

Growing a Healthy Economy with Local Foods

6 Steps to Success Toolkit

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Learning Objectives

1. Understand the differences between conventional economic development practices and community economic development practices.
2. Learn how to measure the impact of economic development strategies.
3. Consider potential economic impact of local foods programming.
4. Assimilate economic development thinking into Extension and other Local Foods programming to promote a better connection between Extension agents/local foods professionals and economic developers.

Thank You!

Carl Rees
Economic Development
Manager
City of Greenville, NC



Alan Wood
Director
Stokes County Economic Development

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Learning Objective 1



Understanding the difference between conventional economic development practices and community economic development practices.

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This is an important learning objective because economic development practices will differ by municipality and by county. Both of our interviewees engage in both and appreciate the impact local business has on a community's economy. More conventional economic developers may still list recruitment as their #1 economic development strategy. We'll get into the reason for that in a little bit.

What Are Your Top 3 Tasks as an Economic Developer?

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Carl answered:

“Task 1 – Increase local tax base by working with existing businesses to expand, assisting entrepreneurs with starting businesses and recruiting new businesses to the Greenville market.

“Task 2 – Work with local companies, entrepreneurs and companies who wish to expand in the Greenville market to develop living wage jobs for our citizens.

“Task 3 – Continue to develop and support projects and programs that enhance the quality of life in Greenville.”

Alan answered:

“It will depend on the community, but number 1 is to build infrastructure. You have to have the infrastructure to support business and industry development.


“Second, we work with supporting existing businesses and recruiting new ones.

“Finally, we are the conduit of information to connect the dots to make sure existing businesses are supported and new businesses can access the right resources to successfully locate in our county.”

What does successful economic development look like?

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Carl answered:

“Too many examples to really do the subject justice but examples from the region include Greenville, South Carolina’s transformation from a textile town to auto manufacturing and back office hub and the remarkable progress in downtown Durham, NC. It is worth noting that in both of these cases a commitment to downtown redevelopment led the way to other catalytic investment.”

Alan answered:

“Job creation and wealth creation, and I believe that wealth creation is more important because it creates more opportunities in the community.”

Economic Development

“Wealth creation through the mobilization of human, financial, capital, physical and natural resources.”



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This is the traditional definition of economic development, with an emphasis on wealth creation. Economic development is also defined as the “Enhancement of economic well-being of the community.” Generally economic development is connected to business attraction, industrial growth, home building, and construction generally. Why this focus? Immediate bang for the buck. Investing in a manufacturing facility that promises to create 500 jobs in your community is a quick way to build individual wealth and community wealth for a community. The problem is what happens to that facility when the incentives run out? The other concern is the limited number of large concerns seeking to expand or relocate. In 2012 only 200 new facilities opened across the entire country.

Economic Base

- Net gain of money flow **into** the community.
- Economic Base derives from the production of goods and services **in excess of** local consumption needs.

In order to determine whether economic development has occurred, you have to examine a community's Economic Base. What economic developers are looking for is a net gain of money flow into the community. That means that economic developers are mostly interested in businesses that produce *and sell* more product, service, or activity outside of the community than inside of the community. These businesses are known as "Primary Businesses." Secondary businesses are those who serve the local population.

Primary vs. Secondary Businesses

Primary Business = Auto factory

Secondary Business = Burger Joint



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Auto factories are considered primary businesses (adding to the economic base) because they make more cars than can be consumed in the community. The net effect is that more money flows into the community from the sale of the cars around the world. The wages of the local workers are spent in the local community, thus creating a multiplier effect by adding to the income of the other community members who work in the local grocery store, own businesses on Main Street, own rental properties, and repair cars at the local garage. If the community is not a tourist town, most of the burgers made at the burger joint are consumed by locals. The burger joint is therefore a secondary business.

Defining Community Development



“Engagement of community members to pro-actively understand and enhance economic, social political, environmental, cultural, physical, and educational aspects of a community through visioning, goals, objectives, and implementation.”

