# **GOD, COUNTRY & GROCERIES**

How Kansans are leveraging the growing demand for local/regional food produce to revitalize rural communities and strengthen family farms

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#### Kansas Communities Dig Into Local Food

Over the last decade, Debbie Bearden has seen a change in thinking within the Kansas farming community. According to the 59-year-old, third-generation Kansas Farm Bureau member, commodity farmers and ranchers are acknowledging that there is an important place in the industry for the "specialty" crop grower. Historically, commodity crops like wheat, corn, and soybeans have dominated Kansas's agriculture. With the farm economy struggling and global commodity prices becoming increasingly unpredictable, however, specialty crops (e.g., fruits and vegetables, tree nuts, and horticulture and nursery crops) are growing in popularity and prominence.



Stories from Kansas' Allen and Douglas counties illustrate the growth of local/regional food economies in the state.

By diversifying agricultural operations (e.g., adding specialty crops, meat, or dairy production to a row crop-only operation), farmers can be better positioned to connect with local and regional markets and can generate higher profits from their goods. The markets for specialty crops (e.g. direct market opportunities like farmers markets, restaurants, or local groceries) are extremely different than those for commodity products. Farmers nationwide have found that tapping into those economic opportunities has provided a significant boost to their bottom lines.

"Kansas farmers are farming all the land they can and they're running all the cattle they can," Bearden explains. "Most realize they need to do something different to survive and to make room for the next generation. The biggest pop will come from a two-acre patch of lettuce or a high tunnel anything that can supply the farm-to-table market. The next generation can bring about crop diversification practices that improve cash flow, find opportunity in new local markets, and spur the relationship-building that will be the lifeblood of more resilient communities. All of these things wil help preserve the viability of large-scale farms."

Farmers like Bearden have seen first-hand that the increased demand for local/regional foods is not just taking place on the coasts, but that it is also taking hold across the heartland.



Kansas farmer Debbie Bearden sells products from her operation, Taste T Farm, at direct market venues.

As an advocate for rural Kansans who sees local food as a path toward economic prosperity for her friends and neighbors, Bearden is quick to tell anyone who will listen about the need for increased investment in specialty crops and local/regional food systems. With the 2018 Farm Bill actively being debated in Congress, Bearden and many other Kansas are reaching out to Kansas Senators Pat Roberts (R-KS) and Jerry Moran (R-KS).

## Opportunities and Challenges at the Federal Level

Coming only once every five years (or so) the farm bill has tremendous power to help, or hinder, American farm and food systems. The current farm bill, "The Agricultural Act of 2014", expires on September 30, 2018. Both the House and the Senate are actively working to deliver their own version of the farm bill, after which the drafts will be reconciled into one final bill. In May 2018, the House brought their version of the 2018 Farm Bill to the floor for debate and vote, but it ultimately failed to pass. The failure of the bill, which passed out of committee on purely partisan lines, was cheered by many family farmers and farm advocates as its provisions would have devastated programs that advance conservation and support rural communities.

"I was sad to see the House Farm Bill proposes to eliminate funding for the Value Added Producer Grant program," Bearden said. "The next Farm Bill needs to include funds to help U.S. communities to grow our own food economies."

The Value Added Producer Grants (VAPG) program was created in the early 2000s to help farm and food producing communities through tough economic times and low commodity prices, similar to the economic situation many American farmers are facing today. By fostering the entrepreneurial spirit of American producers and helping them to enter new and more lucrative markets, VAPG has helped family farmers and ranchers across the country to start businesses and keep current operations prosperous.

In May 2018, USDA's Economic Research Service (ERS) released a report showing the unequivocally positive effect that VAPG has had on rural businesses. Particularly in these tough economic times, VAPG has proven to be an important resource for family farmers and ranchers who want to diversify their operations and tap into new markets. The report analyzed VAPG project data to estimate the impacts of the program on employment growth and business survivability, and found that businesses that received VAPG support performed better overall on these measures. According to ERS, businesses that received VAPG funds were less likely to fail than similar businesses that did not: VAPG recipients were 89 percent less likely to fail two years after the grant and 71 percent less likely to fail four years after the grant when compared to similar non-recipients. Moreover, on average, VAPG recipients provided more jobs (five to six more employees) for their communities than similar non-recipient businesses.

