

Leadership and Investment for Community-Based Food Systems

Report from Convening in Holyoke, MA and Dublin, NH
March 1-3, 2010



Summary

Our food system is broken, and the symptoms are being felt especially harshly among low-income residents of inner cities and among small and mid-size farmers in our rural areas. While the recession of recent years leaves more people hungry than ever before and rates of poverty and diet-related illness remain high, fresh, healthy food is increasingly being recognized by policy makers and community residents as part of the solution for better health and economic recovery, and local farmers in urban and peri-urban locations are starting to see the advantages of producing for local markets.

In March of this year, Fair Food Network (FFN) took a step to gather key information from recognized leaders in the field of community food systems with the goal of using the knowledge to help inform potential investment in the field. The information FFN sought from these leaders concerned the innovative programs and business activities that are currently being considered and implemented and the resources needed to bring these innovations to scale. One important aspect about this gathering was that these leaders are ethnically diverse, from both rural and urban areas around the country, and are engaged in a wide range of activities (from a community grocery store, to farming, distribution, agricultural business incubation, community organizing, and providing healthy, prepared meals to school children and seniors). The gathering was also unique in that it has gained support and attention from several private foundations and the USDA, who are interested in using this information as they consider future investments in community-based food systems. Financial support for this convening was provided by Woodcock Foundation and several foundation Trustees and staff attended to learn firsthand from the practitioners who they considered as an "informal advisory council."

There were many innovative businesses, programs, and resource needs discussed. The following lists contain what FFN distilled from the conversations:

Areas of Innovation

1. Market-based solutions, such as business incubators and resource-sharing opportunities, to support entrepreneurs in agriculture, processing, distribution, and value-added product production;
2. Nonprofits engaging in for-profit ventures to increase earned income, and decrease dependency on private philanthropy;
3. Engaging youth in "movement-building" to mobilize constituents for systemic change from the community level up to the realm of public policy.

Resource Needs

The additional assets needed in order for these leaders to create more sustainable impact over time were identified as:

1. Investment in leadership development and skill-building at all organizational levels;
2. Increased business skills for nonprofit leaders who are exploring earned income opportunities for their organizations or seeking ways to support local entrepreneurs;
3. Capital investment from a variety of sources that is patient, flexible, and creatively structured to support the needs of community-based entrepreneurs.

Equity and Inclusion

While the major intentional focus of the convening was advancement of community-based food systems and further networking of leaders, it became apparent that issues of equity and inclusion are also critical elements of the work and perspective of these leaders. The leaders at this meeting agreed that it is vitally important to keep race and class equity and inclusion at the center of community food systems activity and the discussions that precede such activity.

Principles that are fundamental to the perspectives of the leaders convened at this meeting include:

1. Acknowledging that access to healthy, fresh, affordable, and sustainably-grown food is a basic human right, and that residents of historically-excluded communities are most directly impacted by the broken food system;
2. Including community residents in strategy development and implementation – those most directly affected by interventions need to be included in the planning and implementation;
3. Building community and organizational capacity that remains in the community is critical to future success.

Symptoms of the Broken Food System

There are many symptoms of the broken food system experienced in the communities where these food system leaders work:

- According to the USDA Economic Research Service, in 2007 13.5% of all urban U.S. households experienced food insecurity;
- In urban areas, over 57% of those living in low income neighborhoods have limited access to supermarkets or grocery stores or live in so-called “food deserts” where access to healthy food is limited;
- Of the more than 166,000 stores in the U.S. that are authorized to accept SNAP benefits (Supplemental Nutrition Assistance Program - aka Food Stamps), only 34,000 meet the definition of supermarket or grocery store as defined by the USDA;
- Currently, 32% of all children and two-thirds of all adults over age 20 in the U.S. are categorized as overweight or obese, and diabetes is now one of the most common chronic diseases among children in the U.S.;
- According to the EPA, agriculture is the most significant contributor to nonpoint source water pollution in the United States with agricultural run-off creating “dead zones” in water bodies around the country.

Movement Building for a More Equitable and Sustainable Food System

Over the past decade, a wave of community gardens and farms, farmers' markets, farm-to-school projects, and other initiatives have brought multiple generations of diverse populations together to grow and share healthy food in urban and rural communities alike. Sharing and celebrating good food has always been a significant starting point for building the movement.

While activists, educators, and community residents have been teaching youth about nutrition and food systems for nearly a generation, they are now gaining the support of public health, economic, and environmental advocates and policy makers. This field is developing a body of knowledge, educational tools, and sustainable agriculture techniques that can be shared and replicated. Food policy and nutrition programs are becoming more popular at colleges and universities, and there are early signs of public policy shifts to increase healthy food access. Leaders, advocates, and community residents are together building this movement for a healthier food system, one that is environmentally sustainable, economically viable, and socially equitable.