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Within the development world, there seems to be a divide between economic developers, business developers, and community developers. In our attempt to define economic development, let's also define community development and business development. Ultimately we're going to decide whether there really is a difference. Community Development is also defined as a "process for making a community a better place to live and work."

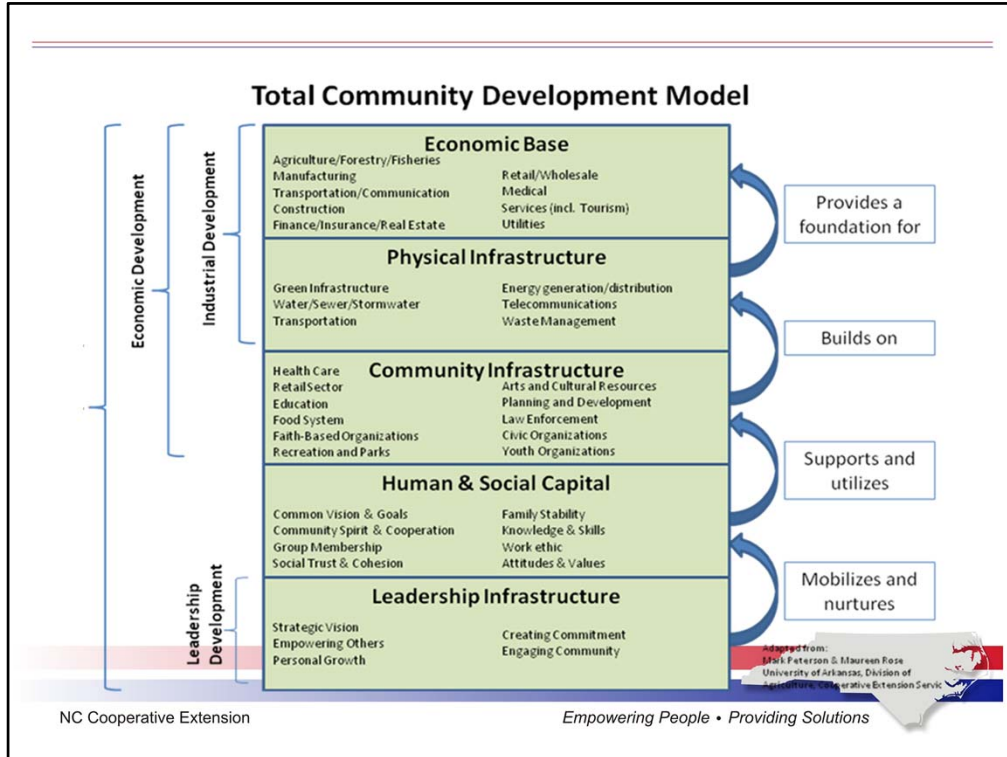
Community Economic Development

- Encourages using local resources
- Improves social conditions in a sustainable way
- Often builds social enterprises that address problems facing communities in a holistic and participatory way

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While some economic developers stick to the traditional notion of industrial recruitment, current thinking is to merge community development principles into economic development strategies (*and this is where Extension's role becomes so important*). CED is defined as a "field of study that actively elicits community involvement when working with government and private sector to build strong communities, industries, and markets. CED is a multifaceted comprehensive approach to community change that is not limited to just poverty programs, nor is it synonymous with industrial recruitment.



How are economic development priorities set in your community?

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Carl answered:

“The City of Greenville developed and adopted a Strategic Economic Plan in 2012 as a guiding document. Each year, our City Council adopts an economic development work plan for the year that guides the work of the Office of Economic Development. . . . We focus on five target sectors to include life science, back office, advanced manufacturing with an emphasis on food and beverage, retail development, and digital media.”

The **back office** is generally considered to be the technology, services and human resources required to manage a company itself.

Alan answered:

“We reviewed an economic development study that had been prepared by a private consultant for our county, did a community-wide SWOT analysis, and set our priorities. Goals are reviewed each year. Our priorities are business expansion and retention, entrepreneurship, recruitment of new business, and tourism.”