Despite VAPG's popularity and successful track record, the House farm bill would have crippled the program's effectiveness by providing \$0 of direct federal investment. Given the impact that programs like VAPG (and other popular economic drivers like the Farmers Market and Local Food Promotion Program, which the bill also failed to support), it is no small wonder that farmer advocates like Bearden are concerned. There is, however, a bright spot for Bearden and her fellow Kansas farmers – the Senate has yet to deliver its draft bill, and their own Senator Pat Roberts is the Chair of the Senate Agriculture Committee.

Bearden is hopeful that the Senate Agriculture Committee will chart a different, bipartisan path, which will invest in the future success of Kansas's farmers and family farmers nationwide. An opportunity Bearden is particularly excited about is a "marker bill" that has been introduced in both the House and the Senate: the Local Food and Regional Market Supply Act -S.1947 / H.R. 3941 (The Local FARMS Act).

The Local FARMS Act would support programs like VAPG and make critical investments in local food infrastructure so that farmers like those Bearden works with in Kansas could find ways to not just to stay afloat, but to thrive. The Local FARMS Act would catalyze the vast, untapped potential in our farming and food producing communities and offer ways to transform that potential into economic prosperity. The bill includes a public-private partnership component that would leverage federal investments to tap into private capital and incentivize more collaboration between food and farm stakeholders. So far, the Local FARMS Act has received strong support from family farmers nationwide.

Will Reed, who operates the certified Naturally Grown operation Native Son Farm out of Tupelo, MS, and is also chairman of the board for the Mississippi Sustainable Agriculture Network, is such a supporter of the bill that he came all the way to Washington DC to speak with his legislators about supporting it.

"From economic development to community health, local food production is key to solving many of the challenges facing Mississippi," said Reed. "The Local FARMS Act will work to strengthen our local food system by helping to bridge the gaps that exist between local farmers and larger institutional buyers such as schools and hospitals. Continuing the growth and success of our state's farm to school program is an essential step toward curbing childhood obesity and ensuring that we have another generation of farmers interested in growing food."

# Success for Family Operations After Leveraging Federal Support

First-generation Kansas farmer Scott Thellman began farming a decade ago. At the beginning, when he was just a college student looking for summer income, he harvested hay on his parents' farm property with what he described as a "crappy old square baler."

Now 10 years later, the 27-year-old Thellman recalls one of the lessons that helped him grow his business: a neighbor offered to teach him how to grow vegetables on just a half-acre of land, and told him the first and most important thing he needed to do was to invest in a high-tunnel greenhouse so that he could extend the growing season.

But how to make that investment remained a question, particularly as a beginning farmer without



Kansas farmer Scott Thellman

a steady source of income? The answer: financial help from the Environmental Quality Incentives Program (EQIP). Thellman applied for a cost-share grant through EQIP, which is administered by USDA's Natural Resources and Conservation Service (NRCS), and came away with \$4,000 in support that he could use to build his high-tunnel.

"That little jumpstart back then was pretty monumental," he concedes. "Without that grant, I can truly say I would not be working in production agriculture today."

Last year, Thellman's Juniper Hills Farms, which is located on the western edge of Kansas City, produced over half a million pounds of food for nearby marketing outlets. They've come a long way since that first 1-acre vegetable plot, this year they plan to grow veggies on 50 acres (both organically and conventionally). Today Thellman has five employees on the payroll, and by midsummer he expects to employ up to 12.



Thellman's vegetable fields

"I now own tractors, equipment, and a refrigerated truck," said Thellman. "Tve bought farm ground and a house, and we're in the process of building a new 4,000 square foot packinghouse to meet our demand. We also broker produce for a number of Amish growers in Missouri, and distribute for a number of other producers in the region. If the markets come together this year, we'll be selling and distributing over a million dollars of local food in our region." All of which is further evidence of the burgeoning interest in local food from Kansans and the fact that the local food trends often associated with the East and West coast are beginning to take hold in the heartland.

