

CASE STUDY

Local Food Policy: Lessons Learned from Woodbury County, Iowa

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INTRODUCTION

In 2006, Woodbury County, Iowa put itself on the map as a leader in the local foods movement with trailblazing public policy initiatives to support local foods and organic production. But seven years later, it is unclear how much the local foods system really changed. Woodbury County's pioneering experiences provide many lessons for communities considering policies to support local foods.

The Problem

Woodbury County is situated along the Missouri River, at the crux of Nebraska and South Dakota, known to locals as Siouxland. Most of the county's 450,000 acres of agricultural land is worked by aging farmers. And while the region is dotted with small towns, the majority of its 100,000 residents live in in Sioux City. The region contains many agriculture-related employers including Beef Products Inc., Terra Nitrogen, Archer Daniels Midland Company, and Cargill.

In 2005 the county hired Rob Marqusee, its first ever Economic Development Director. Marqusee was deeply concerned by the county's population decline and subsequent decrease in economic activity. The rise of industrial agriculture and the technological advancements in pesticides had dramatically reduced the county's need for human capital over the last five decades. Despite the region's significant agricultural outputs, the commodities market had driven most local fresh produce production out of the county.

The Solution

Charged with reviving the local economy, Marqusee visited neighboring Cherokee County, home of American Natural Soy, one of the nation's largest organic oilseed processors. Marqusee brainstormed with founder, Mark Schuett, and they concluded that organic production was the answer to sustaining small family farms and rural communities. "In the middle of Industrial Food America we determined, as a county, that we needed to communicate that we want diversification in agriculture - because it's the only way rural communities can survive," Marqusee said.

With no economic development budget to speak of, Marqusee considered how to incentivize organic production through taxes. Later that year, he presented the County Board of Supervisors with a public policy solution. The policy guaranteed a 100% property tax rebate to farmers who converted farmland to organic production (Farmland Information Center, 2005). Marqusee hoped the policy would help build a niche market in the region and attract younger farmers to the profession. The Supervisors passed it with enthusiasm.

In an effort to provide a larger and more direct market for his organic conversion initiative, Marqusee soon put together another policy to take place in January 2006. This one mandated that county procurement officers purchase local, organic food, when available and price competitive (Farmland Information Center, 2006). It even allowed for a 10% increase in the county's \$300,000 food budget. But because at least half of the county's diet (coffee, oranges, bananas, etc.) could not be purchased within the county, in actuality, local organic food could be purchased at a much higher price point than nonlocal alternatives. Marqusee's ideas were praised across the country. He was featured in the New York Times, the Des Moines Register, and even testified to the U.S. House Agriculture Committee.

In a separate initiative across town, a citizen advocacy group was scaling up its efforts. In the fall of 2004 they established Sustainable Foods For Siouxland as a 501(c)(3) and Floyd Boulevard Local Foods Market (FBLFM) as an Iowa Non-Profit. In 2006 FBLFM hired Pat Garrity to serve as their executive director. Where Sustainable Foods for Siouxland focused on consumer issues and education, FBLFM is more producer-oriented. By 2007 the board of directors was at a crossroads. They had already built up a farmers market, meat market and a commercial kitchen, and were providing some local foods brokering services to the county. But they needed to prioritize their efforts. Garrity believed they were well positioned to offer food processing services to organic farmers. This option would increase the availability of local foods during winter months and increase the market size for local farmers. The board on the other hand, wanted to open a high-end restaurant that featured local, organic cuisine. Marqusee, however, wanted FBLFM to invest more energy into its brokering services. In the end, the board's interests prevailed, and in April, 2007, they opened Fiona's Firehouse Bistro, a restaurant dedicated to serving meals using 80 percent local foods.

Lessons Learned

A few years later, most of the projects were flagging. The county had purchased some local foods, including apples, melons, meat and eggs, but little else. And only six farmers had utilized Marqusee's organic conversion policy. FBLFM's restaurant tanked after only eight months. The board replaced Fiona's with the Firehouse Market in December 2007, but because the restaurant had depleted capital reserves, it too was unable to last and closed May, 2008. So what went wrong? In a community with so much local food synergy, why was there only modest success?