CARE Strategies

- CCreation
- AAttraction
- RRetention
- EExpansion



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Community Economic Developers use a number of strategies to achieve economic growth in their communities. The acronym for these strategies is CARE. C = Creation; A = Attraction; R = Retention; E = Expansion. So, you will see that they are no longer totally focused on industrial recruitment. In fact, last year only 200 major companies opened a new location in the US. Imagine all of the communities trying to attract those 200 companies!

Creation Strategies



- Entrepreneurship
- Business Incubators
- Youth entrepreneurship
- Business Coaching

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Listed here are a number of creation strategies. Support for these strategies includes access to capital, education, networking, intellectual stimulation, and community support.

Attraction Strategies

In the past, some economic developers have blindly attracted industry.

Now there is a targeted effort to recruit businesses that are likely to support an industry cluster already strong in the region.

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Typical attraction strategies include community business matching models, which matches the needs of a business to the assets and goals of the community. For example, a business is surveyed about the amenities and infrastructure they seek when making location decisions. These could include a skilled labor force, broadband, access to transportation, high quality education, recreational opportunities, etc. Communities sometimes have gotten in trouble through the use of incentives (grants, low interest loans, tax deferments, tax abatements, build to suit, infrastructure development). By matching the business needs with what the community already has (which could include a supply source through existing businesses), there is greater likelihood that the new business will locate there as well as stay there after the incentives run out.

Retention & Expansion



- aka BRE (Business Retention and Expansion)
- Supports existing businesses
 - Visitation Program
 - Responds to existing business concerns
 - Plans for the future

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It is extremely important for economic developers to keep and possibly expand existing businesses, especially within a strong industry cluster in a region. These steps help stop trade leakage in the region. For example, an auto factory currently outsources its battery needs to a company in Ohio. Suppose there is a battery factory in NC that could serve those needs. This would stop the leakage.

Learning Objective 2

Measuring the impact of economic development strategies.



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Economic Development Metrics

- Job created
- Jobs saved
- Increase in new business starts
- Existing business expansions
- Increase in tax base
- Infrastructure improvement
- Individual wealth creation
- Other economic impact (new loans, grants, money flowing into the community)

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Both Alan and Carl focused on job creation by providing support to existing businesses, incubating entrepreneurship, and attracting new businesses. They also both spoke in terms of individual wealth creation – Carl by emphasizing living wage jobs as a priority, and Alan by prioritizing wealth creation over job creation. Alan, in particular, is looking at how that extra income supports secondary businesses within a community or is distributed for the great good of the community through philanthropic measures.

Learning Objective 3

Potential Impact
of Local Foods
Programming



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How does Agriculture impact your region's economy?

How Does Agriculture Impact Your Region's Economy?

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How do Local Foods contribute to your Economy?

How do Local Foods
Contribute to your Economy?

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We asked both Alan and Carl this question: How do you see local foods contributing to your local economy? Their answers were both positive, but came at the question from different perspectives. Let's watch.

Notice that Alan, who represents rural Stokes County, immediately focuses on the challenges Stokes County growers finding a market and learning both new production and business skills. Carl, on the other hand, represents Greenville, NC, an urban community. His focus is on the impact restaurants serving local foods have had on the downtown area. Both of them are very familiar with the history of agriculture in their respective communities and cite the change in agricultural production practices from tobacco to vegetable production. I think it is very important also to point out that Alan sees the potential for wealth creation for the growers if they are able to find that elusive market. His work as an economic developer is to help build the market for these growers. Carl, on the other hand, is only witness to the good things that are happening to his downtown area and does not appear to be as familiar with the challenges growers face. His challenge is in food access, and he is seeking solutions to getting fresh, healthy food to underserved communities.

