



A Report of the Central Appalachian
Network (CAN) Convening

Growing Healthy Food Systems from the Ground Up

April 14-15, 2009
Roanoke, West Virginia

The Organizations of CAN

Appalachian Center for Economic Networks (ACEnet)

Appalachian Sustainable Development (ASD)

Center for Economic Options (CEO)

The Conservation Fund's Natural Capital Investment Fund, Inc. (TCF/NCIF)

Jubilee Project Inc.

Mountain Association for Community Economic Development (MACED)

Rural Action

On April 14 and 15, 2009, 57 people from Kentucky, Ohio, Tennessee, Virginia and West Virginia gathered in Roanoke, West Virginia to attend

Growing Healthy Food Systems From the Ground Up

– an event of the Central Appalachian Network (CAN).

Those attending included farmers, distributors, practitioners, nonprofit intermediaries, agency representatives, and funders and all were focused on how to create local food systems to expand economic opportunities in the region while restoring the environment and increasing access to healthy, affordable foods.

Central Appalachian Network

The Central Appalachian Network (CAN) is comprised of seven action-oriented nonprofit organizations based in Kentucky, Ohio, Tennessee, Virginia, and West Virginia. CAN formed in 1993 following a convening by the Aspen Institute and the Claude Worthington Benedum Foundation. The meeting brought together practitioners, policy makers and others involved in local economic development issues within this region, many of whom had never met. A major focus of the meeting was to explore how a regional approach could facilitate increasing the effectiveness and scale of local economic development initiatives targeting low-income residents of the region. Due to the tremendous interest in the networking options and possibilities for regional collaboration, the participants formed CAN and began to build capacity and impact through the synergy created by the power of the multi-state network.

Since its inception, CAN has matured and expanded its organizational and collaborative capacity. Although the leadership of most CAN organizations has changed during the past sixteen years, the organizational commitments and participation have remained constant. CAN is built on trust and reciprocity – common values of rural areas. These innovative organizations continue to share strategies, resources and connections to build the foundation for a rural economy that restores and builds upon the ecological and cultural assets of this special but often overlooked and discounted region.

CAN believes strongly that locally rooted, regional sustainable development can take advantage of our abundance of natural resources and human capital to generate wealth for people in need and protect important natural systems. We have a bold vision of a more sustainable Appalachia.

We work for a day when the region can provide for people in need and ensure intact land, clean air, pure water and healthy forests that people hold dear. We envision thousands of locally owned and regionally connected enterprises that create real economic opportunity and contribute to a high quality of life for all. We see a place where people have sufficient economic control of their lives so they don't have to make choices between healthy communities and providing for their families – a place where our natural resources are valued for the long term, where communities are strong, and local and state policies promote healthy local economies and protect natural systems.

CAN views asset-based development as:

- Internally focused in terms of needs, resources, design, investment, and control.
- Relationship driven – building networks that create capacity.
- Participatory

ACEnet  Rural Action  TCF/NCIF 

 CEO

 MACED

 ASD

Jubilee Project Inc. 

From this perspective, CAN has adopted Community Sustainable Development as a model where all development:

- Fits within the ecosystem – restoring sources and sinks
- Adds value to natural and community capital
- Is regionally rooted, enhancing self-reliance
- Is market driven and market shaping
- Utilizes local catalysts and networks to build capacity

Central Appalachia



Growing Healthy Food Systems from the Ground Up



An Introduction

In Central Appalachia, across the country and around the world, interest in healthy food systems is growing. To take advantage of that interest, CAN's major approach is to strengthen the sustainable agriculture value-chain from farm to table. This approach, which aligns with the individual missions of the CAN organizations, ensures that the economic, social and ecological integrity of the region is able to thrive. The core elements of our approach are to:

- Provide outreach, education, training and technical assistance so producers can transition to more ecologically sound production practices, and new crops and products.
- Set up the infrastructure to get farm products to market in the quantity and quality needed.
- Connect local and regional food producers, processors, and distributors to each other to allow the system to become more localized.
- Link to large market partners including local and regionally based grocers and retailers, schools, colleges and universities, food processing facilities and other institutional buyers.

In 2007, CAN made a commitment to focus particularly on strengthening and expanding specific value-added infrastructure for sustainable agriculture. The organizations of CAN viewed sustainable agriculture and development of other sustainable sectors as crucial to Appalachia's ecological and economic health.

