

Multistate Research Activity 2015 Accomplishments Report

Project/Activity Number: NC1198

Project/Activity Title: Renewing an Agriculture of the Middle: Value Chain Design, Policy Approaches, Environmental and Social Impacts

Period covered: October 2014 to September 2015

Date of This Report: October 28, 2015

Annual Meeting Date(s): October 6-7, 2015

Members of NC1198

Mary Ahearn, USDA/ERS, mahearn@ers.usda.gov

J. Gordon Arbuckle, Jr., Iowa - Iowa State University (IOW),
arbuckle@iastate.edu

Carmen Bain, Iowa - Iowa State University (IOW), cbain@iastate.edu

Christy A Brekken, OTHER-Oregon State University, brekkenc@onid.orst.edu

Lilian Brislen, OTHER-University of Kentucky, Lilian.Brislen@gmail.com

Larry L Burmeister, OTHER-Ohio University, burmeist@ohio.edu

Kate Clancy, OTHER-Independent Food Systems Consultant,
klclancy@comcast.net

David S. Conner, Vermont - University of Vermont (VT.), david.conner@uvm.edu

Kathryn De Master, California -Berkeley : University of California, Berkeley
(CALB), kathryn.demaster@berkeley.edu

Michael D. Duffy, Iowa - Iowa State University (IOW), mduffy@iastate.edu

Lindsey Farnsworth, OTHER-University of Wisconsin-Madison,
ldfarnsworth@wisc.edu

Gail W Feenstra, University of California-Davis (CALB), gwfeenstra@ucdavis.edu

Alicia Fisher, OTHER-University of Kentucky, alicia.fisher@uky.edu

Charles A Francis, Nebraska - University of Nebraska (NEB), cfrancis2@unl.edu

Thomas W. Gray, USDA, thomas.gray@wdc.usda.gov

Lauren E Gwin, OTHER-Oregon State University, lauren.gwin@oregonstate.edu

Shermain Hardesty, University of California-Davis,
shermain@primal.ucdavis.edu

Craig Harris, Michigan-Michigan State University, craig.harris@ssc.msu.edu

Mary Hendrickson, Missouri-University of Missouri,
Hendricksonm@missouri.edu

Clare Hinrichs, Pennsylvania - Pennsylvania State (PEN), Agricultural
Economics, Sociology, and Education, chinrichs@psu.edu

Jan Joannides, OTHER-University of Minnesota, joann001@umn.edu

Robert King, Minnesota - University of Minnesota (MIN), Applied Economics,
rking@umn.edu

Fred Kirschenmann, Iowa - Iowa State University (IOW), Leopold Center,
leopold1@iastate.edu

William Lacy, California - Davis : University of California, Davis (CALB), Human
and Community Development, wblacy@ucdavis.edu

Daniel A. Lass, Massachusetts - University of Massachusetts (MAS), Resource
Economics, dan.lass@resecon.umass.edu

Larry S. Lev, Oregon Cooperative Extension (ORE), Agricultural and Resource
Economics, larry.lev@oregonstate.edu

Michelle Miller, Wisconsin-University of Wisconsin, mmmille6@wisc.edu

Marcia Ostrom, Washington - Washington State University (WN.P), WA Co-op
Extension / Ctr for Sus. Ag & Nat. Res., mrostrom@wsu.edu

Hikaru Peterson, Kansas - Kansas State university (KAN), hhp@agecon.ksu.edu

Keiko Tanaka, Kentucky - University of Kentucky (KY.), Community and
Leadership Development, ktanaka@uky.edu

Michelle R Worosz, Alabama - Auburn University (ALA), Ag Econ & Rural
Sociology, michelle_worosz@auburn.edu

Zhaohui Wu, OTHER-Oregon State University , wuz@bus.oregonstate.edu

Tal Yifat, OTHER-University of Chicago, tal@uchicago.edu

Brief summary of annual meeting (see attached full meeting minutes for additional
details):

Date: October 6-7, 2015

Location:

Campus Club in Memorial Union, University of Minnesota
300 Washington Ave. SE, Minneapolis, MN 55455

Attendance:

Sandra Bankuti, Christy Anderson Brekken, Lilian Brislen, Larry Burmeister, Kate Clancy,
Joe Colletti, David Conner, Kathy DeMaster, Rebecca Dunning, Jill Fitzsimmons, Shermain

Hardesty, Craig Harris, Keith Harris, Clare Hinrichs, Phil Howard, Becca Jablonski, Jan Joannides, Rob King, Liz Kramer, Larry Lev, Michelle Miller, Marcia Ostrom, Hikaru Peterson, Stacey Sobell, Helene Murray, and Keiko Tanaka.

General Project Discussion:

Project members from across the country reported another productive year. In addition to the activities listed here, many members were involved in research and education activities on food and agriculture closely related to Ag of the Middle (AOTM). The two USDA NIFA AFRI proposals generated from the 2012 meeting were resubmitted by their respective teams in 2014 and received funding. The proposals will contribute directly to completing the project objectives directly over the 3 years of funding. The meeting attendance was higher than last year. We gained a few new members and hosted a few guests.

Subgroups met to discuss and report back on progress achieved and new ideas under each project object. The sub-committee on the Ag of the Middle website (<http://agofthemiddle.org/>) formed in the 2013 meeting presented the site redesigned by the UW-Madison Center for Integrated Agricultural Systems (CIAS) to reflect the group discussion in past years. The AOTM website committee (Ostrom, Brekken, Joannides, and Miller (representing host CIAS) received permission for final revisions and website launch. Contextual contributions were assigned among website committee members and others. The group reviewed organization of site and confirmed target audience for the website. Agreed that the concept should be made as user-friendly and appealing as possible for all audiences, including farmers and practitioners, with more detailed academic materials available for those interested in more in-depth analysis. Discussed the process to determine which publications and curricular materials should be included. The last topic of discussion was about a longer-term vision for the group's work on AOTM. Since usable funds at UW-Madison CIAS are limited to support the AOTM site, the group members agreed to write in expenses to maintain it in future grant proposals.

