

Building a Local Food Economy: Opportunities and Challenges

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Food:Land:Opportunity

Localizing the Chicago Foodshed

Funded through the Searle Funds at The Chicago Community Trust,
Food:Land:Opportunity is a collaboration between:



www.foodlandopportunity.org

Demand Strong



2017 Top 10 Trends



Pounds of Local Produce Sourced Nationally

1. Hyper-local sourcing (e.g. restaurant gardens, onsite beer brewing, house-made items)
2. Chef-driven fast-casual concepts
3. Natural ingredients/clean menus
4. Environmental sustainability
5. Locally sourced produce
6. Locally sourced meat and seafood
7. Food waste reduction
8. Meal kits (e.g. pre-measured/prepped raw ingredients for home preparation)
9. Simplicity/back to basics
10. Nutrition

2010 - 5 million
2011 - 10 million
2012 - 10 million
2013 - 15 million
2014 - 20 million
2015 - 30 million



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78% willing to pay **10%** or more for local food, up from **70%** in **2014**. A.T. Kearney, 2015

9% annual growth expected at least through **2018** among retailers and restaurants. A.T. Kearney, 2015

400% increase since **2006** among U.S. schools to **4,322** districts. A.T. Kearney, 2015

96% of consumers define local food as within 100 miles from the point of sale—up from **58%** in **2014**.

Access is no longer primary roadblock; only **27%** say products are not available. But **50%** say they aren't buying local because of a lack of clear advertising.

No longer just produce, meat, and seafood. For canned and jarred products, local increased in importance from **5%** in **2014** to **13%** in **2015**; for prepared foods, **10%** to **23%**; for bread, **9%** to **18%**.

A.T. Kearney, 2015



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Supply Weak

Illinois

\$48B annual spend on food (**\$14B** on produce). DCEO 2012

Just **6%** of produce consumed is Illinois grown.

CMAP 2012

Money spent on locally grown food creates a multiplier effect, internally circulating dollars **1.4x - 2.6x** within the local economy. CMAP 2012

69,300 acres (just **.3%** of Illinois cropland) would meet Illinois demand for **28** fruits and veggies at **2010** levels and yield:

- **\$263.9** mil in farm sales; **\$988.6** mil in retail sales
- **2,600** farm jobs paying **\$120.53** mil in wages

Farmers selling **50%** of that produce directly would generate an additional **2,900** jobs and over **\$91** mil in labor incomes.

Leopold Center 2010

Chicago Foodshed

7% of total fruit consumption, **15%** of total vegetable consumption, and **100%** of total grain consumption could hypothetically be met by local production at the current level of local crop variation.

Estimated annual expenditure of over **\$60** billion on food in the Chicago foodshed in **2016**.

Food:Land:Opportunity 2016

Identified as one of the **12** priorities of **GO TO 2040**.



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Food:Land:Opportunity – High Level

- Physical and financial infrastructure
- Supply-side focus
- Supply chain focus
- Similarities with venture capitalist approach
- Long-term investments
- Long-term outcomes are market innovation and conservation



Food:Land:Opportunity – Informed

What would success look like
In the Chicago foodshed?

“People would **hear about the local food in our region** – there’d be a sense of place.”

“We’d have **more farmland** in sustainable production.”

“I would like to see government grants and the private sector and traditional banks **lending to local farmers** – more capital in the system.”

“**Less of a gap** between demand and supply.”

“**Coherence and less fragmentation.** Sense that we’re creating a model for the nation.”

“Improvement to the **water and air supply.** Better **hydrologics** and more **biodiversity.**”

“See more of the **value chain return** to Illinois.”

“More people **supplementing their income** with farming.”

“Increase the amount of sustainable farming and make sure it’s **branded and talked about** as such.”



Food:Land:Opportunity – 3 Major Challenges

A study by Food:Land:Opportunity revealed three major challenges to the growth of the local, sustainable food system:

- Low profitability
 - Weak distribution infrastructure
 - Limited access to business assistance and information
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- ❖ *Local food work is program driven – not policy driven*
 - ❖ *Philanthropy plays important role in building market*



Food:Land:Opportunity – 3 Strategies

- Get more land into sustainable production
- Improve the business skills of food system practitioners
- Attract capital to the local food system



Food:Land:Opportunity – 9 Interventions

- Get more land into sustainable production
- Improve the business skills of food system practitioners
- Attract capital to the local food system

1. Land access – Lake and McHenry counties
2. Land access – Englewood Farms
3. Routes to Farm – Capacity for farmers
4. Good Food Business Accelerator at 1871 – Capacity for entrepreneurs
5. Food to Market Challenge – Capacity for supply chains
6. Building a food waste market
- 7. Local food system fellowship**
- 8. Shared vision for a local food system**
- 9. Local food system campaign**