CAN conceptualized a regional convening - "Growing Healthy Food System from the Ground Up" - as an important first step to identify other actors in the regional sustainable agriculture movement, and to strengthen and expand healthy local food systems by building capacity and enhancing collaborations.

"Kudos to an extremely productive conference!"

"It was an incredibly valuable meeting. Thanks for the opportunity to attend."

GOALS: Growing Healthy Food Systems from the Ground Up

1. Take stock of the assets and strengths of the value-chains around the region.
2. Grow the capacity of participants by sharing information and new ideas.
3. Plan for the future by developing collaborative action plans and topical/geographical work groups.

We define sustainable agriculture as that which:

- Reduces transportation by localizing the supply-chain
- Improves land stewardship – practices are organic, uses integrated pest management, is no-till or minimum tillage, grass based, etc.
- Builds rural wealth, capacity, and equity,
- Provides better food access and security for communities.

We also consider the triple-bottom line (TBL) or the economic, environmental, and societal impacts in our work. Sustainable agriculture produces the following benefits:

Economic Benefits:

- Builds rural wealth for individuals and communities
- Captures and restores agriculture and food dollars into local economy

Environmental Benefits:

- Uses an environmental management system
- Protects, conserves, and restores ecosystem
- Improves land stewardship
- Reduces the carbon footprint of current supply chain
- Provides for environmental education

Social Benefits:

- Practices non-discriminatory hiring and participation practices
- Provides fair wage and benefits
- Hires and trains local residents
- Provides better community food security and access

Growing Healthy Food Systems from the Ground Up was designed to showcase selected “best practices” currently underway - primarily within our region, but also included successful models from other regions. It was designed to enable practitioners, policy makers, and funders to develop a common understanding of barriers and opportunities, as well as funding/capitalization needs that will play key roles in increasing local, sustainable agriculture across Appalachia. The gathering’s function was to equip participants to amplify value-adding practices while engaging CAN members and their key partners in developing or implementing local initiatives. Kentucky, Ohio, Tennessee, Virginia, and West Virginia were represented by members of CAN, as well as other groups and individuals having sector, market, education and training, and distribution interests whom CAN specifically invited to participate in the event.

“There will be opportunities to learn from local leaders and share information and new ideas to grow our capacity to do this important work. We will also develop collaborative action plans and strategies so we can move this work forward.”

*- Anthony Flaccavento
(Appalachian Sustainable Development)*



Tuesday, April 14th

Defining a Healthy Food System

Growing Healthy Food Systems from the Ground Up began with an overview of CAN members' involvement with creating healthy food systems and describing the pieces of the food system value-chain which includes:

- building supply
- developing and accessing markets
- processing, aggregation and distribution
- enhancing local value-chain capacity

Through a participatory process, attendees identified topical areas of the value-chain about which they wanted to learn more. These topics were prioritized and participants self selected into sessions of interest. This process provided insight into the broader group's thinking allowing us to adapt the sessions to the specific interests of the attendees.

Building Healthy Food System Value-Chains

This is a summary of the presentation by CAN members Anthony Flaccavento (ASD) and Tom Redfern (Rural Action) discussing their experiences building the components of a local food system value-chain.

They concurred that developing sustainable economies is one of the greatest challenges of our time. CAN believes it is essential to create economic opportunities that benefit people in need and protect and enhance the natural systems in the region – first and foremost as solutions to local problems and as part of the larger strategy necessary to combat climate change, address chronic poverty and promote a sustainable future.

Farming is at the roots of our Appalachian culture and it makes sense to turn to this industry to help heal the land and create income for rural people. This refocus on local, sustainable agriculture is also an issue of global importance. Over the past century, worldwide productive land has decreased from 14 acres per person to 3.5 acres per person. With concerns about food safety, energy costs, economic and environmental sustainability on the rise, building local healthy food systems could not be more important.

Understanding value-chains as a means to accelerate and expand local food systems was the basis for this presentation. In simple terms, a value-chain is a string of companies or collaborating players who work together to satisfy market demands for specific products or services.