Measures of Economic Impact of the Local Food Movement

- Job Creation
- Downtown Redevelopment
- Quality of Place
- Wealth Creation

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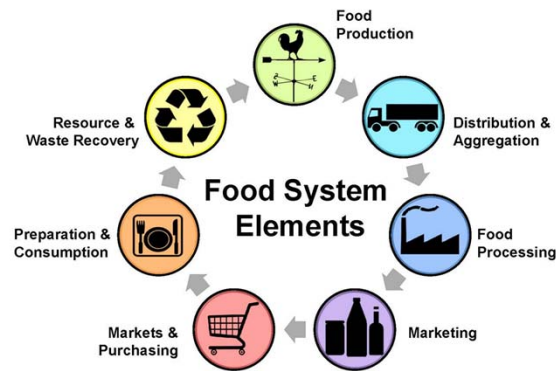
Job creation – list the types of jobs the local foods movement creates – farm workers, processors, distributors, retail workers (restaurants, food outlets) = not to mention the connectors and technical assistance providers

Downtown Redevelopment – list examples of NC communities impacted by local foods

Quality of Place – more vibrant downtown communities, public gathering places offered by farmers markets, the conversation around food

Wealth Creation – evidence of more money in farmers pockets; but what about the other stakeholders in the food system – give examples of interesting ideas addressing food access

Job Creation Opportunities



Adapted by Christy Shi, Center for Environmental Farming Systems.
From: Wilkins, J. and Eames-Sheawly, M. Discovering the Food System: An experiential learning program for young and inquiring minds.
Cornell University, Departments of Nutritional Science and Horticulture. <http://www.discoverfoodsyst.comell.edu>

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If economic developers in your area are not already aware of the job creation potential of a strong local food system, just show them this infographic. There are 6 silos of opportunity shown here: food production (growers & workers), distribution & aggregation (food hub managers, transportation workers), food processing (managers, line workers, cottage industries), marketing (creative workers, commercial artists, copy writers, advertising and marketing firms), markets & purchasing (direct sales outlet/farmers markets managers, wholesalers, retailers, and other institutional buyers), preparation & consumption (restaurant managers and workers, retail store managers and workers), resource & waste recovery (secondary food distribution through food pantries, composting services). A strong local food system builds potential for many new jobs.

Downtown Redevelopment



South Elm Street,
Greensboro



Old Durham District



Farmer's Market

Downtown Hickory Farmers Market

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You saw the light in Carl's eyes when he mentioned the impact downtown restaurants that serve locally-sourced food are having on downtown redevelopment in Greenville, NC. Increased foot and vehicular traffic bound for downtown dining or farmers markets means more customers for downtown businesses, thus justifying investment in downtown infrastructure, streetscapings, landscapings, and redevelopment incentives. We have anecdotal evidence that popular locavore restaurants are reinventing small towns (Chef and the Farmer in Kinston). NCSU is currently conducting research to provide more than anecdotal evidence of this downtown redevelopment stimulus and hope to have the results of our research by this time next year.

Quality of Place



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Most economists consider quality of place initiatives have an indirect impact on economic development. Business locators consider quality of place to be a second-tier location consideration behind labor factors and transportation considerations. Quality of place becomes important and is a tipping point when all other considerations are relatively equal (wage rates, availability of qualified workers, labor climate, highway access, proximity to customers). Because of the local food movement, downtown farmers markets, locavore restaurants, and availability of fresh, locally-sourced foods are in demand. Carl mentioned that Greenville, NC is in the process of developing a downtown farmers market now to provide walkable access to local food as well as bring that quality of place every community yearns for.

Wealth Creation



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A few studies have been done on whether and how local food sales are creating more wealth for growers, and depending on which study you are reading, the jury is still out on whether direct sales to consumers at farmers markets, roadside stands, CSAs, and institutional buyers, like schools and restaurants, is making that big a difference. The oft-cited Iowa study concludes that there was a ___% increase in revenue from local food sales in Iowa last year. The 10% campaign projects _____ of additional revenue to North Carolina growers if we all spent 10% of our food dollars locally.

But in addition to additional income generated to growers, other populations may benefit from an investment in local foods. Currently in North Carolina there is a small but dynamic movement within inner-city lower income neighborhoods to grow their own grocery stores through food coops and thereby extinguish food deserts from within. These food coops are community-based and while they may not be so interested in organic, natural, or sustainably produced food, they are interested in sourcing their food from near-by producers. The close connection between food coops and local producers has stood the test of time and is now being piloted in these low-income communities. Renaissance Community Coop in Greensboro and Fertile Ground Food Coop in Raleigh are just 2 examples of startups currently pushing this agenda through their membership campaigns and may become role models for urban communities challenged by food access issues.

