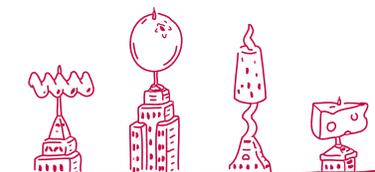


Strategies for Growing Central Louisiana's Food Economy

EXECUTIVE SUMMARY
APRIL 2015

Prepared for Central Louisiana Economic Development Alliance
By Karp Resources



KARP RESOURCES



*Cabbage is one of many vegetable crops grown for local markets by farmers in the region.
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ABOUT THE PROJECT

The Central Louisiana Economic Development Alliance (CLEDA) pursues the mission “to help people prosper in vibrant, thriving communities.” Over the past three years, CLEDA has launched the Central Louisiana Local Foods Initiative, with funding from the Blue Cross Blue Shield of Louisiana Foundation and the Rapides Foundation and with key partners including the Food Bank of Central Louisiana, the Louisiana Public Health Institute, Market Umbrella, the Good Food Project, the Cane River Green Market, the Winnfield Housing Authority, the Winn Farmers Market, and the Leesville Main Street Market and Garden on Third. This initiative demonstrates a commitment to realizing the potential of local and regional food and agriculture to serve as an economic driver, while broadly enhancing quality of life in the region.

In November 2014, CLEDA issued a Request for Proposals for a “Food Hub Feasibility Study/Plan,” seeking a clear set of research-backed next steps for supporting and encouraging growth of the regional food economy. Although the RFP was framed as a “food hub” study, it explicitly noted a commitment to appropriate next steps – whether or not those steps included new physical infrastructure.

Karp Resources, a national food and agriculture consultancy based in New York and working nationally, was selected to execute Phase One of what is planned to be a three-phase study. The objectives of Phase One were:

- To gain a deeper understanding of both the supply and demand sides of the region’s food economy, through interviews with farmers, buyers, and others, as well as review of secondary data and previous reports.
- To identify challenges and opportunities for growth in the regional food economy based on this research.
- To develop strategic models that would promote a strong regional food system, representing a range of infrastructure and non-infrastructure based solutions.

Phase One kicked off on January 26, 2015 with a visit to the region by Shayna Cohen and Ben Kerrick from Karp Resources. Through a facilitated stakeholder discussion, the core study area was defined as the CLEDA 10-parish region, with consensus that the research would focus on – but not be strictly limited to – these 10 parishes. Additional research, including phone and in-person interviews, a second research trip to the region, and review of secondary reports and data, was conducted between January and March. In all, the Karp Resources team interviewed 45 individuals including farmers, commercial buyers (including restaurants, institutions, retailers, distributors and processors), infrastructure operators, and sector experts. Findings and recommendations were issued in a final report, submitted April 2015.

CONTEXT: CENTRAL LOUISIANA'S FOOD ECONOMY

With over 1.4 million acres in agriculture, amounting to nearly one-fourth of the region's 9,115 square miles, Central Louisiana is undeniably an agricultural landscape. Total farm revenue exceeded a half billion dollars in 2012, mostly in commodity crops like feed grains, cotton, soy, rice, hay, and sugarcane. Among the area's major employers pertinent to this project are Fort Polk and area hospitals and schools (significant institutional food buyers) as well as Pilgrim's Pride Corp., one of the world's largest poultry companies, which operates a processing facility in Natchitoches employing 500 people.

The regional food economy in Central Louisiana is nascent but growing. A number of new small farms (most less than 15 acres) have emerged in recent years, and they are focusing on local markets. The region has a handful of farmers' markets, most of which have emerged on their own without coordinated organization, and a small number of restaurants are buying small percentages of their food from local producers. Although conversations with farmers and food professionals from multiple sectors did not yield descriptions of a regional food economy that is currently robust or mature, there was a nearly universal sense that it is growing and has potential to grow significantly more.

SUPPLY AND DEMAND RESEARCH FINDINGS

KEY FINDINGS: SUPPLY

Supply and demand research has demonstrated that regional agricultural supply is outstripped by demand in most regions in the U.S., and Central Louisiana is no exception. Farmers here who are producing for local or regional markets typically have small operations and are new to the local supply chain, and many are taking steps toward scaling up.