Value-chains consist of three major components:

- Production/Supply
- Processing, Aggregation and Distribution (PAD)
- (Larger and more diverse) Markets

The advantages of value-chains are that they link small farmers to larger, more demanding, and lucrative markets while improving people's access to healthy, fresh foods. By analyzing value-chains, communities can also identify and create other economic opportunities.

Within the context of this discussion, the production or supply of goods is provided by small-scale farmers. Basically, there are two types of farmers: the traditional commodity-focused farmer who is well-experienced but lacks an organic mindset, and the less experienced, idealistic "new" farmer who may lack experience, but approaches farming with more of a focus on sustainability.

Outreach to both of these communities of farmers is crucial to building supply, but is a challenge and the training and support needs are considerable. However, both appreciate field-based, hands-on training, and are open to formal training, especially if it is linked to extension/land grants. Building farmer networks is important because these networks build the local expertise and capacity of all farmers involved and propels the adoption of innovation. These networks must be

seen as a way for individual farmers to reduce their risks, while being “farmer-friendly.” Through the networks, production and supply can be coordinated, thus enabling greater market access. Also, farmers can benefit from the bulk purchase of supplies such as seeds, or the joint ownership of equipment.

Why grow organic/sustainable?

- Generally better prices
- More market options & consumer demand
- Improve stewardship & increase farm self reliance
 - Over time, fewer inputs
 - Better performance in dry & wet weather
- Improved nutrition for customers
 - 20-25% higher minerals & vitamins

The second key component of the value-chain includes the processing, aggregation and distribution functions necessary to move product towards the end user. This part, too, has specific needs including:

- Facility for collecting, grading, packing, and possibly labeling product
- Cooling and/or freezing capabilities
- Shipping points

To be efficient and help facilitate sales, this mid-point of the value-chain can also provide a single point of purchase for buyers.

There are many challenges inherent to this segment of the value-chain. The first is accumulating sufficient capital to build, manage, or control the necessary facilities and/or equipment, while managing the inherent liability, risk, and coordination functions. The distribution aspect poses specific issues such as:

- Covering costs of deliveries
- Transporting different types of crops with different cooling/freezing needs
- Determining how far food can travel and still be considered “local”
- Opportunities for backhauling with other distributors

The final component of a value-chain is marketing. Assisting farmers by helping them reach multiple markets based on their products’ grade, size, availability, etc. is one of the greatest challenges. Similarly, this marketing/coordinating function can evaluate and forecast supply and thus bring a more reliable supply to buyers. The challenges of marketing to scale include:

- Building a reliable supply
- Assuring product quality, packaging, presentation
- Planning for seasonality (for schools and colleges)
- Meeting Good Agricultural Practice (GAP) codes, standards and regulations; product liability insurance
- Finding the “right” farmers for larger markets

The presentation pointed out that when considering markets, the intermediary or farmer should evaluate the PAD requirements (Processing, Aggregation & Distribution), any GAP requirements, and whether or not additional income could result from pursuing organic and sustainable opportunities.



*Before any development,
we should first ask
ourselves three questions:
What is already here?
What does nature allow
us to do here?
What does nature help
us to do here?*

-Hendell Berry



There are two basic types of markets

Direct Markets

Community Supported Agriculture (CSA)

Farmers' markets

Produce auctions

Direct sales to consumers

Pros/Cons: Better prices, more flexible standards, and is a bridge between direct and wholesale market approaches, but requires a lot of time off of the farm.

Wholesale

Supermarkets

Food service

Institutions

Pros/Cons: Requires higher aesthetic standards and yields lower prices, but allows farmers to deal in larger volumes and requires less farmer time.

Virginians spend \$14.8 Billion on food each year. If Virginia Consumers bought just 15% of their food directly from local farms, farmers would earn \$2.2 Billion of new income each year.

Getting Started: The Chicken and Egg of Demand and Supply

- Farmers want secure markets before trying new crops, production practices.
- Buyers want reliable supply before committing to purchase

Solution: Start with smaller “patient” buyers while you build supply.



Concurrent Value-Chain Breakout Sessions

Building on the day's rich discussions, participants spent the afternoon in breakout sessions dedicated to the four value-chain components (Building Supply; Developing and Accessing Markets; Processing Aggregating and Distribution; and Enhancing Local Value-Chain Capacity). Each session was led by a facilitator with experience on the topic. The discussions involved exchanges of best practices, insights into lessons learned, identification of issues and areas of concern, policy opportunities and barriers, as well as potential collaborations and partnerships.