The group discussed various ways to promote and explain AOTM concepts in a clearer way to professional and public audiences. A small group reported on an organized symposium for the Food and Agricultural Marketing Policy Session track at the July, 2015 Agricultural and Applied Economics Association (AAEA) meetings in San Francisco. Another small group has partnered with European colleagues to arrange a full conference track at the upcoming meetings of the XIV World Congress of Rural Sociology (IRSA) to be held Toronto, August 10-14, 2016. Abstracts for 16 paper presentations were accepted and the most promising will be incorporated into a special issue of the International Journal of the Sociology of Agriculture and Food.

In addition, the group continued its tradition of having an annual teleconference with a USDA NIFA Program Leader. Jill Auburn joined our meeting by telephone to offer updates on NIFA programs and answer questions about changes to funding programs and discuss potential opportunities for funding AOTM work.

Accomplishments - October 2014 to September 2015:

Outputs:

Grants:

Listed are some recent grants involving NC-1198 project members. Members have written and submitted additional grant proposals with other collaborators on issues related to AOTM that are not all listed here.

Grants Submitted and Awards Received by members

Peterson, H.H., G.W. Feenstra, M.R. Ostrom, K. Tanaka, and C. Anderson-Brekken. "Impacts of Values-Based Supply Chains on Small and Medium-Sized Farms." 2015-2017. USDA-AFRI, Small & Medium-Size Farms Priority area. \$499,995. [Obj 1, 2, 3, 4]

Lev, L., R. King, J. Joannides, G. Feenstra, S. Hardesty. "Cultivating Specialty Food Industry Sales: New Opportunities for Small and Medium-Sized Farms." USDA-AFRI, Small & Medium-Size Farms Priority area. 2015-2017. [Obj 1, 2]

Miller, M. "Regional food freight transportation study". September 2014 – August 2015. USDA-AMS, Transportation Division [Obj 1, 4].

Ostrom, M. and C. Donovan. "Strategically Deploying Data to Enhance Local and Direct Markets." Washington State Specialty Crops Block Grant, USDA. \$83,958 [Obj 2, 3].

Ostrom, M. and C. Donovan. Is it Local? Federal-State Marketing Improvement Program, USDA Agricultural Marketing Service. P.I.: M. Ostrom and Co-P.I.: C. Donovan. \$76,633. (Obj 1, 2, 3)

Activities:

Based on reports presented at the annual meeting, most members have contributed to sharing the concept and vision of Agriculture of the Middle and Values Based Food Supply Chains over the past year. Members also shared their latest research findings pertaining to the project objectives. In addition to the specific activities listed below, individual members described multiple ongoing activities related to AOTM.

A. Peterson et al. AFRI Grant (see citation above):

1. Have begun been building and convening an advisory committee based of VBSC partner organizations, producers, and university researchers.
2. Have developed a database of Values Based Supply Chains (VBSC) in the U.S. and cataloged them based on what is known about their environmental, economic, and social objectives.

3. Have developed first draft of a producer survey, including questions related to all four NC1198 objectives to go out to farmer suppliers of 12 different VBSCs.
4. Have circulated and tested survey with partner organizations and producers.
5. Have developed initial list of producers from VBSCs to receive the survey.

B. L. Lev et al. AFRI Grant (see citation above):

Investigating whether manufacturers are interested in purchasing differentiated ingredients produced by small- and mid-sized farmers.

Scope: Oregon, Washington, California, and Minnesota/Wisconsin; Dairy products, processed meats, processed fruit & veg, processed grain products

- Surveyed 1000 specialty food manufacturers
- Assembled list from scratch
- Lesson learned: people v. reluctant to go online and respond to surveys, even with repeated surveys. 2/3 of responses have come from paper survey.
- B/c of difference in response rate among regions, started calling people to get them to do the surveys to equalize among the regions. Taking a lot longer than we thought.

Survey focused on perceived benefits and obstacles by manufacturers when setting up ingredient purchasing systems.

C. Mary Hendrickson studies on fairness in the food system

- Implementing project called “Local food is good” (along with colleagues H. James (University of Missouri) T. Johnson (University of Missouri) and R. Cantrell (University of Nebraska)).

Investigating the notion of fairness since “fair and competitive” markets were a highlight of the USDA-DOJ hearings a few years ago, and “fair” shows up as part of the narrative/discussion of alternative food systems. We’ve created a conceptual notion of fairness (soon to be posted on ResearchGate) that centers on five freedoms (negotiation, transparency etc.). We hope to post the working paper yet in October.

Finishing papers reporting results of AFRI project # 2011-67023-30084. Completed a paper on economic impacts (available at <https://localfoodlinkages.wordpress.com/economic-impact-analysis/>). We have also finished analyzing focus groups with rural consumers. The narrative that “local food is good” has penetrated to these consumers. They have the same kinds of ideas about what local means – a geographic place, the relationship between farmer and eater, sustainability – that have been widely reported. Focus groups participants – even the low income participants in food stamp farmers’ market programs – were emphatic that local food is NOT corporate food. Even when presented with examples like ConAgra in Omaha or Tyson in southern Missouri, the consumers did not consider that local food even if in the region, and also said it wasn’t as good for the community or themselves as local food was. Urban consumers were more

interested in trying to put “miles” on local food – 100-150 miles most commonly – while rural consumers talked more in terms of place boundaries, like counties. That suggests that rural consumers think local is closer than urban consumers when it comes to food. Also to some degree surprising, almost all rural consumers are involved in local food systems even when not actively seeking them out. Results of this project were presented at the Rural Sociological Society meetings in August in Madison and at the AFHVS meetings in Pittsburg in June 2015. Working papers will be posted by the end of the year.

