

NATIONAL GOOD FOOD NETWORK: NORTHEAST REGIONAL LEAD TEAM

I. Introduction and background

Although the Northeast¹ leads the nation in farm-direct sales to consumers, and twice as many N.E. farms sell direct compared to the national average, direct sales in our region account for only 3.4% of total farm sales. This means that nearly all our agricultural products go through longer supply chains, typically conventional wholesale commodity markets. And because our farms are relatively small (average acreage is about one third of the national average) they cannot compete effectively in highly competitive global markets.

At the same time, N.E. farm production – from cheese to cranberries, potatoes to poultry – is diverse, a major factor in the overall resilience of our agriculture sector. Our farmers are innovative and progressive. The percent of organic farmers in the N.E. is 14 times the national percentage. Our producers across twelve states work with numerous NGOs and other service providers on new markets, new products, and revitalized processing infrastructure.

With 21% of the U.S. population, the Northeast is the nation’s most densely populated region. Most live in urban and peri-urban settings connected by extensive transportation systems. In fact, approximately half of our farms and farmland are located in metropolitan areas.

Sixteen years ago NESAWG members envisioned a *regionally focused food system* as a founding principle of the network. Responding to the food system movement and funder interest, NESAWG’s 70 members first emphasized building local, community based food initiatives. NESAWG’s focus has expanded to such regional network and capacity building projects as: regional fruit and vegetable cooperatives; farm-to-school networking; training regional agriculture economic development practitioners; inter-state marketing; and small farm services. In tandem, NESAWG’s public policy work has focused on local, state, regional and federal levels. Its policy-related publications include:

- [Regionalist Approaches to Farm and Food System Policy: A Focus on the Northeast](#)
- [Understanding Food Safety Regulations for Farm-Direct Sales: CT, MA, NY & VT;](#)
- [A Northeast Farm Bill Agenda: Priorities for the 2007 Farm Bill;](#)
- [Are We Being Served? A Regional Framework for U.S. Farm and Food Policy;](#)
- [Agricultural Policy in the Northeast States: Inventory and Innovation](#)

NESAWG and N.E. food and farm system stakeholders now are poised to move to new levels of productivity and investment. Producers are looking for broader and more lucrative markets – beyond CSAs, farmers markets and conventional wholesale -- to improve profitability. State governments and economic development agencies are realizing that they must invest in supply chain infrastructure. As energy costs and food safety concerns escalate, demand and appreciation for regionally produced food grows. Consumers are looking for good food – differentiated by geographic, production and/or social attributes. We are entering a “perfect storm” of opportunity to develop and support regionally focused, larger scale food supply chains of differentiated products.

¹ As defined by USDA, the Northeast is comprised of twelve states: Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, West Virginia. The District of Columbia is also included in this region.

The framework for this shift is the *region*. Regions are fluid; they can be described and bounded in many ways, depending on the context and application. The Northeast is comprised of twelve states and of regions within, such as New England, the Chesapeake Bay, and the Big Apple. Regions can transcend political boundaries, and in the case of food and farming, it makes more sense to think in terms of bioregions, foodsheds and *terroir*.

NESAWG defines *regionalism* as a framework for analysis and development that: a) responds to regional differences and needs; and b) encourages regional approaches and solutions. A sustainable food and farm system is a regionally focused system comprised of networks of appropriately scaled ventures, from local to within regions to inter-regional. Regions offer opportunities for economic development that are distinct from (but intersect with) community-based, national and global. Regionally focused strategies seek to capitalize on competitive advantages of scale, geography, energy use, and differentiated branding based on locale, freshness or other characteristics unique to a region.

To scale up from direct marketing or shift from undifferentiated commodity markets, N.E. producers – like their counterparts in other regions – must address various challenges. And, they cannot successfully shift without the strong support and buy-in from other players in new supply chains *and* the rest of the larger community. What will it take? What’s already in place in our region? What are the unique challenges in developing regional supply chains for the N.E.?

Through its work, NESAWG has developed a reputation for inclusiveness and collaboration with many partners in many settings. It brought food and farm stakeholders from across states, sectors, and the political spectrum to produce a unified regional voice and agenda for the 2008 Farm Bill. Its annual conference brings together food system leaders who represent all facets of the food chain – producers, processors, retailers, university and NGO supporters. NESAWG has the capacity to catalyze and convene groups and to share findings in the region and nationally.

II. Project Priorities

The purpose of this one-year project is to build an informed, solid foundation to foster networks of regional value chains (RVC). (For our purposes a value chain is a string of companies from the producer to the seller (with more “links” than direct marketing) that work together to maximize the success of all the organizations in the supply chain). Our priorities are:

Priority #1: Understand and evaluate the capacity for RVCs in the Northeast

Our first priority is to understand, evaluate and communicate about the regional capacity for food system development beyond local/direct markets. This will include research, inventory, mapping and analysis. We know that there is a high level of interest and effort in developing region-scaled food system initiatives. We have not listed specific marketing, networking and T&TA priorities for the region because we want to engage the RLT in the exercise of naming them.