Thellman's experience is far from unique. Farmers across the country have leveraged support from programs like EQIP, VAPG, and others in order to start, maintain, and grow viable farm and food businesses. If specialty crops have recently been considered a product of the coasts, stories like Thellmans are the

ones that are radically changing hearts and minds. With the right support, Thellman thinks that heartland farmers could start to produce at the same levels of more traditional specialty crop regions.

"We need easy access to necessary the tools and infrastructure for specialty crop production," said Thellman. "If I were a grower in California, all I would need to do is find a lettuce contractor and they'd do the washing, the packing, the shipping. In the Midwest though, we don't have that foodfarming infrastructure."

#### Family-Values Farmer and Community Organizer

Throughout their 36-year marriage, Debbie and Duwayne Bearden have raised beef for direct market sales. From the time their two sons were small, Debbie says farming offered a means to focus on things important to families – spending time together, working together, and teaching children about responsibility. As parents, grandparents and foster-care parents, the Beardens' farming experience has cultivated what Debbie calls a "business based on family values." In 2009, the Beardens bought a farm ("Taste T Farm") about 100 miles south of Kansas City.

"This way of life has allowed us to maintain an environmentally sustainable enterprise," said Bearden. "We use the soil, water, air and sunlight on our farm – plus the inputs of seed, labor and nutrients – to create food as close to nature as possible."

For the last 12 years, Bearden has supplemented the family's on-farm income by working as a Coordinator for the Allen County Farm Bureau Association. Her work centers primarily on member services support and collaboration, and she often finds herself working with her neighbors on food-related community-building activities.

About six years ago, some residents decided to try to bring a grocery store to the Allen County seat in Iola. Many of the town's 6,000 people wanted a grocery option that would match better with their scale, something different than the large Wal-Mart on the edge of town. Attendance at a Kansas State University rural grocery summit inspired Bearden and two neighbors to come up with a plan to petition for a grocery. The two neighbors went door-to-door to collect 800 signatures from residents who support the local-scale grocery vision. They then worked with Allen County on a public-private partnership that persuaded a regional grocer to establish a store in Iola.

### Individual Passions Grow Into Civic Asset

In 2014, the Allen County board adopted a resolution to create a local food and farm council. The council, "Growing Rural Opportunities Works" (GROW), fosters relationships among community members who want to expand healthy food options to the county's 12,951 residents. In a county with a poverty rate of 18 percent and obesity rate of 37 percent, the board realized that prioritizing healthy food access was critical to the physical and socioeconomic health of their communities.

GROW's appointed members come from all nine communities in the county and represent interests across the farm and food sectors. Board members include several farmers with operations ranging in size from three to thousands of acres, a medical doctor, restaurant manager, small grocer, hospital dietician, school nutritionist, food bank manager, local Extension staff, a college student, and a high school freshman.

Farmers market promotion, expanding food access, and increasing nutritious food options are all on GROW's agenda. This spring, 20 vendors are selling products at the local farmers market, which has expanded from a single venue to three. The board is actively planning a "mobile market", and have already succeeded in getting the county's local restaurants to include nutritional information on their menus.



Allen County Farmers' Market poster, featuring farmer Debbie Bearden & other vendors

GROW members also participate in other food-related projects outside the scope of their work on the board. Several members participate in Iola's Elm Creek community garden, now in its eighth

year of operation, which rents 120 plots to residents and enables them to grow their own food. Others are part of a 35-member volunteer network that helps out at the pantry network distributing free food to needy residents.

# **Boosting Local Purchasing Power**

Communities nationwide are benefitting from a program authorized through the 2014 Farm Bill the Food Insecurity Nutrition Incentive (FINI) grant program. FINI increases healthy food access by connecting low-income residents using the Supplemental Nutrition Assistance Program (SNAP) with fresh produce at local farmers markets and other retail food outlets. SNAP – commonly known as food stamps – accounts for nearly 80 percent of Farm Bill spending. FINI provides federal funds to support innovative food access programs like "Double Up Food Bucks"<sup>1</sup>, which uses federal funds to leverage private matching funds. The result is a doubling of the SNAP users' purchasing power when they use their SNAP benefits for fresh produce at the farmers market. Programs like Double Up Food Bucks create synergies across the farm and food system wherein both the consumers' and the farmers' livelihoods are improved and new relationships among community members are formed.