D. Kate Clancy served as a member of the “Committee on a Framework for Assessing the Health, Environmental, and Social Effects of the Food System” that published a Framework for Assessing Effects of the Food System, edited by Nesheim, M.C., Oria, M. and Yih, P.T. 2015. National Academies Press, Washington D.C., available at: <http://www.nap.edu/catalog/18846/a-framework-for-assessing-effects-of-the-food-system>

E. Gail Feenstra at the Sustainable Agriculture, Research & Education Program (SAREP) has continued to actively develop research and outreach initiatives over multiple years: (1) farm to school/ farm to institution evaluation focusing on regional procurement, and (2) assessing and developing markets for small and mid-scale, beginning and ethnic producers through values-based supply chains. Having the opportunity to view the challenges of Ag of the Middle from consumer, retailer, wholesaler, distributor, processor and community perspectives, has allowed analysis of the issues in values-based supply chains from a systems lens.

Selected presentations by members

A track session, “Agriculture of the Middle,” was organized by **Robert King** at the 2015 Agricultural and Applied Economics Association (AAEA) annual meeting, July 28, San Francisco. This session examined recent trends and introduced past and ongoing research on Agriculture of the Middle. Presentations addressed objectives 1-4 and included:

Peterson, Hikaru Hanawa. 2015. Introduction to “Agriculture of the Middle”

King, Robert. 2015. “Agriculture of the Middle 2002 – 2012”

Larry Lev; Gail Feenstra; David Conner; and Shermain Hardesty. 2015. “AOTM Solutions: Farm-to-Institution, Driven by Demand, Values-Based Supply Chains, Cooperative Partnership.”

Peterson, Hikaru H. 2015. “Challenges and Opportunities.”

A webinar addressing Objective 3 featured the work of **M. Hendrickson**, T. Johnson, and R. Cantrell as well as the work of **Becca Jablonski** and Dawn Thilmany was

recorded and archived by the Federal Reserve of St. Louis. It attracted approximately 120 people on October 1, 2015. It can be accessed at https://bsr.stlouisfed.org//EI_CDAudioConference/#30/food-entrepreneurship-a-proven-approach-to-build-your-local-economy-and-jobs

Additional Presentations:

Conner, D. and K. Meter. 2015. "Use of Primary and Secondary Data in Evaluating Local Food Systems," Agricultural and Applied Economics Association (AAEA) Annual Meeting, July 28, San Francisco.

Donovan, M.; Goldberger J. and **M. Ostrom**. 2014. Exploring the intersection of marketing and sustainable farming practices. *Poster*. BIOAg Symposium, Center for Sustainaining Agriculture and Natural Resources, Washington State University, Pullman, WA, Oct. 28 [Obj 3]

Miller, M. 2014. "Innovations in Sustainable Agriculture and Food Supply Chains," Research Conference, University of Exeter, 2014 [Obj. 1]

Milestones:

The major milestones of the past year were the two USDA AFRI grants received by the NC-1198 project members that both began funding cycles starting in January 2015 that address all four project objectives (citations above) and the Conference Track organized at the Agricultural and Applied Economics Association (AAEA) annual meetings, July 28, San Francisco.

Looking ahead, the revision and launch of the new AOTM website and the full conference track to be held at the XIV World Congress of Rural Sociology (IRSA) with EU colleagues from the "Healthy Growth" project in Toronto, August 10-14, 2016 will be additional milestones. The IRSA track organized by Schermer, M.; **DeMaster, K**; Noe, E.; and **M. Ostrom** (2015) is entitled "Assessing the Potential of Values-Based Food Chains for Sustainable Agriculture and Rural Livelihoods." Among the 16 presentations within this track will be paper presentations by: (1) **Ostrom, M.**, Kjeldsen C., Kummer, S., Milestad, R., and M. Schermer, "What's going into the box? An inquiry into the ecological and social embeddedness of EU and US box schemes" and (2) **Kathy DeMaster**, "Introduction and Evolution of Concepts of Agriculture of the Middle."

Indicators:

The number of project members has grown and new members attended both the 2014 and 2015 meetings. Attendance at annual meeting has increased. Available funding has also grown with the successful submission of the two AFRI NIFA grants.

Publications

Peer reviewed publications

Conner, D.S., N Sevoian, SN Heiss, and L Berlin. 2014. "The diverse values and motivations of Vermont farm to institution supply chain actors, *Journal of Agricultural and Environmental Ethics* 27 (5): 695-713.

Conner, D.S., DeWitt, R.L., Inwood, S.M., and M Archer. 2015. "Social Responsibility and Community Development in Vermont's Food Businesses, *Journal of Food Research* 4 (6), 93.

Heiss, S.N., Sevoian, N.K., **Conner, D.S.** and L Berlin. 2015. "Farm to institution programs: organizing practices that enable and constrain Vermont's alternative food supply chains, *Agriculture and Human Values* 32 (1), 87-97

Feenstra, G. and D. Campbell. "Local and regional food systems." 2015. In P.B. Thompson and D.M. Kaplan (Eds.), *Encyclopedia of agricultural and food ethics*. [Obj 2]

King, R., M. Hand, G. DiGiacomo, K. **Clancy**, M. Gomez, S. **Hardesty**, L. **Lev**, E. McLaughlin and K. Park. 2015 *Growing Local: Case Studies in Local Food Supply Chains*. University of Nebraska Press [Obj 1]

Miller, M. and J. Solin. 2015. "The power of story for adaptive response – marshaling individual and collective initiative to create more resilient food systems" *Journal of Environmental Studies and Sciences* [Obj 4]

Ostrom, M. 2015. "Trends in Consumer Food System Participation and Implications for Agrifood Movement Mobilization and Systems Change in the Northwestern United States," in *Transitions for Sustainable Agriculture*, SISA Special Issue (2), INRA, Paris [Obj 2, 3, 4].