In interviews with area farmers, common assets, challenges, and themes emerged.

Assets

- The region's climate and natural resources are prime for agricultural production.
- There is potential for growth, with most area producers scaling up and agreeing that they are not yet tapping all available demand.
- Most – but not all – farmers have access to additional land for scaling up in the foreseeable future.
- Central Louisiana's geographic location positions it well to access a number of markets with large populations and/or interest in local foods.

- CLEDA is well-respected and well-situated to play a role in advancing the regional food economy.

Challenges

- Farmers have difficulty identifying and accessing appropriate markets.
- Current infrastructure is insufficient for current operations and/or near-term plans to scale up. In particular, lack of access to cold storage is a barrier for many farmers.
- Farmers have difficulty accessing necessary capital.
- The region's consumers, by and large, aren't seeking out local food.
- Labor can be a key barrier to scaling up.

Opportunities

- Direct markets, like farmers' markets and CSAs, are a big opportunity for growth.
- Farmers are interested in playing an educational role in the region by mentoring young farmers, educating buyers about seasonality and product availability, and promoting local foods to the public through agritourism.
- Farmers are hungry for connections and willing to collaborate.

Additional themes and findings

- Some commodity growers are beginning to have an interest in diversifying to vegetable production.
- Farmers' markets struggle to balance consistency with flexibility.
- Many backyard gardeners are marketing excess product, especially through farmers' markets.
- Alexandria can play a role as a central hub of activity – but services and infrastructure shouldn't be too centralized.
- The region's signature crops appear to be skipping local markets.
- Perspectives differ on the balance of supply and demand in the region.
- Inglewood Farm is seen as a major player and anchor farm in the region.
- Farmers are interested in shared infrastructure – but some have contamination concerns (e.g. peanut, gluten).

KEY FINDINGS: DEMAND

Our conversations with commercial buyers revealed additional dynamics in the region's food economy – much of which resonated with farmers' perspectives. In speaking with commercial buyers, infrastructure operators, and industry or food system experts, we identified the following themes.

Assets

- Direct relationships with farmers are treasured by some buyers.
- Consumers appreciate local foods, and demand is growing.

Challenges

- The price of local foods is a significant barrier for buyers.
- Consistency and availability of product are also key concerns.



Value-added products allow farmers and other food entrepreneurs the opportunity to earn a higher premium on their product, and are currently produced primarily in home kitchens.

Photo © Ben Kerrick / Karp Resources, 2015

- Buyers don't have access to information about local farmers and product availability, and they have limited bandwidth for finding and aggregating product.
- Most farmers are not planning their crops or adjusting their product mix to suit the needs of the market, primarily because they don't know what buyers want.
- Most cattle are sold at auction and little local meat stays in local food supply chains.

Opportunities

- Buyers want to collaborate with farmers.
- Buyers would be interested in a supplier that aggregates local product from smaller producers.
- Buyers can phase in local offerings incrementally.
- Buyers are hungry for more choices.
- A meaningful local branding campaign could be effective.
- Restaurants (with flexibility in menuing and relatively small-scale wholesale orders) can be a key sector of focus for the Central Louisiana local food movement's next phase of growth.

Additional Themes and Findings

- Product pricing and insurance coverage are key concerns for retailers and distributors.
- Innovative and enthusiastic new restaurants are emerging as a showcase for local foods, but they have not yet formed sufficient farmer relationships or established menu flexibility for working with farmers.
- Restaurants are primarily purchasing fresh whole product.
- Several buyers serving the CLEDA parishes have company headquarters and/or corporate warehouses in Texas, which impacts their "local food" buying in Louisiana.

- Distributors are interested in buying from an aggregator, cooperative or another entity pooling product from multiple farmers.

STRATEGIES FOR GROWTH IN CENTRAL LOUISIANA'S FOOD ECONOMY

Based on the findings of our primary and secondary research, we have developed three broad strategies for advancing the regional food economy in Central Louisiana, each comprised of two specific, implementable models. These models are presented with the assumption that they will be tested with potential partners, as well as farmer and buyer participants, in a Phase Two study.