Priority #2: Build leadership and capacity to advance RVCs

In our twelve-state region, there are several shining examples of successful regional value chains. Six of them will comprise our Regional Lead Team (RLT) (see below). They are eager to learn from one another and to foster other RVC enterprises. We believe that “good food” RVCs will require new capacities, technical assistance, networks and partnerships. Our second priority is to begin to tap into the expertise that exists and strengthen it.

Priority #3: Address policy barriers and opportunities. Market-based change cannot happen without addressing the policy context in which innovation is sought. Using state-level government as the pivot point, our third priority is to evaluate public policies at the state, inter-state, and state-federal levels that hinder or foster the aggregation, processing, distribution and/or purchase of regionally sourced, differentiated food products.

III. Work Plan: Strategies, Activities and Timeline

Priority #1: Understand the capacity: Our strategy is to increase (and share) knowledge about RVCs in the Northeast. We will:

1. *Convene the Northeast RLT* (which will perform the function of the project's Steering Committee). The RLT will meet 6 times by teleconference over the year, and once in person in February 2009. It will guide the project and generate the framework for inquiry. The members will constitute their own learning community, serve as advisers for all strategies and activities, and make themselves available as mentors and/or trainers. Together, our RLT represents all value chain component partners: producers, processors, distributors, and buyers. (Quarter (Q) 1.)

2. *Identify, apply, learn from and share models and frameworks.* We know that there are successful approaches to building communities of learning around food value chain development. We will investigate and apply them as appropriate to our own assessments. One exciting framework is the business cluster concept as proposed by Michael Porter and applied to our region's food system by the Northeast Regional Center for Rural Development (NERCRD) in its USDA/NRI-funded "Small Farms Industry Clusters" project (www.nercrd.psu.edu/SFIC/SFIC.htm). Business clusters are "geographic concentrations of interconnected companies" where location is a competitive advantage. Clusters are "a solid foundation and effective tool around which planning, policymaking and service delivery activities can be focused"¹. Stephan Goetz and his NERCRD colleagues have used innovative methodologies to analyze food and agricultural clusters across counties and states in the Northeast. Other models and frameworks we will study include: Iowa's Communities of Practice networks, Renewing an Agriculture of the Middle Project, and the four "good food" parameters of the W.K. Kellogg Foundation. Staff will look at the materials and websites of the first two entities, and speak with the leaders of each project. We will analyze the Kellogg "good food" parameters and see how they can be applied in the N.E. (Q 1-2.)

3. *Conduct research, inventory, mapping and analysis.* Through extensive investigation online and by phone, using a snowball activity approach, staff will investigate RVC initiatives in place, emerging and under development. We will begin with our RLT participants. On an early RLT teleconference each will describe its history, structure, market relationships, support networks, challenges and needs, and provide a written description in a common format so that the information can be used by everyone. Next, staff will focus on what else is happening in the region. The resulting mapping will be both geographic (building from NERCRD work) and relational: the location and reach of initiatives, and who is involved—producers, processors, distributors, buyers, economic development entities, lenders, TA providers, etc. Staff will compile the information and organize it in several ways. (Q 2-3.)

4. *Share our unique findings and successes* with the Good Food Network and others. We will use NESAWG's social networking site (www.nefood.org) to share information and learn from each other. We will include a track on RVCs in the N.E. at NESAWG's annual meeting in Feb. 2009. (Q 3-4.)

Priority #2: Build Leadership and Capacity: Our strategies are to: a) connect and strengthen existing leaders; and b) lay out a plan to address identified technical and relational gaps and needs (e.g., Who? How structured? What required funding and other resources?). NESAWG will:

1. *Provide a structured environment* for RLT members to learn from one other, develop a shared understanding of RVC realities and challenges, share best practices, understand business cluster organization, begin to forge their identity as leaders for the region, and understand what they can contribute to an expanded number of business clusters in the region. (Q 1.)

2. *Gain insights* about the strengths and weaknesses of our unique region with respect to RVC development. For example, our land grant institutions vary greatly in their capacity and interest to deliver TA for value chain initiatives. We have few ag lenders, and agriculture is often at the margins of economic development entities. On the other hand, we have many nonprofit food organizations and a wide variety of differentiated products. (Q 1-3.)