Book chapters

Lev, L.; Stevenson, G.; Clancy, K.; King, R.; and M. Ostrom. 2015. "Values-Based Food Supply Chains," in *The SAGE Encyclopedia of Food Issues*, SAGE Publications, Inc. Volume 3, pp. 1417-1419. [Obj 1]

Ostrom, M. 2015. "From our Own Fields: Reconnecting Food, Farms, and Communities." In *Human Nature: Sustainable Farming in the Pacific Northwest*. A. M. Davidson, Minor Matters Books, Seattle, WA. [Obj 2].

Extension reports

Day-Farnsworth, L, Miller, M. (2014). Networking across the supply chain:

Transportation Innovations in Local and Regional Supply Chains. [Obj 1& 4]
<http://www.trb.org/Policy/Blurbs/170956.aspx>

Miller, M., Hirsch, R., Werts, P and T. Green (2014). Extending your business range and reaching new clients with low-cost communications. *Crops and Soils Magazine* 2014 47:28-30. doi:10.2134/cs2014-47-1-9 [Obj 1& 3]

Proceedings

Milestad, R.; Kjeldsen, C.; **Ostrom, M.**; Schermer, M.; Kummer, S.; and C. Furtschegger (2015). "Ecological embeddedness of box schemes – a cross-national study." European Society for Rural Sociology Congress, Aberdeen, Scotland, August 19-21.

Meeting Minutes

Annual Meeting of NC1198

October 6-7, 2015: Minneapolis, MN

The Campus Club of University of Minnesota

Coffman Memorial Union

300 Washington Ave SE,

Minneapolis, MN

Goals for the Meeting:

- Introduce new committee members to the national ag-of-the middle initiative (www.agofthemiddle.org) and the role of NC1198 to provide research-based information & education to support the renewal of mid-size farms, ranches, and fisheries
- Update each other on member contributions to the project objectives over the past year
- Share recently funded research/education projects involving committee members
- Share updates on the website and other plans that came out of 2014 meeting
- Discuss plans for continuation of work, measuring outcomes and reporting
- Dialogue with USDA program representative on opportunities for upcoming years

Monday, October 5

6:00 PM Dinner gathering for early arrivals was held at Punch Pizza, 802 Washington Ave SE organized by Jan Joannides,

Tuesday, October 6th

1. Committee member introductions: Interests, current research & education work

- Lauren Gwin, Oregon State University, Associate Director of Small Farms and Community Food Systems
 - Runs national niche meat processors network
 - NIFA grant – beginning farmer and rancher – works to promote long-term environmental and economic sustainability
 - What do you need to know as a small/med farmer to engage in value chains?
- Christy Anderson-Brekken, Oregon State University, Agricultural Economics
 - Teaches environmental law and food systems – on campus and e-campus
 - Working on a values-based supply chain grant
- Kathy DeMaster, UC Berkeley, Environmental Science Policy and Management
 - Place-based products
 - Working on a CA-based incubator program for farm workers
- Clare Hinrichs, Penn State, Rural Sociology
- David Conner, University of Vermont
 - Supply chain for hard cider – working on increasing sourcing locally-grown apples
 - Economic contribution of local food systems – specifically farm-to-institution and farm-to-food hubs
 - Applied for a grant to develop wholesale ready farmers
- Larry Lev, Oregon State University, Applied Economics and Management

- Planning Committee for extension sustainability summit – five focus areas, one of which is food. Goal is to get extension professionals together to talk about these issues.
 - Working on new journal - “Distributed, Interconnected, and Democratic Agri-Food Economies”
- Kate Clancy, food systems consultant, affiliations with the University of Minnesota, Johns Hopkins, and Tufts University
 - 5th year of a 5 year Global Food Security AFRI grant
 - Full systems project in the NE
 - +75 different activities going on, looking at the capacity of the NE to grow more food – climate change and water components
 - Focus is on low income neighborhoods/stores
 - ‘Sustainable Diets’ – defending sustainability being included in the dietary guidelines
 - Committee of the Institute of Medicine – framework assessment came out in January.
 - 1st people who picked up framework with those working with community groups and food policy councils
- Keiko Tanaka – University of Kentucky
 - Database of values-based supply chains
 - Inclusion/exclusion criteria?
 - Southern SARE beginning farmer program
- Lilian Brislen, University of Kentucky
 - Writing her dissertation on the impacts of food hubs on mid-scale farmers
 - Executive Director of the Food Connection on campus – tasked with instruction of food systems across campus, including with the dining hall
 - Evaluation of the impacts of Aramark’s purchases
- Jan Joannides, Renewing the Countryside (nonprofit) – based in MN
 - Grant to work with specialty crop enhancement teams – figuring out what the barriers are
 - Farmland access
 - Financing mid-sized farms, incubating slow money chapter, local food finance committee – helping farms and food businesses to scale up
- Craig Harris, Michigan State University, Department of Sociology
 - How value chain networks are formed? Structure? What did you do? How did the network get formed? Who got lost along the way?
 - Affiliated with the Center for Regional Food Systems
- Rebecca Dunning – Center for Environmental Farming Systems, North Carolina State University
 - Works at the intersection of small and mid-scale growers (\$50-\$500k)
 - Motivation is to diversify the food system by balancing market power
 - Has been focused on vertical collaboration, but now working towards more horizontal collaboration
 - Working to align interests of various supply chain actors
- Stacy Sobell – EcoTrust (nonprofit) – based in Portland, OR
 - Director of food and farms program
 - Almost every thread of work is focused on ag of the middle