Building Supply

Key Points:

- In order to build a supply of product, we need to increase the number, status and capacity of farmers, as well as make efficient and sustainable use of farm land. Farming is not generally seen as a lucrative profession and the impression is that to be a farmer you have to expect a low standard of living.
 - **Wayne Fawbush:** “Often we don't think of running a farm as a real business opportunity.”
 - **Ronda Clark:** “Dad was a farmer and told me to get a college degree and get a real job. I wish he could have taught me how to farm and had pride in what he did.”
- There are populations that could expand the ranks of farmers. These include prisoners, veterans, immigrants and “new” farmers, both young and seniors. Several colleges are beginning internship programs on farms and others are trying to get farm incubators established.
- There needs to be greater cooperation between produce farmers in order to increase supply. Currently, farmers tend to compete against one another instead of forming beneficial alliances and networks to respond to demand.



Developing and Accessing Markets

Key points:

- In order to reach economies of scale, we have to find ways to link rural and urban markets. There are several barriers to overcome in that process.
 - Collaborative/networked approaches seem to work best in accessing larger markets.
 - Farm-to-school and farm-to-college are key markets.
 - Public education and awareness strategies would create an increase of local demand for healthy local food.
 - Linking the economic, healthcare, and environmental crises creates a window of policy opportunity to promote buy-local initiatives.
 - In order to reach economies of scale, we have to find ways to link rural and urban markets. Policy barriers and opportunities are at play as farmers try to develop and access markets. For instance, regulations are limiting the sale of lamb and beef at farmers' markets in Tennessee and preventing some Ohio-processed products to be sold across state lines. But on a positive note, West Virginia's Farmland Protection Program is proving to be successful with funds from real estate taxes invested in active farms.
 - Linking the economic, healthcare, and environmental crises creates a window of policy opportunity to promote buy-local initiatives.
 - Savanna Lyons:** "West Virginia is currently in a food crisis, an economic crisis, and health care crisis. We need to find ways for residents to access local healthy food."
 - Cindy Parker:** "We now have three generations that are losing touch with how to cook."
 - Pam Curry (CEO):** "People need to concentrate not just on maximizing their own profits, but also on how to maximize the success of everyone in the supply chain."
 - Market conditions make America's 575,000 midsize farms especially vulnerable. Midsize farmers find it difficult to gain market access to the industrial value-chain because large processors buy from large farms to reduce transaction costs. In addition, they have difficulty taking advantage of direct marketing opportunities, and often lack the market power and capital to compete.
 - Farmers need to be encouraged to grow niche products or products for specialized markets (e.g. institutional, religious, cultural and organic).
- This presents challenges in terms of farmer education and risk management, but may yield greater profit and sustainability.
- Joan Menard:** "Getting farmers to commit to grow what institutions need is an issue."
- Restaurants are learning the value of purchasing produce at peak season and then preserving it to keep costs down and food variety up. Showing how institutions and restaurants can preserve local food is one way to overcome opposition by institutions to buy local.
 - Collaborative/networked approaches seem to work best in accessing larger markets.
 - Wayne Fawbush:** "The urban-rural economies must be addressed in order to increase local rural wealth. For rural communities to be economically sustainable, they have to have an export."
 - Public education and awareness strategies would create an increase of local demand for healthy local food.
 - Mary Hunt Lieving:** "Building events to market local food and educate the public have been successful."
 - Megan Weber:** "Parents also need to be educated on what to purchase for home."
 - Farmers need to be equipped with business management principles (financial, marketing, quality control, customer service, etc.) that will assist them in successful growth of their business.
 - Kent Spellman:** "We need to help farmers transition into sustainable businesses."
 - Kathlyn Terry:** "A challenge with offering business workshops has been getting farmers to participate."
 - Online resources including websites for Internet shopping are growing in use in Appalachia. Examples include:
 - Ohio - MarketMaker <http://oh.marketmaker.uiuc.edu>
 - Tennessee - Farm Fresh www.tnfarmfresh.com
 - West Virginia - www.monroefarmmarket.org

Key points:

- There is a need for mobile poultry and meat processing, but the challenge is how to make it economically feasible and manageable in terms of regulations.
- Canning, value-adding, and flash freezing are potential strategies for matching food availability with the timing of school purchasing needs.
- To accelerate processing, aggregation and distribution, local models need to creatively combine a variety of private and public financing options to spread risk. There is a general sense that farmers need to move beyond the grant mentality and look, instead, to investments and capital.