The strategies are not meant to be mutually exclusive or implemented in any particular order. Rather, they form an integrated approach that can build on the region's current strengths and momentum, while leveraging the potential of the region's food system. While there is no "magic bullet" in building vibrant healthy regional food systems, the research team believes that all of the models described below would serve CLEDA's desired goal of growing the local food economy as a means of enhancing quality of life in the region.

CLEDA's Fresh Central brand offers potential to unite these strategies under a single identity, which can maximize visibility and association of efforts for participants and community members. We recommend considering a broadening of the Fresh Central identity and a commitment to it as the face of CLEDA's diverse local food efforts in Central Louisiana.

STRATEGY 1: NETWORK AND LEVERAGE INFRASTRUCTURE

There is little existing infrastructure for local food supply chains, such as space and equipment for best practices in post-harvest handling, packing, transportation logistics, communication (e.g. about product availability or for crop planning), cold storage, and general professional, wholesale grower know-how. However, significant opportunities exist to network and coordinate small growers in formal and informal ways, using anchor growers and infrastructures that already exist or are in development as foundations to build upon.

Model 1: Aggregate farm product

Key Activities: Train and leverage CLEDA's new hire to facilitate and "broker" new market opportunities that mutually benefit farmers and buyers; build on informal aggregation already happening at anchor farms; strategically locate small-scale cold storage infrastructure around the region for aggregation.

Key Partners: Anchor/larger growers, small scale growers and backyard gardeners, the Acadiana Food Hub (in planning stages), retailers known for buying local foods, like-minded organizations to host cold storage infrastructure.

Model 2: Support product development and value added processing

Key Activities: Support the Central Louisiana Business Incubator's development of incubator programming for commercial kitchen users; research food processing businesses of all scales in the region to understand their ingredient needs and purchasing patterns.

Key Partners: Central Louisiana Business Incubator, new and established food entrepreneurs, Local Food Working Group.

STRATEGY 2: BUILD DEMAND FOR LOCAL FOOD

Direct markets are a key opportunity for growth in Central Louisiana's food economy. The current scale of production in Central Louisiana is well-matched to direct marketing and small-scale direct wholesale strategies, and the experiences that people have with local food and local markets change their relationship to food more broadly, and thus have the potential to shift a community's dominant food culture.

Model 1: Grow direct marketing opportunities

Key Activities: Coordinate existing farmers' markets to increase consistency and access for producers (including backyard market gardeners) and consumers; structure and promote farmers' markets as opportunities for direct wholesale food trade.

Key Partners: Market Umbrella, farmers' market managers and vendors.

Model 2: Build consumer awareness of local foods and markets

Key Activities: Build on existing assets and programming (e.g. Foodapalooza, Fresh Central website and brand, Harvest of the Month); engage nearby "hubs" of local food activity (Shreveport, Lafayette, New Orleans) in this programming; increase Supplemental Nutrition Assistance Program (SNAP) and other food benefit enrollment and utilization at farmers' markets to broaden local food access.

Key Partners: Market Umbrella, SNAP and other benefit enrollment offices, Well Ahead/Wellspots, The Food Bank of Central Louisiana, Local Food Working Group.

STRATEGY 3: SUPPORT AND ENCOURAGE INCREASED REGIONAL FOOD PRODUCTION

The need for increased agricultural supply in the region was a consistent theme that emerged across our interviews, data review, and on-the-ground observations. We recommend a two-pronged approach for supporting both new and existing farmers, and encouraging increased production in the region.

Model 1: Provide integrated support for farmers looking to increase scale and/or access to new markets

Key Activities: Partner with other entities to bundle farmer services and support including access to capital, marketing support, technical assistance, business coaching, succession planning, and institutional support.

Key Partners: LSU AgCenter, Local Food Working Group, Market Umbrella, local funders, banks and other lenders, locally-oriented buyers.

Model 2: Create an incubator farm for new entry-level farmers

Key Activities: Develop a farm incubator program targeted at new farmers, offering land, technical assistance, business planning, marketing assistance, and access to shared tools and infrastructure.

Key Partners: LSU AgCenter, established farmers, locally-oriented buyers, public and private landowners (see also key partners from Model 1 in this strategy).