooked.

Farmers participated with the processor in discussions about expansion plans, and decided to invest and become co-owners. The feed mill approached the group to see if it would be interested in jointly creating a new organic line.

After five years, farmers, suppliers and processors saw profound effects in their lives:

- *They felt less isolated in their work because they were part of a larger team. This meant they could draw on marketing, finance, operations, and related skills from other members of the group. They didn't feel like they had to “do it all themselves.”*
- *They got more results from their marketing dollars. They were able to clearly differentiate their products in the marketplace as alternatives to foods that were less safe, less environmentally sound, and less socially beneficial. They*

were able to extend their own reputations by drawing on those of their associates.

- *They had more political clout. Whereas farmers had pretty much had to work to change agriculture policy themselves, the presence of a larger group of actors that included processors and suppliers made it easier for the public to see the benefit of supporting the regional quality label approach.*

End of story? Or just the beginning?



Southeast Minnesota Food Network

How We Are Helping

The Minnesota Project has worked for many years to link people and policy to promote profitable farms that also protect the environment. Our work has led us again and again to the value of local foods produced in ways that protect water quality, improve public health, and keep farmers on the land. In 2003, The Minnesota Project convened a Local Foods Working Group to foster collaboration among government, non-profits and for-profit food businesses to systematically review the barriers to linking local production with local and regional distribution systems.

New technology and market pressures have made it desirable and feasible for small-scale producers to have their products delivered into local food systems by large-scale distributors. If our joint efforts are successful, the Local Foods Working Group will help remove barriers for institutions seeking to introduce local foods into existing catering contracts, and restaurant menus. Pride of the Prairie, the Midwest Food Alliance, the Southeast Minnesota Food Network, The Regional Sustainable Development Partnerships, Organic Valley, and The Minnesota Project are members of the group.

The Minnesota Project has worked with the Minnesota Food Association and the Minnesota Institute for Sustainable Agriculture to convene a Food Summit to catalyze a long-term dialogue on the future of Minnesota food systems. Farmers, processors, distributors, restaurateurs, grocers, nonprofits, government staff, and more met to bring forward the best thinking, best policy analysis, and best collaboration to achieve a food system in Minnesota that yields what consumers are asking for: fresh, locally-grown Minnesota food.

Please contact The Minnesota Project so that together we can realize this vision.

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Suite 315
St. Paul, MN 55104***

***Tel: 651-645-6159
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**Minnesota's local food system can provide healthy food and build local food enterprises that are the core of a strong local economy.
With policies, capitol, collaboration it can be realized.**



Natural Resources Conservation Service

the
minnesota
project

The Minnesota Project connects people with policy to nurture collaborations that build strong local economies, vibrant communities and a healthy environment.

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