Learning Objective 4



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No, we don't mean that Extension or other Local Foods professionals need to become economic developers. What we do mean, however, is that we should understand their language, acknowledge their challenges, and nurture a reciprocal partnership to develop a strong local economy together.

How do you collaborate with Extension?

How do You Collaborate with Extension?

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Local Foods as an Economic Development Strategy

- Build a relationship with your Economic Developer
- Bring Agriculture and Local Foods back into Local and Regional Economic Development Planning

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How can Extension play a role in economic development? It's pretty obvious that Extension is already heavily involved in the local foods movement, but that involvement is sometimes more accidental than it perhaps should be. We know in our gut that our growers need new outlets for their produce, so we may step in and help with the formation of a farmers market or a food hub. And sometimes in our planning (or lack thereof), we fail to consider our successor or exit strategy. Involving your local economic developer in your projects at the beginning is a good way to get the stakeholder engagement you seek to build community support around your project as well as have that unbiased objective voice on the feasibility of your project. By including your economic developer, you build a relationship that may eventually lead to agriculture being addressed in your community's strategic planning.

How Do We Do This?



- Learn ED Language and teach LF Language
- Understand the Strategies
- Know the Metrics
- Be the Ag and LF Expert
- Apply the Strategies
- Build the Message




How are Agriculture and Local Foods a part of your planning?



How Are Agriculture And
Local Foods A Part Of
Your Planning?

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How can Extension help you do your job?

How Can Extension Help You Do Your Job?

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Carl states that he wants to learn more.

Step 1 - Learn the Language

- ED Lexicon/Terminology Fact Sheet
- <http://www.pbs.org/food/shows/the-lexicon-of-sustainability/>
- Local food councils

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Learning the language is a reciprocal undertaking from the start. Make sure that you understand economic development language before you expect your economic developer to understand the language of local food. A good start for learning ED terminology is the fact sheet included on the NCSU community development portal. A good starting place for your economic developer to learn the language of local foods and sustainability is this video clip from PBS. Local food councils are popping up around the state and are in various stages of development. They are likely to be well-versed in the local foods and sustainability lexicon and already have a connection with the economic developer. If you are not already communicating with your local food councils about your projects, you should be. Your local food council will also be a link to community engagement activities about the local food system.

Step 2 - Understand the Strategies

- Creation
- Attraction
- Retention
- Expansion

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These are the CARE strategies explained earlier in the presentation. At the annual Extension conference held last November in Raleigh, we asked participants to identify which Extension activities and programming supported each of the CARE strategies. They created a list which is included as part of your handouts. It is important that your list of activities that support the ED strategies be communicated to your economic developer. Likewise the economic developer should communicate its initiatives and resources to Extension.


In addition, don't be afraid to point out that Extension is skilled in facilitation and community engagement and can smooth the way for local foods initiatives developed by the ED or other state offices, including local planners. For example, the Forsyth Community Food Consortium, of which Extension is very much a part, has been asked by the local planning department to provide feedback on a new urban agriculture ordinance. Assuming the ordinance is acceptable to the Food Consortium, it, and Extension, will partner with the planning department on a series of community meetings to educate and inform the public about its ramifications.

Step 3 - Remember the Metrics

- Jobs
- Wealth
- Downtown Development
- Quality of Place

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A stylized map of North Carolina is positioned on the right side of the slide, overlapping a horizontal bar with red and blue segments.

Recall the ED metrics, but also introduce the Whole Measures for Economic Development.

Whole Measures

THRIVING LOCAL ECONOMIES

A Food System that Promotes Thriving Local Economies*:

1. Creates local jobs and builds long-term economic vitality within the food system

- Invests, encourages, and promotes community based enterprise development.
- Promotes economic support structures for the next generation of producers.
- Promotes business incubator programs for community members, youth, and food-insecure individuals that develop skills and cultivate ownership.
- Prioritizes hiring of local community members for farm and food system jobs.