- Working on an ag of the middle – interviewing farmers – developing cost of production
- Liz Kramer – University of Georgia, Ag and Applied Economics Dept – trained as a Landscape Ecologist
 - New to ag of the middle
 - Looking at role of landscape diversity in pesticide usage across the U.S.
 - Works a lot with water
 - Directs the Sustainable Food System Initiative
 - Heritage/perennial grain project
- Michele Miller – University of Wisconsin, Center for Integrated Systems
 - Human organization – patterns at a regional level – how landscape diversity fits in with strengthen of local food systems, actors involved and power along supply chain
 - Climate and local food systems – how local food trade impacts climate
 - Labor project
- Jill Fitzsimmons – University of Massachusetts-Amherst
 - Dissertation is looking at how markets are structured, market power
 - Taking choice experiments into the field
 - Project on a food processing center in her region – how can we think differently about value added
 - Farmer behavior choices to choose to sell to different markets
- Shermain Hardesty, UC Davis, Ag Econ, leads small farm program
 - Economic impact assessment of local foods in the region
 - Food safety issues
- Larry Burmeister – Ohio University, Department of Sociology
- Joe Colletti – Iowa State University
 - USDA Advisor
- Phil Coward – Michigan State University, Community Sustainability, Sociologist
 - Consolidation in the food systems – a book is coming out soon called: “Concentration and power in the food system” – strategies firms use to increase their market share
 - Bridging information gaps between farm-consumer
 - NSF project to attract kestrels to orchards
- Keith Harris – Kansas State University – Agricultural Economics
 - Worked a lot with larger firms/industries – importance of relationships between small and large scales
 - How do relationships improve overall performance to deliver value to those across the chain
 - Teaches courses on agri-business logistics
 - Many students do not see/understand mid-sized firms – interested in developing some cases that have medium scale organizations to give students broader perspective
 - Network analysis – to predict or examine/foster coordination.
- Becca Jablonski – Department of Agricultural and Resource Economics, Colorado State University
 - Benchmarking expenditure patterns of local food system participants (farms and innovative businesses)
 - Working in collaboration with Farm Credit

- USDA ARMS data
 - USDA AFRI funded project looking at rural and farm profitability impacts of urban-based local food system initiatives
 - Using GrowNYC/Greenmarkets as a case study
 - USDA AMS Toolkit on best practices for evaluating the economic impacts of local food system initiatives
- Sandra Bankito – Kansas State University- visiting scholar
 - Coordination of supply chains – value based supply chains in Brazil
 - Failures of coordination – impacts of certification
 - Relationship of agents in values based supply chains
- Hikaru Peterson – University of Minnesota – Dept of Ag Econ
 - Role of economics as a discipline – how can we address food marketing and food systems issues
 - Two AFRI projects
 - Agriculture of the middle
 - Rural groceries
 - Still new in Minneapolis so feeling out landscape – had conversations with home grown Minneapolis – coordinate farmers’ markets
- Rob King – University of Minnesota – Dept of Ag Econ
 - Specialty food projects
 - Phased out retirement – will be in Oregon in the spring teaching a course.
- Marcy Ostrom
 - Chair of NC1198 this year. Have been working with various members of this group through 3 multistate projects starting with “Sustaining Local Food Systems in a Globalizing Environment, NE1012, then NC1036, and now this one. Faculty member in the WSU School of Environment and and lead Small Farms and Food Systems Programs at the WSU Center for Sustaining Agriculture and Natural Resources.
 - Teaches foods systems course using case studies from last project
 - Interested in replicating the work at UVM by creating a university-wide Food Systems Initiative at WSU. Challenging to create a food systems degree program without any social scientists
 - On steering committee of the eXtension CLRFS group
 - Working with a European group – “Healthy Growth”– inspired by Ag of the middle project

2. Reviewed structure of multi-state projects and funding support, Joe Colletti, USDA advisor for this project. How Hatch multi-state projects work:

- Hatch multi-state funds come to ag experiment stations primarily, land grant universities
- 4 regions
- Each region has an executive director, and associated states and committees
- Through these regions, a suite of projects can be authorized
- This NC1198 – multi-state research project
 - Front and center has to have research objectives and a methodology
 - Need to have benefits that reach across boundaries – disciplinary and regional
 - 5 year approval, and mid-term evaluation

- look at outputs/impacts compared to stated objectives
 - 2017 is the end date of this project
- NIMSS system – where one can look at information about any/all multi-state committees
- Different types of committees/organizations
 - Multi-state research projects
 - NCCC (North Central Coordinating Committee) reviews the research proposal for this project – originators of the grant were in the North Central region
 - Regional designation does not make a difference – can shop a project around to see which groups are most interested in collaborating.
 - Predecessor of this committee = coordinating committee
 - Also peer-reviewed, but more about connecting and to exchange information
 - New projects for each of the regions must be submitted by December 1st.
 - ERA (Education Research Activities)
 - Needs to have a set of objectives that reach across research, extension, and education
 - This is another type of committee
 - Must be peer reviewed
 - Rapid Response Designation
 - Call through experiment station for an issue that needs a rapid response
 - NCDC (development committee)
 - Don't need to go through this step first

3. Reviewed objectives of NC1198 “Renewing an Agriculture of the Middle”

- Discussed and viewed each objectives using handout and projector.
- Entering the 4th year of our project. Time to review the goals of our project
- Will form work groups for the objectives and assess our work so far. We will need to collect this information for our reporting.
- Project ends Sept. 30, 2017. We have one more meeting authorized, in 2016. Before next year's meeting, we'll have to apply for the next project.
- NCDC (development committee)
 - Don't need to go through this step first

4. Updates from currently funded research project teams and 2014 work groups

• Group #1: “Beyond Fresh and Direct,” AFRI project, Larry, Shermain, Rob, Gail, Jan

Small- and mid-sized farms supplying ingredients to specialty food manufacturers. Resubmitted grant as “Beyond Fresh and Direct” – which was key to their grant success. Wanted to look at whether those manufacturers were interested in purchasing differentiated ingredients produced by small- and mid-sized farmers.
Scope: Oregon, Washington, California, and Minnesota/Wisconsin

Dairy products, processed meats, processed fruit & veg, processed grain products
Didn't want to do case studies again. Survey research instead.