Marten Jenkins: “Farmers should explore MRI – market rate investments - that create positive social and environmental impacts that are aligned with an investor’s mission and/or values.”

Andy Sarjahani: “Recently, investors in Virginia have shown more interest in food – people have to eat.”

Leslie Miller: “It’s hard to find investors. Where are these people and how do normal people meet them? We need match-making – like online dating.”

- Farm-to-school projects often meet with resistance from officials, particularly on distribution requirements and price points.
- Consumers may be willing to pay more for

“Right now, food and food distribution are the businesses to be in. Even this year, food businesses may be up. Food’s the right industry at the right time.”
- Keith Buchanan



fresh, local food, but this requires the ability to collect, grade, and deliver quickly. It also requires the initiative to educate both buyers and consumers.

Kathlyn Terry: “We are always seeking more farmers but that means they are farther away and less convenient. We are establishing drop off points but it is a challenge to maintain quality. But we have to figure this out or else you are limited to farmers who can make it to you.”

- There are models for managing distribution through farmer co-ops, but the information is difficult to summarize and apply. It is felt that a number of people feel threatened about potential competition and withhold information.

Kip Rodney: “The truck has to go up the road one way or the other, and if it’s losing money, it’s losing money.”

- Controlling the quality of fresh produce is an ongoing challenge.
- Policy action is needed to ensure that state licensing requirements and rules do not adversely affect the establishment and operation of new/improved local processing, aggregation and distribution systems.
- Underused/unused buildings offer opportunities for creative negotiations, collaborations, and key additions to the infrastructure.



Enhancing Local Value-Chain Capacity

Key Points:

- Most existing value-chains for agricultural products are corporate in nature. They need to be redesigned so that risks and profits are shared equitably by all participants. Currently, the producer is benefiting the least from the transaction and usually has no relationship with the end user/buyer.
- Generally people don't understand food systems. The economic aspect always seems to run rampant over triple bottom line in the larger models. People in an area take ownership of the process and "own the system." Therefore, many value-chains get usurped by business-driven models, losing the social consciousness element that they may have had. Farmers often have no desire to take up multiple aspects of the chain, they may be suppliers but may not want to market or distribute.
- There was consensus that corporate agriculture has had a negative impact on local and regional value-chains. Through centralization, distribution and processing are under-represented locally and will have to be re-built. However, the efficiencies found in the corporate value-chain, and even some of the human resources, may be of use when designing new, local systems.

Steve Bosserman: "Big ag. controls the agenda."

Larry Fisher: "We tend to think small, but to be affordable, it is necessary to aggregate supply."

- Policy initiatives have significant impact on the ability of alternative value-chains to be established and survive. GAP and HR 875-type initiatives negatively and disproportionately affect small producers thus weakening the production aspect of the value-chain.



Wednesday, April 15th

Successful Value-Chain Models Presentations

Building on the previous day's discussions that focused on the components of local food system value-chains, the second day of the gathering highlighted working value-chain models and offered opportunities for topical and regional discussions.

Oklahoma Food Co-Op

As an example from outside the Appalachian region, Kim Barker and MaryJac Rauh with the Oklahoma Food Co-Op provided an overview of the organization's history, operations and success.

The Co-Op is focused on providing consumers direct access to Oklahoma grown and/or Oklahoma processed foods and non-food items in a way that mutually benefits both. For the past five years the Co-Op has been re-creating a local food system and helping people discover the unique and authentic regional tastes of the area. The Co-Op rejects the idea of food as a commodity and is helping people rediscover the importance of local food production to healthy local communities.

Co-Op customers know exactly who produced the food, where it was grown or raised, and what production practices the farmer or rancher uses.

The food has a story, and the customer of locally raised foods is part of that story. The customer is viewed as a co-producer with the farmers and ranchers.



The Co-Op uses an order delivery system based on the website: www.oklahomafood.coop, and a network of members and volunteers across the state. Each month, producer members post their available products on the website. The monthly order opens on the first day of each month at 8:00 a.m. and closes on the second Thursday of each month at midnight. On the third Thursday of each month, the farmers travel to Oklahoma City with their products. At their facility, Co-Op volunteers sort the food items into customer orders, which are then delivered to 32 pickup sites across the state.



