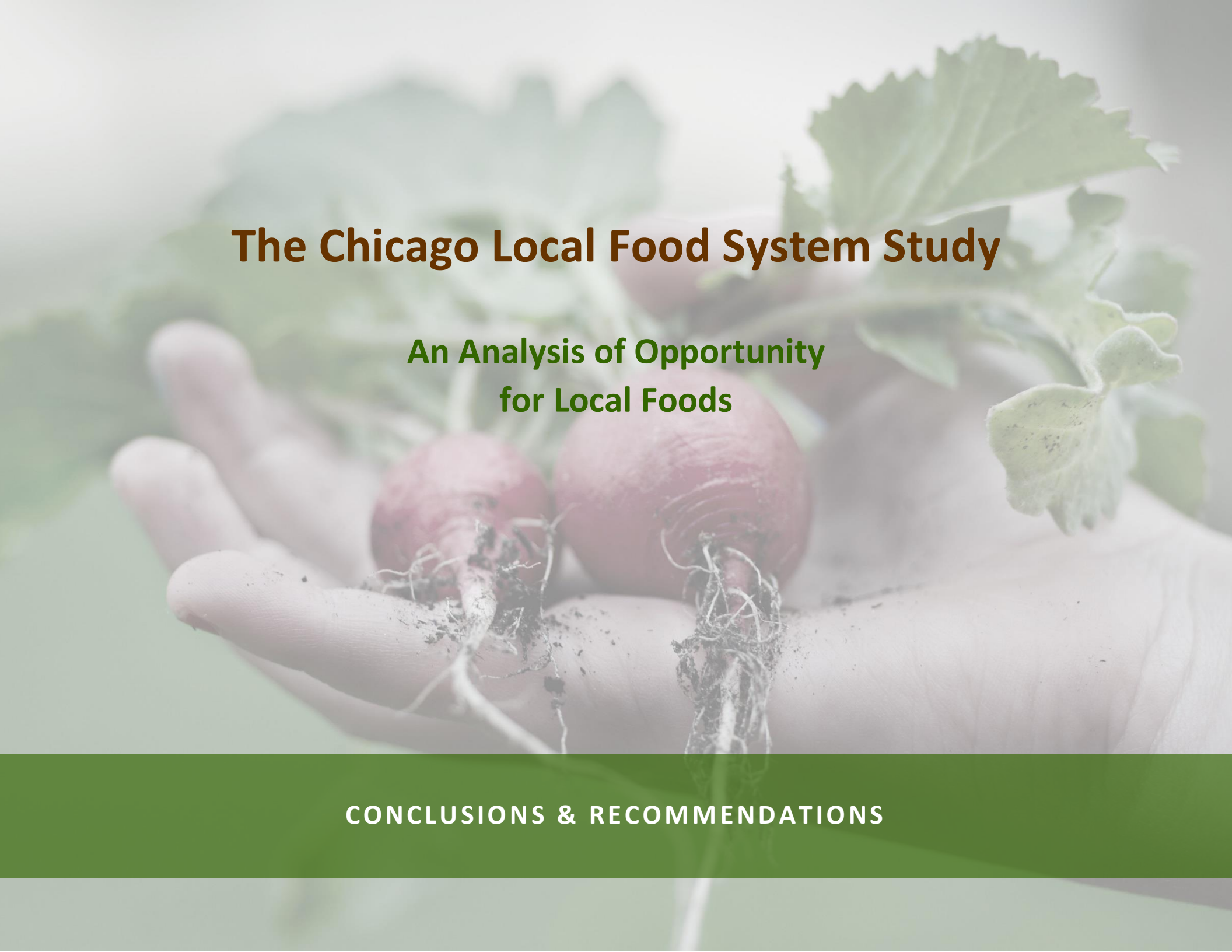

The Chicago Local Food System Study

An Analysis of Opportunity for Local Foods

CONCLUSIONS & RECOMMENDATIONS

A collaboration between Openlands, Fresh Taste, Chicago Metropolitan Agency for Planning, Liberty Prairie Foundation, and Michigan State University

September 2017

ACKNOWLEDGEMENTS

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FUNDING

Funding was provided by Food:Land:Opportunity, a collaboration between Kinship Foundation and The Chicago Community Trust and funded through the Searle Funds at The Chicago Community Trust.

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CONCLUSIONS AND RECOMMENDATIONS

The team members guiding this examination of Chicago's local food system—Openlands, Fresh Taste, Chicago Metropolitan Agency for Planning, and the Liberty Prairie Foundation—have focused on local food issues for over a decade through examinations of food-related public policy at the state, regional, and local levels; farmland preservation programs; urban agriculture and community gardens; new business and entrepreneurship opportunities; local-first campaigns; new academic curricula; and new farmer training programs.

The information gathered through the research presented in Parts 1-4 encompasses economic analysis, a policy and program scan, ecosystem services research, and a literature review. It advances the field of local food systems research and points to promising options to increase local food supply while highlighting challenges in local foods research. Team members assessed the research and contributed their own knowledge of the field to generate this set of Conclusions and Recommendations.