- surveyed 1000 specialty food manufacturers

- there was no list, had to assemble it; included some farms
- Lesson learned: people v. reluctant to go online and respond to surveys, even with repeated surveys. 2/3 of responses have come from paper survey.
- Our respondents tend toward smaller side.
- B/c of difference in response rate among regions, started calling people to get them to do the surveys to equalize among the regions. Taking a lot longer than we thought.

Survey focused on perceived benefits and obstacles that these manufacturers thought about when setting up ingredient purchasing systems. E.g.: whether they thought having farmer stories to associate with products would be important. Some do, some don't. You tell the story of your product, so is there room for the story of ingredient suppliers?

Minnesota outreach related to the project (Jan): 2 years ago, folks in region realized they had no fancy food show in Midwest. Decided to host a 2-day event: day 1 linking wholesale and institutional buyers to local producers and day 2 public market. Lots of excitement, attendance. This year we will have a farmer-manufacturer, a manufacturer focused on sourcing differentiated products, and a retailer focused on this. Have a juried process to select companies. Not just where they make the product but where they source their ingredients.

Michelle: could CIAS send a letter to companies to get responses?

Larry: already done with it, but that's a great strategy.

Joe: could you work with some of your respondents on implementation if they wanted that?

Larry: the survey was anonymous. We asked if people were interested in doing more, but we can't access the names. We will present the results in venues where we hope to find people interested in doing more. Clare: did you build on previous surveys or build a new one? We've all worked in this area for a while, but were there new measures you used? This is a resource for this whole project.

Larry: can make the survey instrument available. Drew on many sources but was original. Just getting into analysis.

Rob: we do have some lessons learned about survey question design.

Keith: did they open the email or delete it?

Larry: our survey research center has some measure of that. But when you deal with a firm, a lot is finding the right person to respond to the survey.

• "Impacts of Values-based Supply Chains on Small and Medium-Sized Farms," AFRI project, Hikaru, Keiko, Marcy, Christy

- Hikaru prepared a 1 page summary
- Made a database of all the VBSC case studies that have been done by this group & others and characterized by stated values.
- Survey – trying to come up with a list of 3000 farmer members of VBSCs to survey
- In process of developing survey—will look to this group for help with designing questions to measure NC1198 Objectives.

Discussion with Keiko on database:

- Alicia did a lit review to find all the published case studies, but we believe many are out there unpublished and not findable.
- Now working on inventorying business entities. Has 295 in a spreadsheet, ID'd from

- existing databases on food chains & food hubs, USDA, NGFN, Wallace Ctr, etc.
- As a group had to decide on criteria for inclusion/exclusion. Food hubs? Farmers market? Agreed-upon criteria are listed in Hikaru's summary: value statements, identifiable forward- and backward supply chain linkages, and whether they aggregate product from multiple small/mid-scale farms.
- Wanted to include certification criteria: the process of certifying through the chain that values are being met. But we dropped that b/c if "local" is a value, that's not certifiable. So what do we do with the big farmers' markets? They potentially meet criteria but aren't supply chains? And food hubs? Some meet the criteria. We now include everything. Of the 295 identified, we've included 255, excluded 25 b/c don't exist or are just 1 farm, and 15 we aren't sure. Haven't included the FMkts yet.
- So many websites don't provide enough info to make decisions.

Michelle: how many FMkt farmers are selling wholesale at the market? At the Ontario food terminal, they have a farmers' market set up for wholesale product. You can't do retail there. It's a key innovation for bridging scale between small farmers and large supply chains.

Kate: the old, long-term regional markets, e.g., in Syracuse, have been there forever. I'd skip farmers' markets all together. Marcy: but some markets are better food hubs than food hubs.

Lillian: Is the criterion that you're aggregating to have enough of a specific product or to have a full product line (and e.g., only 1 farmer producing apples for that line). Becca: why does this matter? Why create a database?

Keiko: so people who want to study VBSC will know what has been studied and what to study for the future. And with our surveys, we want the farmers who are included in VBSC to be included in the sample, but we don't know which ones have been studied to death.

David: once you create a database, it's immediately out of date.

Becca: bigger problem is that all of our values get put on top of deciding who gets included. 10 years ago, I interviewed lots of distributors across NY State, and many of them are bringing more value to local, AOM farmers than these businesses that are probably in the database.

Craig: though it will be arbitrary, it'll be valuable. If I want to use it for secondary research, I need to know the metadata.

Kate: there are two databases – the VBSC case studies and the business entities themselves.

Marcy: Helps define what we're trying to do as researchers, how we talk about it. This will help us differentiate this type of entity from a food hub. There are too many definitions right now.

Kate: in our project, we are not calling something a food hub unless it meets the AMS definition. Most entities in our project are NOT food hubs and are wholesale distributors, which is what they've been called for decades.

Michelle: businesses evolve – older companies that started out with specific missions are now really interested in this work based on new issues.

Becca: part of a small/mid-sized AFRI grant similar to this with OK-State & CSU, did meta-analysis of the case studies. ID'd 160 of them, and there's almost no financial information in them. Our plan is to work through CLRFS eXtension CoP to crowd-source this, put our database there, so it's not just a static document but not open to everyone. The Davis database on VBSC is

awesome. Criteria: peer review process or reputable NGO. Some of the case studies look at the whole supply chain, some look at just 1 piece.

Jill: for criteria, could you just exclude farmers' markets and explain why?

Marcy: wouldn't include direct markets but rather markets where aggregation is taking place.

Michelle: has anyone ID'd those farmers markets where aggregation takes place?

Marcy: Not that we know of. Our survey will look at economic profitability, trying to determine if VBSC has changed practices on the land, and the business management side.

Becca: assuming no gov't shut-down, there will be a local food follow-on census in 2016. The data landscape may be about to change. ARMS data are in a totally new place as of 2013.