Garrity admits that enthusiasm for a project can be beneficial and can be effective in fundraising, but without the necessary membership or market base a project is setting itself up for failure. Looking back, Marqusee and Garrity both agree that their initiatives lacked an in-depth stakeholder analysis.

An assessment of three main stakeholder groups, including Producers, Consumers, and the Broker would have revealed potential problems and allowed for interventions.

- **Producers**

When Garrity tried to facilitate brokering services, he discovered that few producers were willing to supply wholesale products to the county. Most niche producers in the area sold directly to consumers at roadside stands with a considerable mark-up. Selling to the county would require dramatic per-unit price cuts and larger product volume. A stakeholder analysis could have analyzed potential solutions like incentives, better information about the viability of wholesale, and advantages of guaranteed government contracts. But instead, this problem was discovered mid-stream.

Similarly, Marqusee found out that few farmers were willing to switch to organic. Property tax incentives were simply insufficient to cover the costs of transition. An assessment would have better informed the county's incentive plan.

- **Consumers**

Though the Floyd Boulevard Local Foods Market did conduct a consumer survey, it was only distributed to existing members and not to other non-member potential consumers. As a result, the survey failed to reveal what the organization discovered later – that its members had very different purchasing patterns and priorities than the broader customer base. FBLFM's typical members were willing to pay a premium for specialty products, but other consumers were not willing to do this. A more thorough stakeholder analysis not only would have uncovered this misassumption, but it would have revealed Sioux City's true market size and consumer preferences. With this information, perhaps the board would have chosen a different path and would not have opened Fiona's.

- **Broker**

Marqusee lamented his most glaring oversight was a stakeholder analysis of FBLFM as a brokerage service. His purchasing policy could only work if the county was presented with local organic bids. And FBLFM was tasked with finding wholesalers to make these bids. But brokering was a low priority for the organization. Resistance from suppliers and the distraction of FBLFM's other ventures resulted in a low volume of proposals for the county. On the one hand Marqusee learned that a future county broker should be 100% dedicated to this role. But on the other hand, he no longer thinks the county is big enough to support a dedicated firm. He now estimates that the county would need at least a \$1 million food budget to support a full-time broker.

Outcomes

Although a comprehensive stakeholder analysis may not have predicted or solved all of the problems Marqusee and Garrity encountered, it would have led to significant changes in policy design and implementation. As of mid-2012, both policies were still in place, but they remain largely dormant. The county no longer has a broker to present bids on behalf of local organic farmers and the organics conversion program is used infrequently.

"I'm not in love with my policy right now," Marqusee said about his procurement plan; nevertheless, he refuses to call either policy a failure. Instead, he thinks the county should shift the way it evaluates success. For instance, his organics conversion policy was an incredibly cheap tool. In the last seven years, the county has only paid out \$5,000. And although it has been infrequently used, it brought a huge amount of attention to the county. Green Planet Farms (now Solbar), an organic soybean processing plant, moved to the region in 2008 because Woodbury County made itself known as an organics friendly economy. Other Iowa counties have also begun similar initiatives, taking the lead from Marqusee and learning from Woodbury County's missteps.

Moving Forward

Marqusee has shifted gears. He wrote another policy, but this time for the state. This bill, which he presented to the state legislature in 2010, offers a 20% credit to grocers, restaurateurs, and distributors who purchase food locally. In order to be eligible for the credit, purchasers must enter into a contract with producers four months before delivery. This stipulation provides economic security to producers who benefit from a guaranteed market for their goods. Because this provision shifts some of the risk, producers are more willing to supply the market with local foods, and create a local multiplier effect. Although Marqusee's policy, the Farmer & Food Security Act, was made into a study bill, it was not presented to the floor for a vote. So it too now lies dormant; but he does not believe it is dead. Despite his desire for state implementation, he thinks the policy could work at a local level. And in 2012, Marqusee advised the state of Maryland in passing a very similar law. The state of Idaho is also pursuing a similar measure.

SOURCES

Farmland Information Center. (2005). Woodbury County policy for rural economic revitalization: Organics conversion policy. Last retrieved April 4, 2013 from: http://www.farmlandinfo.org/documents/35783/Woodbury_Cty_IA_Organics_Policy.pdf

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