By definition, the Co-Op is owned by its members. As of June 2008, the Co-Op has nearly 2000 members, with 125 of those being producers (although not all producers have items to sell every month). Sales have been steadily increasing since inception. The Co-Op sold as much local food in 2007 as they sold in the first three years of operation combined. In 2008, sales approached \$1 million. In 2009 the Co-Op is experiencing \$61,000 - \$65,000 each month in sales and generally has over 2,600 items available each month.

Membership is \$51.75. From the beginning, the Co-Op has been completely self-financed by the sale of membership shares. The Co-Op also charges producers 10% for selling through the Co-Op, and customers pay 8% for buying through the Co-Op. This money is used to pay operating expenses, such as mileage, dry ice, and postage, and the share revenue is used to pay for capital expenditures like software development, ice chests, etc.

ACEnet and Jubilee Project, Inc.

Following the Oklahoma Co-Op presentation and a question and answer period, Larry Fisher (ACEnet) and Steve Hodges (Jubilee Project Inc.) reviewed their organizations' program models. Their collaborative presentation began with a brief discussion which reiterated the three components of a successful value-chain: both of which involve supporting value-adding producers and business incubations facilities supply; processing, aggregation and distribution; and markets. They also underscored that policy formed the foundation for value-chain development.

The models discussed connect farmers and producers to local and regional suppliers of items such as boxes, jars, labels and ingredients. Not only does this help the producers, but reduces the energy costs and potentially supports local businesses. These connections to local growers target specific producer needs while strengthening local farms.

Both models have also developed market channels through a combination of farmers' markets, partnerships with local grocery stores, retail markets with local food foci, and farm to institution initiatives. These initiatives include the Appalachian Spring Cooperative, Food We Love, Ohio Proud, and Pick TN.

Understanding that aggregation, processing and distribution are crucial components of the value-chain, both models also feature facilities for packaging, adding value and warehousing products. Their facilities include kitchens for creating value-added products, and which can be used by caterers.

Reports out included the following:

Farm to Institutions

There is substantial interest in linking institutions such as schools, universities, and health facilities to local food sources but still many questions about how to make this happen. It was agreed, however, that institutional demand can be grown through public awareness and encouraging consumers to expect local fresh foods in institutional settings.

Resources are available to use as guides and models.

- National Farm to School has info on working with public schools <http://www.farmtoschool.org> - provides checklist
- Real Food Challenge <http://realfoodchallenge.org> - is a resource for universities
- Healthcare Without Harm - <http://www.noharm.org> - tools for hospitals
- Sustainable Food Purchasing Policy http://www.aashe.org/documents/resources/pdf/food_policy_guide.pdf
- Farm to school website - <http://www.farmtoschool.org>
- Campus Foodies at Google Groups - <http://groups.google.com/group/campus-foodies?lnk=srg&hl=en&ie=UTF-8&pli=1>
- West Virginia Dietetic Association - <http://www.wvda.org> has a listserve for dieticians
- Hunger and Environmental Nutrition Dietetic Practice Group (HEN DPG) <http://www.hendpg.com>

These kitchens feature thermal processing units and freezers for preserving frozen, chilled, and ready-to-eat foods. The discussion of aggregation focused on the benefits of grouping farmers into cooperatives and grouping producers together to create brands Both strategies increase the farmer/producer's ability to reach markets that might otherwise be closed. Once aggregative measures have been taken, both models move product to market through their individual marketing programs. One uses a producer for joint distribution, and the other relies on locating local and regional distributors.

Following the presentation, participants were asked to identify topics they wished to discuss in cross-regional breakout sessions. The group identified:

- Farm to Institutions
- Local Food Distribution
- Public Awareness and Education

Participants self-selected their breakout sessions and engaged in dynamic, self-facilitated topical discussions.



ACTION ITEM! Develop a toolkit and email to other Universities in the area.