2. Builds local wealth

- Promotes local and regional agricultural businesses that are sustainable and support a healthy food system.
- Ensures that decisions about local economies are directed by members of the community.
- Builds community economic literacy to sustain long-term economic sustainability.

3. Promotes sustainable development while strengthening local food systems

- Promotes local and regional sustainably grown or harvested agricultural products within the food system, and promotes local businesses to distribute and promote these.
- Promotes green building and energy conserving practices on farms and in facilities related to food processing or distribution (e.g. that processing plants, supermarkets, food banks).
- Supports active relationships between conservation and working lands.

4. Includes infrastructure that supports community and environmental health

- Includes diversified and sustainable farm-based businesses with connection to their history and community.
- Includes processing and distribution facilities that are efficient, ecologically sound, safe, culturally relevant, and locally run.
- Develops new enterprises and products that respect ecological diversity through accounting for how a product is made, how it may be used, by whom, and the alternative uses of the product or space over many users and time.

*Examples of highest outcomes for this field are included in the italicized bulleted lists. Modify these outcomes to fit the specific characteristics and activities of each project that is using Whole Measures for Community Food Systems.

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Step 4 - Be the Expert

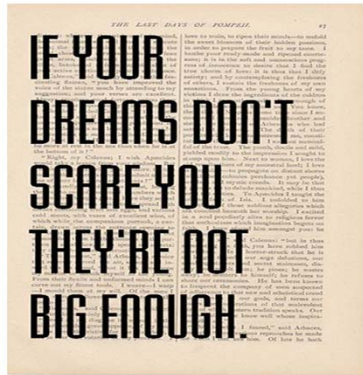
- Archive Your Involvement in Agriculture/Local Food Movement
- Inventory Community Impact of Agriculture/Local Food Movement (Jobs and Wealth Creation, Increased Healthy Food Access)

Step 5 – Inventory and Apply Strategies

- Make a list of your assets
 - Human, Financial, Natural, Social, Built, Cultural, Political
- Record important information on each asset
- Keep it in your data “bank”



Step 6 - Build the Local Foods Message



Keys to Successful Messaging

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Make It Simple

- “Agriculture accounts for ___% of total county employment.”
- “Agriculture accounts for ___% of total income in the county.”
- “Extension is the knowledge leader in agriculture.”

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Before you begin developing your message to your economic developer, be sure that you have done your homework so that you are well-versed on the facts that support your argument that agriculture and more specifically, local foods, should be a part of his or her economic development plan for the community. Be sure to document Extension’s involvement in any projects that have advanced the local foods movement in your community.

Emphasize the Unique and Unexpected

“Did you know . . .

ABC Restaurant sources its food from ___ farms around the county?

ABC Restaurant’s sales have increased ___% over the past ___ years?

ABC Restaurant has increased its staff by ___% over the past ___ years?”

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You will be telling the story of agriculture in your community, so be sure to provide some not so well known facts, if you have them.

Make It Credible

- Do your homework
 - Agriculture is one of the 17 Industry Clusters in the NAICS
 - Agriculture includes: Agribusiness, Food processing, and Technology, Forest and Wood Products
- Build a Fact Sheet on Agriculture/Local Foods in your County



In addition to the elevator pitch you will develop, it's important also to have a fact sheet that provides the data you need to support your position. Noah in his upcoming presentation will give us some guidance on how to build that handout.


Give It Emotional Appeal

Is there a story?

- Triumph over adversity
- Unlikely connection
- Something out of the ordinary

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Can you connect the local food movement in your community to any faces? (Tell the story of the boy who wanted a school garden).

Break It Down

- Team
- Mission and Vision
- Problem
- Solution (Short Term and Long Term)

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In your presentation, break your message down into 4 separate pieces, including your team, your mission, purpose, and vision, the problem, as you see it, and your short and long term goals for a solution.

Make the Perfect Elevator Pitch

One Sentence solution that answers who, what, how, when, where, and why

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Build your Elevator Pitch once you have completed the other 5 steps.