Purpose of Convening

From March 1-3, 2010, the Fair Food Network of Ann Arbor, Michigan gathered nine food systems innovators and entrepreneurs to explore their cutting edge innovation in community-based food systems, and to discuss how philanthropic and public dollars can be invested to most effectively support the movement.

From the planning phases through the conversations of the convening, it is clear that much of the cutting edge of community food systems is happening around social enterprise. Leaders and innovators of the movement are looking to drive change through market-based strategies that build the infrastructure of a healthier food system from producers through retailers to consumers and looking to generate resources to financially sustain their organizations.

The intention for this gathering was for our work to help guide future investments for funders with interest in developing programs related to sustainable food and agriculture and focused on community-based, high-impact, sustainable approaches. This report was designed to be shared with the Woodcock Foundation of New York and other funders who wish to invest their resources for future impact and sustainability.

Goals

This convening was intended to accomplish the following goals:

- Identify additional assets that are necessary in order for community food systems leaders to strengthen both their leadership and the impact of their community-based food systems work.
- Identify individually and collectively two to four areas in which prudent investments could be provided for the future of the community-based food systems field.
- Identify specific assets that food systems leaders need to add to their current efforts in order to build revenue-generating enterprise as part of their income stream for the future.



Participants

Participants were convened by the Fair Food Network, a non-profit organization based in Michigan that works in partnership with other organizations to design a food system that upholds the fundamental right to healthy, fresh and sustainably-grown food, especially in historically-excluded communities. Fair Food Network, while focused on Michigan, also works to build knowledge and funding resources nationally and to inform public policy.

The convening participants are all recognized community food systems and social change innovators and thought leaders. Each has years of experience in community systems change, has been responsible for the production and sale of locally grown food, has impacted hundreds of lives in their community, and has been recognized by media, government leaders and foundation professionals. Each of the leaders is fully connected to communities and people that are most food-insecure, and each has a vast network of connections to the national food systems change movement. Each of the participants has also been involved to some extent in community-driven social enterprise in the food system. Effort was made to have the participants of the convening reflect racial, gender, and geographic diversity; however, we must acknowledge that with this small a group, it was not possible to be comprehensive.

Paul Saginaw, a founding owner of Zingerman's Community of Businesses in Ann Arbor, Michigan, was invited as a resource person to share his experience with developing a successful food-related business that has focused on a triple bottom line from the start. He shared some of the principles and values that he believes have been instrumental to the success of his enterprises. He also shared his perspective that for the future, community-based values, as expressed in many of the projects and organizations represented at the convening, must be combined with solid business skills and approaches. He expressed his willingness to engage the Zingerman's training and development branch to help some of the nonprofit leaders gain these skills and understandings.

Participants:

- **Anim Steele**, The Food Project, MA
- **Anthony Flaccavento**, SCALE, VA (founder of Appalachian Sustainable Development)
- **Ashley Atkinson**, Greening of Detroit, MI
- **Brahm Ahmadi**, People's Grocery, CA
- **Glynn Lloyd**, City Fresh Foods, MA
- **Ian Marvey**, Added Value, NY
- **Malik Yakini**, Detroit Black Food Security Network, Detroit Food Policy Council, MI
- **Neelam Sharma**, Community Services Unlimited, CA

Resource Person:

- **Paul Saginaw**, Zingerman's Community of Businesses

Conveners:

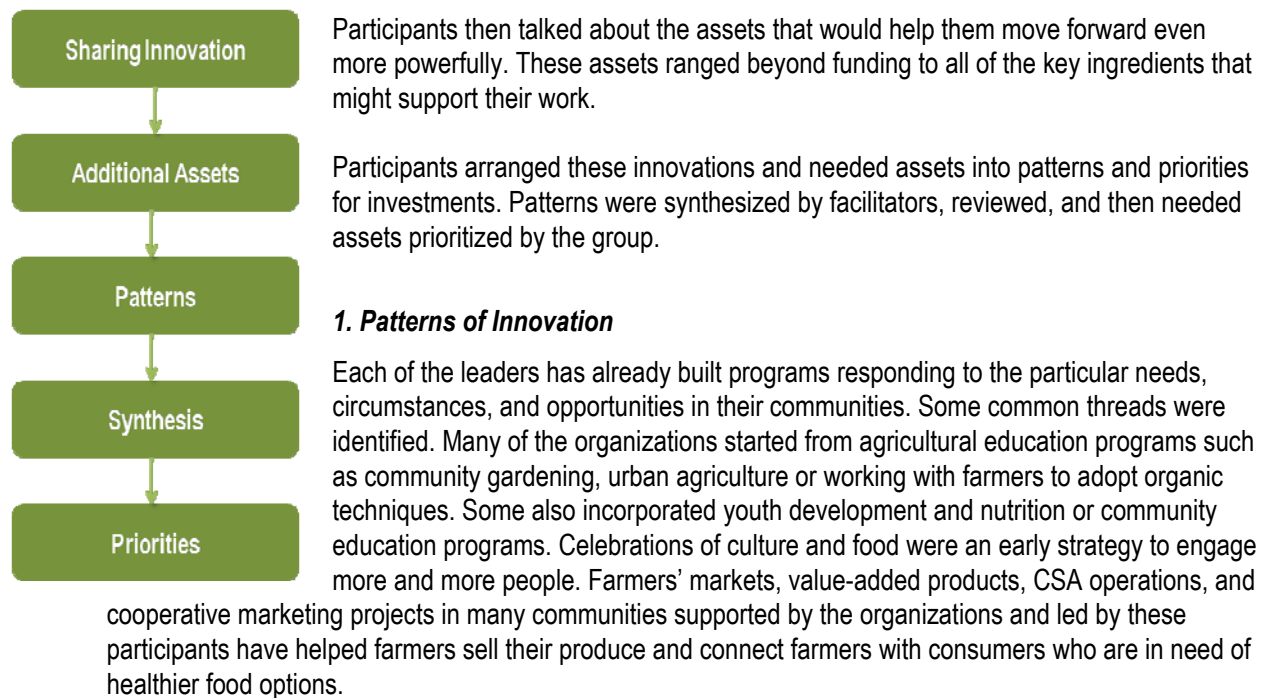
- **Meredith Freeman and Oran Hesterman**, Fair Food Network
- **Daniel Ross**, Nuestras Raíces, MA

Process

The convening began March 1st in Holyoke, Massachusetts. The group toured community gardens, a community farmer training and incubation site, and other community-owned food and agricultural enterprises. These tours and conversations provided participants with a brief but rich context of community food systems work in one of the economically poorest cities in the country. From there the group headed to snowy and beautiful Dublin, New Hampshire for two days of further discussion.



Each participant briefly described the project they were working on that they felt was most exciting and innovative. From field leaders talking about what moved them personally, we worked towards identifying the innovations shaping the field.



As the participants described the projects they are working on that are most powerful and creative, their innovations fell into two major groupings: market-based strategies and movement building.

a. *Market-based strategies/Community food enterprises*

The projects that excited these innovators included several urban farm incubator sites, a community-owned supermarket, a sliding-scale-fee restaurant, and a producer marketing cooperative.

Community food organizations are increasingly striving to create greater self-sufficiency for their constituents, their own organizations, and their communities, through market-based strategies. They are building out from their smaller farms and gardens, youth programs and community networks, to create new food enterprises planned and launched on larger scales than the previous micro-enterprises.

These enterprises are market-based solutions to address critical organizational and community needs to:

- generate sales for local farms;
- significantly increase access to healthy foods for community members;
- address blight and/or environmental degradation by encouraging healthy land use, sustainable practices, and conservation;
- create self-employment and employment opportunities for low-income community members;
- generate stable income for the organization independent from foundation and government grants.



In addition to striving for greater self-sufficiency, these leaders are intentionally developing these enterprises as models that can inform a rebuilding of the food system on a broader scale. Each of these enterprises are designed to be sustainable, scalable and replicable.

As consumers demand more local and organic farm products, and as policy makers begin to support access to healthier food, a new food systems infrastructure is needed to bring this potential to reality. We need more healthy food grown in sustainable ways, we need people trained to grow it, we need systems to deliver it to market, and we need retail markets to sell it to consumers.

The new enterprises being envisioned by community leaders are part of the infrastructure of a new food economy. They are designed to fill niches in getting healthy food to people that are demanding it but don't yet have access to it.



These are also social enterprises, with a major public benefit of increasing community assets. Community food systems leaders are creating new business structures to encourage entrepreneurial drive and efficient business operation while supporting community engagement and ownership. They are exploring the limits of LLCs, cooperatives, and other business structures to make creative partnerships and financing work. They are looking for models of building financial assets and wealth in low-income communities.

Participants identified the following assets needed to continue to implement market-based strategies:

- financial support to help mid-size organizations over the hump – organizations beginning to have enough programs and staff that financial management and fundraising expertise is critical, but difficult to afford;
- good food enterprise business structures – metrics to define good food enterprises, innovative business models, adaptable to communities, tool box of legal documents, L3Cs;
- ways to access capital with hybrid for-profit and non-profit models;
- skills & capacities: high level business management and planning skills, marketing, finance, knowledge of bricks & mortar development;
- access to land, soil, infrastructure;
- support for recruiting, mentoring and paying new leaders;
- back office support for new enterprises.

b. Public Policy and Systems Change

Almost all of the community food projects leaders are now, at various levels (local, state, national) engaging constituents in policy change. For many years, various coalitions have worked to address state and national food and agricultural policy, with various degrees of success. Much of the current work of the leaders at this convening focuses on local food policy councils and youth leadership development.