Food:Land:Opportunity - Project Example

- Critical business development training
- Connect entrepreneurs to capital
- 27 businesses have completed the program
- Graduation rate 100%
- GFBA has helped to leverage more than \$30 million in debt/equity financing for local food businesses
- Fellows find curriculum “effective, timely and applicable to their businesses”
- GFBA characterized by geographic, gender, racial and supply chain diversity

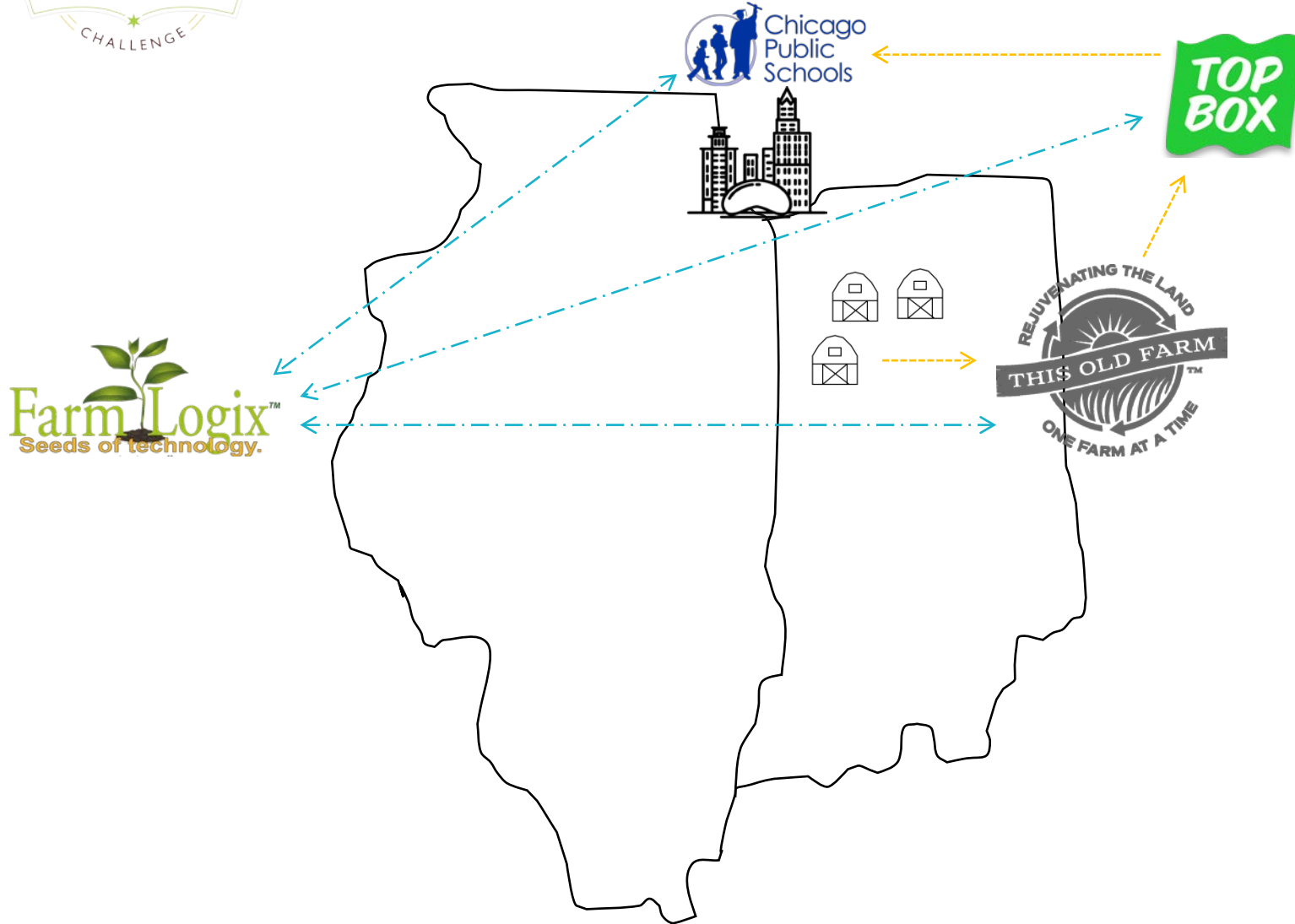


Governor Quinn unveils the
Good Food Accelerator at 1871





Food:Land:Opportunity - Project Example



Winning concept uses technology to streamline distribution from a food hub

- # on team: 3
- # of farmers: 100+
- Lead private partner: FarmLogix
- Lead nonprofit: Top Box Foods



Implications on Real Estate and Land Use

- Decentralizing an historically centralized sector
 - Transportation and logistics
 - Buildings
 - Hyper-local economic development
- Urban food production
- Farmland preservation
- Soil and water conservation