Whole section on changes in environmental practices. Designed by Jim Barham, Steve Vogel. They get what we're trying to find out.

• Group #3: Michelle Miller's work group on labor, land tenure, ownership, power

In early 2000s, CIAS at UW-Madison heard from interns about labor issues on small farms where they were working. Getting dumped on, not being trained. In 2013, labor issues came up again w/eco-apple growers. Huge loss b/c of extreme weather, 2013 came back strong, all these apples left unpicked. One guy using prison labor, another trying to attract workers from Michigan. Unmet labor needs. Also issues around fairness, treatment, how prisoners were impacting labor pools.

Discussed at CIAS citizens advisory council meeting, intense conversation, esp. around mid-scale farming issues. These are people working at community scale: they know workers' families, health, etc. Farmers were saying they often pay labor more than themselves. We expect all value earned to come through sales, not to retire and sell our farm businesses.

It's clearly a big issue & has been for some time. Connected with Keiko & Larry in this group. Working on proposals, a JAFSCD paper. Looking for partners in the region.

Marcy: can ask questions about labor on our survey.

Michelle: not a lot done on labor with AotM. Small set of nonprofits working on this.

Larry: connection with nonprofits working on labor issues is important. Need to find businesses who are prioritizing this as part of their values and marketing it.

Michelle: we looked at domestic fair trade. It has really focused on certification and labeling, but that's just one of 4 ways to deal with it. What about collective action and negotiation? We have fruitful rim producers competing with producers in the Northern Crescent. That's not a fair competition arrangement, and no one is talking about that.

Food Flow Network piece from 2014 from engineers at U-Illinois: unique b/c of free trade. In Europe, farmers have health care, social benefits.

Kate: look at Phil Martin's new stuff on labor; UC Davis. Spoke to IOM committee a year ago.

Jill: farmer in our region has a lot of labor trouble b/c he's an aggregator and light processor, and different labor laws apply depending on tasks. Esp. when you start getting VAPG funds. He got caught between it all. If we're trying to increase that kind of scaling up, we need to address that.

Christy: happened in Oregon, too, at Stahlbush.

• Workgroup topic brainstorm

Stacey: need to work on getting producers wholesale ready and scaling up.

Jan: (1) whole farm viability. Really depressing for mid-scale producers. Good food movement is on the backs of farmers with no pensions, etc. (2) when local VBSC companies are purchased by multinational companies.

Christy: ecological impacts. What do we know?

Kate: much larger scale than local. Ag of the middle, not small farms, and not only aggregating small farms, but larger farms fits with multi-state regions. Can we separate out the local and regional work? They're really different understandings.

Larry: "food from somewhere" versus local.

Kate: most of the work is being done on local. But we're really interested in the larger scale.

Michelle: scales & currents and how they interact.

Kathryn: land access, land tenure, land aggregation, land transfer

12:00 Lunch at Campus Club

5. Update on Website.

- Looked at website layout drafted with help from Chris Carusi at UW-Madison
- Took comments on structure and ideas for materials to include.
 - Need for photos
 - not biased towards a single type of farming system
 - photos that show whole supply chain
 - Provide e-mail addresses for all group members
 - Interest in sharing teaching materials from AOTM related classes
 - Good idea to list related grants with brief descriptions and links to more complete information if desired
- Be sure that project is identified by NIMSS # and linked to any important USDA websites for multistate projects.
- Received committee approval for launch.
- Discussed plans for remaining work items, ongoing maintenance and updates.
 - UW-Madison can continue to host, but need to develop funding support by writing web maintenance into future grants.

6. Teleconference with Jill Auburn at NIFA.

- Received updates and had Q & A to discuss current NIFA directions and opportunities related to Agriculture of the Middle.
 - Discussed Ag. Econ. Rural Communities section under Rural Development, "Innovation for Rural Entrepreneurs and Community" as potential funding source.
 - These are more about direct connections to surrounding communities than on-farm dynamics
 - A16-61, core program for sociologists. Will be most competitive if advance

social science disciplines

- Foundational funding will stay the same
- SARE, Specialty Crops, BFRDP
- Discussed Commodity Boards and Centers of Excellence—4 criteria for a center of excellence.
- Reviewed difference between challenge areas and foundational (basic) programs and opportunities to look at human and social dimensions—some ag econ areas are research-only.
- Have become more competitive, with only 14-15% funding rates.
- Can speak with program leader if interested in any particular program.

7. Small work group meetings on action items and reporting back (Farm Viability, Labor, Wholesale Readiness of Farmers)

a. Workgroup on Farm Viability (led by Lauren, Becca, Jan & Rebecca)

- How to create a “Foundation for the Future of Agriculture.” What is the future work we need to do or do with this project?
- What are the endogenis and exongenis factors that are pushing on the farms
 - Exogenis - Outside factors
 - Endogenis - decisions that farmers make - as agents working with information
 - Market Assessment project - Matt Laurel at Cornell
 - Market Channel Assessment Tool
- Why are we expecting farms to survive on one farming income, when we don't expect this of other couples in business
- What are innovative models
 - Innovative lease agreements
 - Portfolio Entrepreneurship
 - Idea that you won't have one job
 - Why are we pushing full-time farmer.
 - New Innovation and Entrepreneurship
 - People go in and out of farming
 - This idea that they are going scale up - isn't always the reality.
- How to keep farming skills and agricultural land in operation.
- NC State - Drew's work - big data that looks at factors influencing farmland loss.
- Biggest issue is the loss of farms. You don't want any farms of any size to go out.
- If we look at exogenis
 - cost of land
 - Shoshona - U of Vermont - AFRI grant on cost of health insurance and farmers
 - Creating health insurance accounts for private forest land services - linked with ecosystem services - money gets put into an account
- Do we look what is preventing farm viability.
 - What business and financial management tool will be useful for farmers.
 - It's not the tools are out there--you know farmers are working butts off and still can't make it.
- What are the determinants of small scale profitability. Using ARMS data would be useful.
- Local foods follow-on census will look at the portfolio.