Distribution

Participants in this session discussed three potential distribution models:

1) The back haul model:

Example: A distributor can complete refrigerated deliveries and then fill the otherwise empty truck with produce to bring back to the warehouse. Using the empty truck would decrease costs, and if help were provided to fill the truck, that would decrease costs even further. This would require education of purchasers, but produce could be listed as a premium item with a higher price. This needs to be tested to see if it is economically viable, since distribution requires an extra 15 – 20% in cost.

2) Contract with institution(s).

Example: A Veteran's hospital wants to buy local and a contract is negotiated with a distributor to provide their food service needs. If local produce could be used to leverage new customers, the distributor might not even need to make a profit on the actual local food products.

3) Farmer delivery to a distribution point.

Example: Like in a Community Supported Agriculture (CSA) arrangement, the farmer who delivers directly to the consumer receives the best price because no distributor is involved and the farmer incurs no pick-up costs.

*"From a distributor's perspective, the order has to be accurate and complete nearly every time. Don't make me look bad to my customers - that's a deal breaker."
- Keith Buchanan*

Key Points:

- There are potential models for profitable/feasible local food distribution
- Limiting the distributor's work will increase farmer's price
- Farmers will need oversight/training to keep quality high and product fresh
- Sales forecasting of particular vegetables is a major issue for distributors
- Being able to procure local, fresh produce might be a marketing strategy for which restaurants are willing to pay a premium

Public Education and Public Awareness – (Although this was designed as a cross-regional topic, the participants were all from Southeastern Ohio and the session became regional in nature. The key points may apply cross-regionally).

Key Points:

- Appalachian Ohio has a need for a regional media and public education campaign. The potential exists for collaborative campaigns that include partners such as the Athens Food Policy Council, farmers' markets, and nonprofit organizations. Local radio stations and newspapers can play key roles in reaching communities and rural households.
- There needs to be better public awareness that Electronic Benefit Transfer (EBT) cards can be used to purchase local food. Partners to increase public awareness about this could include local Department of Job and Family Services, Rural Action, ACEnet, and local farmers' markets.
- Community gardens are an important vehicle for vegetable production in urban areas. Expansion of community gardens in townships is needed and is currently underway. For example, the town of Athens will have five community garden sites by summer 2009.
- Lack of transportation is a barrier to low-income residents accessing healthy local food.

*"Distributors don't want to deal with farmers individually - there needs to be a central entity to manage and forecast, such as an aggregator or co-op."
- Kathryn Terry*

Next steps:

- Contact local radio stations regarding PSAs and radio ads to increase public awareness of EBT card acceptance at farmers' markets and elsewhere
- Disseminate media information using communication strategies

Regional Breakout Sessions

The last session of the gathering brought participants together to begin developing next steps. This process enabled the participants to narrow their discussions and actively engage in dialogue and planning that pertained to their local needs and opportunities. Reports on these sessions were presented to the larger group. Subsequent to the convening, additional planning, collaboration and implementation steps have been underway. The following is an overview of some of the discussions in the regional sessions and/or updates on initiatives that are being created and activated.

West Virginia

The majority of the participants from West Virginia convened in a rather spontaneous manner to talk specifically about a local food system for the state. Following a brief discussion where it was determined that everyone was "on the same page" the group agreed to identify and convene the key players necessary for a successful system to flourish. Specifically, the group focused on the need to bring together the leaders/decision makers of state agencies, institutions, food-related organizations, such as universities and hospitals to talk about issues and barriers and define methods to reduce or eliminate them. The planning process was led by Mary Hunt Lieving, program officer with the Claude Worthington Benedum Foundation. Prior to reporting out to the full group, the West Virginia team launched into a spirited chorus of "Almost Heaven, West Virginia." Planning is underway for a West Virginia Local Food Summit scheduled for November 2009. The Benedum Foundation has selected a local food-related nonprofit - *the Collaborative for the 21st Century* - to receive underwriting to coordinate the event.

Southwestern Virginia

The Virginia group, comprised of six organizations to date, has had multiple conference calls to move forward this year and develop a long term plan. A USDA/Community Food Project proposal has been developed by one of the group members with input from all the groups. Most groups will be visiting the Appalachian Sustainable Development (ASD) facility in late May, 2009 to further their understanding of ASD's approach to value-chains. Press releases are going out in the Shenandoah Valley and other locations in hopes of bringing more farmers in this year, as well as plowing the ground for next year. Two of the partners, Lynchburg Grows and the Catawba Sustainability Project (Blacksburg, VA) are moving forward with plans to construct and equip small cooler units in order to provide a distribution hub that enables participation in Appalachian Harvest while also increasing options for local market access.