Two such efforts represented by participants are:

- the Detroit Black Community Food Security Network, spearheading efforts to establish the Detroit Food Policy Council and the Real Food Challenge, a campaign to re-direct \$1 billion of college food purchases to local, fair, sustainable, and humane sources.
- a major policy campaign, led by the Fair Food Network and the Wholesome Wave Foundation, to leverage greater investment in public benefits for low-income people to purchase healthy food produced by local farmers. This effort is building from philanthropy-supported programs doubling the buying power of SNAP and WIC benefits used by low-income people to buy fresh produce at farmer's markets throughout the country.

As important as accomplishing immediate policy victories and the building of “demand bridges” of institutional buying to rebuild regional food systems, these initiatives are intended to empower and engage young and adult citizens that have historically been disenfranchised. Grassroots leaders of community gardens and rural small farmers are becoming civically engaged and expressing power around these food and environmental issues.

Participants identified the following assets needed to continue movement-building and policy impact:

- investment in community leaders/organizers - support for recruitment, mentoring, support, training
- organizing skills/training - staff must be skilled community organizers as well as having food policy expertise
- knowledge of how to combine local/national networks
- local and regional case studies and successful project models to guide policy
- state level food policy models
- greater media relations and skills – powerful talking points on broken system, use of social media, how to do stream of press releases to bring attention to our side

2. Priority Investments

The needs of both the market-based and movement building patterns were reviewed and discussed by participants, with three areas of investment deemed most important for further growth and extension of the current efforts.

a. Leadership Development

For both market-based and movement building strategies, participants prioritized leadership development, and distinguished several levels within that domain.

- Younger leaders: There is a generation of young people who have grown up in the youth programs of community-based organizations and proven themselves future leaders. Investments in these young people could take the form of fellowships, paid internships, college scholarships, exchanges with other communities, and career-pathway jobs in the field.
- Established leaders: Current leaders of small and mid-sized community-based organizations are often visionary and entrepreneurial, the qualities necessary to inspire a movement and drive the

field further. But as their organizations grow, they also need the unspectacular nuts and bolts assets of fundraising and financial management. They need to be supported by competent managers so they can continue to innovate. Investments in assistant directors, fundraising consultants, and financial managers are not sexy but are necessary.

- **Collective leadership:** Capacities necessary to lead a single organization or project are quite distinct from capacities necessary to help lead a movement across organizations. Investing in the development of leaders being able to work together to move systems and policy change may be one of the investments with highest return long-term.

b. Business Skills and Tools

Community-based food systems organizations are launching social enterprises with the need to generate real revenue above expenses, just like other businesses. Often these organizations have innovative and powerful leaders, but sometimes these leaders lack business skills and training. Community based organizations in this movement need these hard skills of business planning, management, finance, and marketing. Investments could support business training, consultants, and partnerships with business schools.

More work must be done to develop, document, and share tools for food systems social enterprises. Practitioners need access to models of for-profit/nonprofit/community/worker ownership structures, legal structures and documents for setting up these enterprises, metrics to define them and measure their successes as social enterprises, and model business plans and best practices.

c. Flexible Financing:

New business ventures with creative ownership structures and new market opportunities require financing as innovative as the enterprises themselves. Financing is needed at a continuum of scales, from micro-financing for incubation programs on up to larger financing for new supermarkets. This financing should be flexible and patient. Funding partners could utilize grants to support business planning and some start-up costs but could also bring to bear many other financing mechanisms, such as program related investments, providing loan loss reserves to primary lenders, equity investments, and helping provide introductions and credibility to lenders.

Next Steps

Two next steps were identified at the convening:

1. For those leaders attending the Kellogg Food and Community Conference in April 2010, we will meet to follow up on ideas from the March meeting and plan for #2 below.
2. Participants were invited to Detroit/Ann Arbor, MI later in the year to learn about food system innovation in these communities and to start experiencing some first-class business training (and local food!) at Zingerman's.

Conclusion

This is an exciting time in the field of community-based food systems, with more emphasis being placed on fresh, healthy, local, and sustainable than ever before. Building on the values of equity and inclusion and national attention from public policy shifts and an organic garden at the White House, there is hope and great promise that one day every resident of every community will fully enjoy their basic right to healthy, fresh, and sustainably grown food. This food will be available in traditionally underserved urban and rural communities at a variety of locales from full service grocery stores, to farmers' markets, CSA's, and mobile markets. This food will advance rather than destroy the health of our bodies and our land and will be both high quality and affordable. This is where the movement is headed, this is what our leaders envision, and this is what our communities deserve.