Demand for local food has increased dramatically in recent years. Resulting from a generally heightened public awareness of the workings of the US food supply, farm-to-table dining has ranked high on foodservice trends lists several years running, and signs and stickers indicating local sourcing of produce are widely understood to signal quality and ethical consumption.

The USDA analyzed consumer attitudes and willingness to pay towards local food for its 2015 report, Trends in U.S. Local and Regional Food Systems: A Report to Congress, and found a strong perceptual connection between local food and environmental and health-centric food movements, such as organic and "natural" labeling. SPINS, a market research firm focused on health and wellness for the grocery retail industry, assessed attributes consumers equate with local foods (often

incorrectly) to discern where trends are heading. They found that from 2014 to 2015, sales in Chicago and seven contiguous counties increased 24.86% for humanely raised meat; 11.31% for foods identified by natural standards; 7.85% for non-GMO; and 17.34% for organic foods.[1] These numbers indicate that grocery retailers see opportunity in foods that deliver these attributes, many of which could be sourced locally, indicating that demand for foods with these attributes from local sources is strong. The research thus assumed that there is unmet demand for local food at current prices.

Stepping back from the individual facets of the research to see the whole, several fruitful areas for future work emerge. The input/output economic analysis is largely focused on only one facet of local food options, produce. One reason is the methodological difficulties associated with modeling animal proteins and grains destined for local consumption. But another is that the local food movement has been focused largely on produce in its early development, and for good reason. New entrants to agriculture, many

[1] Data prepared by SPINS for this research.

of them coming from cities and embedded in urban networks, can grow produce for direct markets successfully. Whether in urban or peri-urban areas, selling through CSAs, at farmers markets or wholesale, these farmers are aided by nonprofits and programs that support their production of food for local markets. Produce lends itself to the "Buy Fresh, Buy Local" message that resonates with many consumers. The economic analysis in The Chicago Local Food System Study reinforces the viability of urban and peri-urban agriculture in a local food system.

That study also highlights the need to have a nuanced approach to hyper-local food system work. Infrastructure and micro-climates are important and lead to the evolution of clusters around specific crops. For some vegetables and fruits, much can be done in the 38 county Study Region. For others, such as apples, greater distance may be required to reach production clusters.

FOOD HUBS

According to the USDA AMS, "a regional food hub is a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand." Food hubs facilitate the sale of local food, alleviating the burden of marketing and distribution for farmers. Food hubs differ from distributers in that there is a tacit commitment to view producers as valued business partners instead of interchangeable suppliers. They also employ differentiation strategies to recognize the value-added quality of locally produced food.

As local produce has gone mainstream, finding its place in retail grocery and food service, pressure on farmers marketing direct to consumers has increased. For the 2017 and 2018 seasons, many CSAs had difficulty fully subscribing. Farmers market sales of some products were also reported to be down.[2] Only some of the most ambitious farmers have seized the opportunity to sell into wholesale markets. The Chicago Local Food System Study identified larger producers' greater potential to reach wholesale markets as an opportunity for growth.

Meanwhile, a new generation of young people who grew up on farms are seeking new approaches that will allow them to stay on the farm and take part in the local food movement. Increased action to improve water quality through nutrient loss reduction in conventional commodity systems has produced interest in the role local food can play in providing ecosystem services. When local food is viewed through all these lenses, the need for integrated farming systems that incorporate animals, grains and legumes comes to the fore. Further research is required to assess the contribution of proteins and grains to local food systems. An appropriate scale for these foods may be a foodshed of 250–400 miles, the latter meeting the definition used by USDA. New infrastructure in the form of slaughter facilities, grain hulling facilities, and flour mills may be necessary to bring these products to local markets effectively. The team observes that the movement to develop food hubs that emerged to aggregate produce for local markets is extending to animal protein, grains and legumes.

[2] Private conversations with CSA farmers, farmers market managers, and farmers market vendors.

The study team learned some important lessons through the course of this study. Narrow definitions of local foods and the continuing lack of data to fully measure local foods' economic and environmental impact impede full understanding of value and opportunity. Tools to incorporate externalities like health, ecosystem services, and community development would enhance the research, given the apparently small benefit local food provides when seen through the narrow lens of economic development, measured by jobs. Especially absent in both theory and practice are tools to assess the importance of networks and value chains in a way that is cost effective. These provide essential, if difficult to measure, support to the development of local food systems. Lack of an effective and compelling narrative about the value of local food leads to piecemeal policy rather than effective value chain and food cluster development.