In 2015, Bearden learned that Kansas was involved in a FINI pilot program. She quickly arranged for Iola to become Kansas' first rural participant. In the first year of using the program in Iola, SNAP recipients used \$396 in federal funds and purchased twice as much produce at the Iola farmers market as they had in the previous year. By year three, the purchasing volumes from SNAP shoppers had tripled.

"Seventy different SNAP cardholders are now spending anywhere from \$10 to \$200 a piece at the Iola market," Bearden reported.

Bearden and the Iola farmers market vendors expect, given current trends, that SNAP sales through FINI will only continue to grow as long as the program remains in place.

# God, Country and Groceries

Twenty minutes east of Iola lays the town of Moran. Two years ago, word got around that Moran's only grocery store, Stub's Market, would be closing. Faced with the prospect of their community turning into a food desert, the local residents managed to convince the owner of the grocery to postpone retirement while they quickly worked together to develop plans for a retail food co-op.



Marmaton Market Food Co-Op community owners

<sup>&</sup>lt;sup>1</sup> For more information on the Double Up Bucks program, see the report by The Food Trust: <u>Power of Produce: Healthy</u> <u>Food Incentives Empower Families, Support Farmers and Lift Up Communities.</u>

Last summer, the co-op kicked off fundraising for the co-op, "Marmaton Market", with an event called "God, Country and Groceries." Start-up costs for the market, which include purchasing the property, are estimated to exceed \$500,000. Thus far, 110 community members have each bought \$100 ownership shares; the local newsletter describes this local support as "the heart of the co-op".

The member equity invested by the community soon inspired the county to chip in \$100,000 toward the market's completion through a grant. The 2018 Farm Bill could also help to make projects like the Marmaton Market co-op a reality, particularly if the Local FARMS Act is included.

# **Building A Culture Of Health**

Thrive Allen County is a southeastern Kansas non-profit agency that advances community-based wellness strategies that encourage physical activity, reduced tobacco use and healthy food access. Last year, Thrive Allen County applied and received a \$25,000 "Culture of Health" prize from Robert Wood Johnson Foundation (RWJF), which was intended to help the struggling community shift toward more positive health outcomes.

In Kansas' first ever health rankings, taken in 2010, Allen County placed 94<sup>th</sup> of out 105 counties in the state.

"That was a catalyst for us to plant a flag in the sand and say we have a goal of being the healthiest rural county in Kansas," said David Toland, CEO of Thrive Allen County in an interview with RWJF. "This isn't a rich place. We don't have natural advantages, but we're scrappy, we're resourceful, and our best asset is our people."

Bearden also sees the value in shifting community focus toward better health outcomes; for her, backyard gardening has been a great way for her to share her passion for agriculture while also helping her neighbors to get active.

As part of her work with the Farm Bureau, Bearden runs a program called, "Ag in the Classroom" to educate elementary school students about farming industry. Bearden is also a supporter of farm-to-school efforts and engaging youth through school gardening activities. Her passion has sparked interest from local community colleges and high schools, which are considering creating a similar program called, "Growing Growers".

When Bearden works with college-bound high school seniors, she always makes sure to tell them that even if they didn't grow up on a heritage farm or century farm, they can still come home and get involved in food production.

"I believe every person who is physically able should be given an opportunity to feel the sense of accomplishment that comes from learning to grow his or her own food," said Bearden. "Growing food is not 'somebody else's job', it's everybody's job."

#### Food/Farm Councils Taking Root In Kansas

Allen County GROW was one of Kansas' first food and farm councils. Four years later, 33 of Kansas' 105 counties now have similar councils and ten more are currently in the planning stage.

Helping to facilitate this food/farm council boom is the Kansas Alliance for Wellness a project of the Midwest Affiliate of the American Heart Association (AHA). AHA is a leader within the public health community that has helped countless communities to increase consumer access to and consumption of nutritious food. The Kansas Alliance for Wellness helps AHA to facilitate local food policy councils and related state-level initiatives.