3. *Draft and propose mechanisms to address identified gaps* (e.g., TA, bricks and mortar infrastructure, funding). It is going to take time to strengthen N.E. supply chains. States Michael Porter, “Numerous case studies suggest that clusters require a decade or more to develop depth and real competitive advantage.”ⁱⁱ By the end of this project, NESAWG and the RLT will have determined what sort of support structures are needed to advance the work beyond year one, and identified potential funding streams to sustain the effort. (Q3-4.)

Priority #3: Address policy barriers and opportunities: Our strategy is to lay the foundation for future policy reforms. We will:

1. *Review existing literature* and reports on farm and food policy in the Northeast. (Q 1.)
2. *Interview RLT partners* about their policy-related experiences & observations. (Q 2.)
3. *Interview other stakeholders* (e.g., NGOs, trade buyers, producer coops, policymakers). Share for review and feedback. (Q 2-3.)
4. *Choose 2-4 policy reforms*; start to bring to appropriate legislative bodies. (Q 3-4.)

IV. Results and outcomes

NESAWG will evaluate this work by asking participants (RLT and other engaged partners) for feedback throughout the process and by doing a short outcome-based evaluation at the end of the year. We will also ask our partners to publicize NESAWG’s findings through their communication channels. With regard to the results and outcomes:

- We will have enhanced the resources and support for emerging RVC initiatives by sharing information, identifying gaps and needs, and studying various frameworks to determine what structures will fit N.E. stakeholders. And we will describe the next steps for organizing a N.E. community of practice.
- We will have a better understanding of the opportunities and challenges that face the development of strategic and effective RVCs. NESAWG will educate its partners and others about value chains and business clusters using project materials/website
- NESAWG and the RLT will be in a better position to raise funds for year 2 and beyond.
- We will have enhanced the skills and confidence of food value chain leaders in the Northeast by giving them a clearer understanding of how they are connected to a broader effort and how, by working together, can enhance and sustain a stronger food and farm system for the region. Leaders will have a new understanding of where we stand in the long-term development of a viable, healthy food system.

V. Collaborators, Partners and Staff

Partners for this project include strong lead organizations that have established successful value chain initiatives in various locations across the region. Combined, the lead organizations represent all the partners in a regionally focused marketing initiative -- producers, processors, distributors, wholesalers and retail buyers. Some are led or supported by nonprofit organizations. They represent the breadth of N.E. products; two are specifically organic. Partners that will comprise our RLT/Steering Committee along with NESAWG are:

- *The Center for Agricultural Development and Entrepreneurship, Inc.* (CADE) (NY) provides upstate NY farmers, cooperatives and agricultural businesses with professional business and marketing planning assistance. For this project, the focus will be on organic dairy products.
- *Red Tomato* (MA) markets ecologically produced fresh produce from farms in the northeast and southeast US to supermarkets grocery stores, coops, and restaurants throughout New England. Red Tomato combines marketing, logistics, distribution and education.
- *Farm Fresh Connection* (ME) coordinates sales of produce, meat, beans, honey and other local products by building relationships between Maine farmers, students, food buyers in health and educational institutions and local communities.
- *Chesapeake Fields* (MD) combines a nonprofit, an LLC, and a farmers' cooperative based in the Delmarva Peninsula to develop, produce and market identity-preserved artisan breads, soy snacks, popcorn and specialty grains.
- *Tuscarora Organic Growers* (PA), a cooperative founded in 1988, aggregates vegetables, flowers and plants, cheese and eggs from 30 farmers in a six county region of south central Pennsylvania, and distributes to the DC metro area.
- *Whole Foods Market's* North Atlantic "forager" works with local producers and vendors to get their products into more stores, and improve packaging, and distribution logistics.
- *Northeast Regional Center for Rural Development* provides research-based information that helps create regional prosperity through entrepreneurial and cluster-based innovation in the northeastern U.S., specifically its research on industry clusters and agricultural profitability.

Staff for this project:

- *Kathy Ruhf*: As NESAWG coordinator Kathy has led numerous regional food system projects over the past 16 years. She will direct this project, providing overall coordination, oversight and administration, including outreach, dissemination and evaluation.
- *Kate Clancy*, project consultant, will lead the inventory, mapping and analysis of value chain initiatives in the region, in collaboration with the RLT. She will also conduct the first scan of existing policies and ideas that could be most relevant to the work we are doing.
- *Annie Cheatham*, project consultant, will assist Kate Clancy in inventory and analysis. She will plan and coordinate RLT meetings, including designing in-service trainings for the RLT.

VI. Project Budget

Please see accompanying Excel spreadsheet file titled Wallace Budget (1)

ⁱ Herr, Andrew 2003. www.pittsburghregion.org/public/cfm/library/reports/Westmorelandfayettecluster.pdf.

ⁱⁱ Porter, Michael E, "Clusters and the New Economics of Competition," *Harvard Business Review*, Nov-Dec. 1998, p. 85