Tennessee

The Tennessee group, with 4 sustainable agriculture/community food security nonprofits, a growers group, and UT Agriculture Extension, developed four goals for the next year:

- (1) developing three educational events on the link between local food and health, nutrition and wellness
- (2) increasing the University of Tennessee Food Service's purchase of locally produced food
- (3) launching a "Food Wealth" project centered in a limited number of high-poverty counties to encourage more gardening, food preservation, and cooking with local food and spin-off entrepreneurial activity, and
- (4) developing and organizing statewide grower support for an alternative to the GAP (Good Agricultural Practice) food safety standard that is equally safe but more workable for small- and mid-scale farms.

Ohio

The Ohio group noted that there are a number of resources available locally and that the group can focus on local capacity while seeking underwriting from outside sources. There was discussion about the possibility of grain, seed, and oil processing to augment other value-added initiatives. Much of the discussion focused on food-to-school programs and policy as well as the importance of getting good local, healthy food to the children of Appalachian Ohio. To make this happen the Ohio group believes that seeking support from the Ohio Department of Education and becoming more familiar with state and federal regulations in regard to schools and other aspects of the local food system economy is necessary. It was noted by Steve Bosserman that it was necessary to focus on creating local wealth, so as not to be dependent on outside inputs. Another area of discussion focused on establishing a comprehensive food system plan with a Regional Local Foods Council. This was put forth as a way to combine resources and strengths, along with establishing a local food cooperative similar to the Oklahoma Co-Op model reviewed earlier in the day. The Ohio group also discussed identifying opportunities to position sustainable agriculture as an economic growth engine for instance, identifying ways to allow producers to reach a greater scale and increasing access to urban markets for local farmers. Above all, two key elements to the discussion were trust and transparency.

Leslie Miller, Ohio attendee from True Harvest, agreed to take the lead in developing an Ohio Regional Working Group, the first meeting was held in May, and notes are being posted on Rural Actions Ohio Foodshed.org website, <http://www.ohiofoodshed.org>. Rural Action, ACEnet, Community Food Initiatives and True Harvest have also collaborated on a USDA Community Food Projects proposal.

Kentucky

The Kentucky group recognized that sustainable agricultural production was a very small part of the economy in eastern Kentucky but had real potential across the state. The discussion focused on the need to engage in more comprehensive mapping of potential agricultural actors and support organizations in the region. There was a sense that there is high interest in the state in making local agricultural production and purchasing a greater force, but that there was a great need for more intermediary organizations who could link both producers and demand through the provision of services that both need to make a local food system go. There was interest expressed in engaging in better mapping work to identify existing sustainable agriculture assets, producers and organizations. The three primary organizations involved in the discussion were Community Farm Alliance, the Mountain Association for Community Economic Development and the University of Kentucky Appalachian Center. There was commitment to at least one additional call to identify possible next steps.

CAN

Central Appalachian Network

Next Steps for CAN

In the weeks following the gathering, CAN has identified four next steps based on the needs identified by attendees at the gathering and based on CAN's resources. The next steps include:

- A Sustainable Agriculture Value-Chains Small Grants Program to help build the capacity of partners through technical assistance, improve and expand work underway in partner organizations, and accelerate partners' innovative pilot projects that fill gaps in sustainable agriculture value-chains.
- Strengthening local partnerships between CAN members and other sustainable agriculture practitioners in the region. To do this we are committed to providing topical mentoring and coordinating regional and sub-regional gatherings to share technical assistance and provide opportunities for networking.
- Developing toolkits to increase practical knowledge and the sharing of best practices. Coming soon are three place-based toolkits that can be adapted to meet the needs of other areas. The toolkit topics include: building sustainable agriculture value-chains in southwest Virginia and southeast Tennessee, best practices in developing a produce auction in southeastern Ohio, and an east Tennessee Food System Map.
- Providing consultations and connections to other experts in the field of sustainable agriculture. This could include one-on-one work, online exercises, learning tours, or other activities to be determined.

CAN has posted the presentations, handouts, and participant list from the gathering on cannetwork.org. Check back frequently for updates on next steps and new projects.

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