The Alliance has done such a good job, in fact, that Kansas is a national leader in the number of food councils. According to a recent report from the Johns Hopkins University Center of Livable Futures, there is an "undeniable urge" across the nation for grassroots collaborations that drive food system reform through local, regional, state and federal policy. Clearly this drive is alive and well in Kansas. Farmers and activists like Debbie Bearden and the Douglas County Food Policy Council are blazing new paths toward community sustainability and wellness.

### Success in Douglas County

The Douglas County Food Policy Council, established in 2010 by the Douglas County Commission, is one of Kansas' many active councils. Since the council's establishment, community members in the county have managed to raise roughly \$1.1 million in grant funds for local food projects – the majority of which have been federal funds. County members have utilized farm bill programs like the Farmers Market and Local Foods Promotion Program, Value Added Producer Grants program, and the Farm to School Grant program to connect more residents with fresh, local foods and to bolster family farmers' bottom lines.

"We've seen the catalytic importance of targeted investment in local and regional food systems," said Douglas County Sustainability & Food Systems Planner Helen Schnoes. "Our public schools have tripled their local food purchasing over the past three years. Currently, they're primed to wrap up a USDA Farm to School Planning Grant and will then go on to seek the greater support that the next phase Implementation Grant can bring. I can't imagine where our community would be without this integral support."



Douglas County Food Policy Council retreat

#### In May 2018, Douglas County and the

Douglas County Food Policy Council hosted the "Harvesting Opportunity in Kansas" symposium, one of many regional convenings held around the country over the last year to promote the findings from a 2017 USDA/ Federal Reserve Bank report entitled, *Harvesting Opportunity: The Power of Regional Food System Investments to Transform Communities* ("Harvesting Opportunity").

"We want to leverage new ideas from this national publication and figure out what it actually means for Kansas," Schnoes explained. "We'll be taking a deeper dive in thinking about economic impacts and new investments that will support regional food systems development."

#### Federal Reserve Discovers Power of Local Food

*Harvesting Opportunity* includes the perspectives of 35 contributors representing 29 organizations, including voices from the American Farm Bureau Federation and Farm Credit Council. The book explores how regional food systems can serve as a means for enhancing economic opportunity.

According to Federal Reserve Bank Governor Lael Brainard and St. Louis Federal District Bank President/CEO James Bullard, financial-sector collaboration is key to capitalizing on this economic opportunity.

"Each financial partner has a different risk appetite, time horizon, and type of capital to deploy – grants, debt, equity – and each regional food enterprise needs access to different types of knowledge and capital, Brainard and Bullard write in book's foreword. "By combining and coordinating the capital sources and technical assistance providers available, the variety of needs that exist can be addressed."

Nationwide, food supply networks are forming to shorten the geographic distance between farm and fork. These new networks are not just bringing food to communities; they're also bringing economic opportunity. Robust farm-to-fork pipelines create economic opportunities for farmers, and also for community members as new industries and jobs are created. In order to develop these pipelines, however, comprehensive funding and finance solutions need to be in place to build the required infrastructure.

# Building Out the Pipeline through the Local FARMS Act

Throughout the U.S., local-food financing circles are dipping their toes into "impact investment" funding models, investments made with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return. If the Local FARMS Act is included in the 2018 Farm Bill, it could help to catalyze decentralized, regional-scale funding and finance collaborations nationwide.

The Local FARMS Act would combine and streamline two of the farm bill's most impactful programs when it comes to the development of local and regional food economies – the Farmers Market and Local Food Promotion program and Value-Added Producer Grant program. Together these programs would become the Agricultural Market Development Program (AMDP), a program capable of providing \$80 million a year in direct investments into local food and farm systems.

AMDP also includes a new public-private partnership component that will help communities leverage existing civic assets to build local and regional food economies. The program can be used to use farm bill investments as catalyzing forces with which to tap private capital and incentivize more collaboration across sectors and stakeholders.

# The Path Forward

In many communities across the country, including the Kansas communities highlighted in this report, the building blocks for robust rural economies and thriving farm-to-fork pipelines are already in place. With the right policies and investments from the next farm bill, these building blocks can be transformed into powerful systems that empower communities to achieve their full potentials.