The study team makes the following **recommendations** for continued research focus and policy development:

1. Work with the regional planning organizations in areas contiguous to the Study Region to conduct econometric research patterned on the Chicago Local Food System Study to develop a baseline for the 250-mile Chicago foodshed. Cities lying within that area, such as Milwaukee, Madison, St. Louis and Detroit, may have an interest in generating studies for their own foodshed that would overlap this study.
2. Strengthen policy and programs to support urban and periurban agriculture, given their importance in local food systems. Develop narratives and communications strategies that lift up their multiple benefits: community development, health, stormwater management, greenspace, and heat island mitigation.
3. Assess and support the appropriate relationship between market drivers and policy to advance a diversified local food system. The market will determine how effective an approach is, while policy, done well, creates the context for virtuous cycles. This requires a rigorous assessment of the needs for additional infrastructure before investing, either through grants or private capital. For example, support for produce food hubs and grain mills needs to respond to market needs, not the availability of funds for economic development.

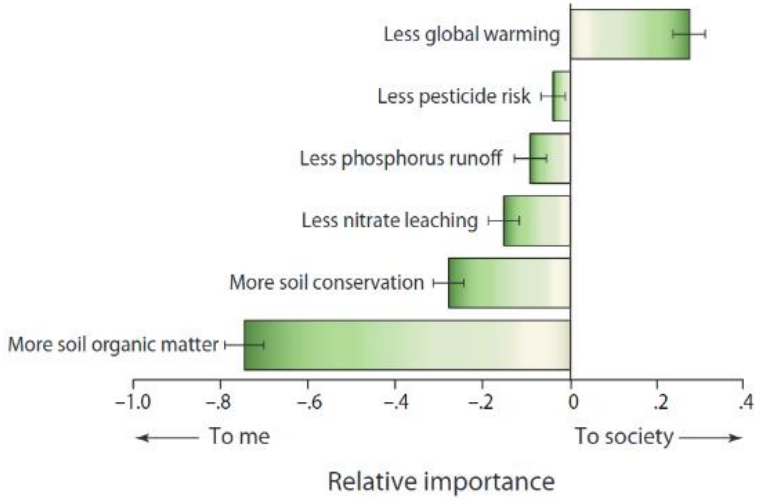
URBAN AGRICULTURAL ZONES

Illinois House Bill 3418 was introduced in April 2017 to amend the Counties Code and Illinois Municipal Code to allow for local governments to create Urban Agricultural Zones (UAZ). The bill passed the Illinois House 86-22 and the state Senate 55-0. It was halted by an amendatory by Governor Rauner who proposed to strip the bill of the property tax abatements and other incentives that would have benefited urban farmers. It is an interesting example of an initiative that draws on municipal experience to influence state policy. In the bill, urban agricultural zones are composed of organizations or individuals who grow produce or other agricultural products, who raise livestock or poultry, who process livestock or poultry, or who sell a minimum of 75% locally grown food. The bill allows for the creation of a state-level UAZ board to advise the county board, county board of commissioners, or corporate authorities of a municipality on UAZs.

The bill follows California and Louisiana among other states in creating designated urban agricultural zones that are privy to lower taxation and utility rates. Illinois State Representative Sonya Harper introduced the bill with the goal to alleviate food insecurity. "The whole idea is to use our vacant land as a way to adjust the issue of food access by encouraging urban farms and community gardens in certain area. . . "I've lived in a food desert for the past 40 years, so it's an issue that is very personal to me," she said in an interview with WTTW. "A lot of people highlight the crime in these areas, but a lot more people are dying from preventable [causes] than from bullets."

4. Shift to local food production and provide a suite of ecosystem benefits which enhance soil and water health. Developing a framework to connect on-farm practices to ecosystem services aimed at improving soil and water health lays the foundation for diversified farming systems. Identifying indicators sheds light on what data needs to be collected to measure this change. Further data collection will support changes in on-farm management systems and shifts in a complex system to provide greater overall conservation benefits.

The Relative Importance to Michigan Farmers and to Society (as Ranked by the Farmers) of Various Environmental Benefits[3]



5. Prioritize farming systems that provide the most ecosystem services, considering impacts on urban and rural communities alike. In any context, for example, the use of cover crops will enhance water quality by preventing run-off. Additional education, outreach, training, and incentive programs are needed for these farm-to-landscape level changes to take hold and provide significant ecosystem service benefits.

6. Develop a more inclusive view of the value of local foods that includes health, economic development, community development and environmental protection. Taken alone, none of these attributes of local foods may appear sufficient to justify the policy and funding required to increase its presence. Taken together, a compelling case can be made.

GRAINS AND BREAD

In the United States, market research firm Euromonitor International estimated that approximately 33% of bread in the United States was sold "unpackaged," or produced fresh on site, totaling $7.73 billion in 2016. This market is expected to increase to $8.30 billion by 2021. A significant portion of the remaining "packaged" bread consists of bread baked off-site and sold within the same region it was baked. Over forty wholesale bakeries supplying local grocers exist within the Chicago city limits. Such strong existing supply/demand infrastructure implies significant opportunity for local grain, though this market has yet to be formally quantified. Anecdotally, there is a groundswell of local grains initiatives throughout the U.S., of which the Artisan Grain Collaborative, which connects farmers, millers and bakers in the Chicago region, is one.

[3] Robertson, G. P. et al. Farming for Ecosystem Services: An Ecological Approach to Production Agriculture. Bioscience 64, 404–415 (2014).