- What are the other sorts of businesses you are integrating in.
- How do you contribute to rural communities and economies.
- How do you put together these various enterprises or jobs. Got to fit into what we are doing. -Want to fill out your portfolio. That is what most people are trying to do.
- Added income, multiple enterprise.
- Cottage food laws, providing income stream for people without other options (i.e. rural)
- Profitability and viability - using terms interchangeably and they are not the same--what determines their profitability?
- Looking at farms that have existed over a certain period. We usually look at the farm, and not the household, as the unit of analysis. Could look at the household as unit of analysis - where mid-size farm is part of it.
- Hypothesis: if index is 1 not diversified and 5 is highly diversified, that highly diversified are more likely to survive.
 - Also could look at extent of next generation of farmers coming into the farm because they are starting another enterprise.
- Do we have data on the long-term viability of local foods farm. This is what Steve and Becca are looking. Found that:
 - Based on small scale producer, under \$350,000, they are more likely to have a profit margin if they are selling through local food markets. Over \$350,000, it reverses.
 - More likely to survive from 2007 to 2012 if you sell into local foods markets. Starting to do some work by commodity.
- Exploration of role of off-farm income in supporting the viability of households. Myth of off farm income being bad. Or what does off farm income look like.
 - Example of the hardware store owner who started raising peaches and then got into grassfed beef. He is important to the community.
 - Should look at Mark Partridge and Heather Stevens paper.
- What can we learn, generalize from, and share.
 - is the goal keeping people in rural places
 - is the goal keeping the land in agriculture
 - is local food thing affecting social mobility
 - how does ag of the middle as part of a household livelihood strategy
 - how does ag of the middle affect land values
- Role of Portfolio Entrepreneurship - at household level - what careers or added enterprises work. Are our questions research or outreach geared towards this idea? Making sure financial literacy training - made available, translated for the farms who need it

Reporting Back

Farm Viability Group:

- Portfolio Entrepreneurship - farming as one stream of income, but may need more to make the business whole.

- Tried to figure if we had a research question or extension question - where there are good tools for farmers but they may not be connected with them.
- Wholesale Readiness education needed
- Multistate Specialty Crop Research Proposal (due in January)
- Commodity scale folks who are scaling over to values-based production—what assistance is needed?
- Need to know how farms at different scales manage food safety

Labor Group

- Need more focus on farm internship issues and ladder leading from labor/ internship to farm owner. Is fair labor part of value-based proposition?
- Whether farms have trouble finding labor can be an indicator of labor relations

Wholesale Readiness Group

- Working with multiple scales
- Assistance with scaling up in efficient ways (mechanization, post-harvest handling procedures, learning standards, etc.)
- Food safety regulations affect different types and scales of farms unequally
- Specialty Crop grants could provide potential grants for research and education

Dinner Gathering at Helene Murray's House

Wednesday, October 7th

1. Small group work on NC1198 project objectives/reporting back to the full group:

Objective 1: Patterns of Ownership and Business Relationships

1. Had several presentations at AAEA meetings in San Francisco
2. David C.: completed interviews, surveys, and “Value’s Chain” Mapping
3. Looked at acquisitions of smaller co’s by larger.
4. Eco-trust completing a survey on business organization
5. Important to examine contrasting modes of governance

Objective 2: Community-related Goals and Needs of VBSC’s

1. Surveys of decision makers will inform
2. Review existing projects/case studies
3. A need to examine community embeddedness of VBSC organizations with academic rigor
4. Should study life cycle of VBSCs—do they change when acquired by larger entities, corporations?
5. What are implications of corporate takeovers?

Objective 3: Environment-related Goals of VBSCs and impacts

1. What environmental/natural resource related claims are being made?
 - a. Organic certification could be one consistent measure that can be verified
 - b. Reviewing this for Keiko’s database
 - c. Difficult to verify most claims
2. AFRI farmer survey by Peterson et al. will ask farmers about environmental goals and farming practices, also whether changes in markets impact land management choices.
3. Christy doing a literature review of changes in farming practices as a result of regional food

networks.

Objective 4: How existing policies affect performance of VBSCs and how they could be improved

1. Need to incorporate this work across all groups and research under other objectives
2. We know a lot of you are already incorporating public and private policy into your AOTM/VBSC research projects, to a greater or lesser degree.
3. We want to know what you are doing and will send an email out, asking:
 - a. Whether you use the word “policy” or not, are you asking questions in your research that imply that you are interested in policy questions & implications?
 - b. Are you reporting policy recommendations out of your research?
4. We will compile your answers in order to:
 - a. Report on this NC1198 project objective.
 - b. Determine if/how members of this group need support to address policy in their current and future research. To this end, we have drafted a short “policy in AOTM/VBSC research” primer, which we will finalize based on what we hear from the group about current work. Honestly, we could all use help knowing what to look for and how to look.
 - c. Eventually write a new “policy implications” document as Kate did out of the case studies –unclear if that should or can happen by the end of this project.
 - d. Find a way for this group to pool our policy-related findings across our research projects for comparisons and synthesis – we can at least begin talking about this before the end of this project.

2. Policy update, Kate Clancy

- New dietary guidelines issued every 5 years—these will not have “sustainability” in themes. Vilsack: “sustainability does not need to be in these—it’s in everything else at U.S.D.A. already
- Good idea to review NSAC website for latest news.
 - Has updates on new FSMA rules
- Contention around school meal standards involving school nutrition people and first lady
- Discussion around new NIFA “Centers of Excellence” and how they are evolving related to systems and interdisciplinary work
- A few Rural Business Development Grants went to food projects.
- Kate has put out a new framework for “Food Systems Assessment”
 - Several members of group remarked that this will be a very useful document in their research projects.

3. NC1198 Business

Next Committee Chair: Claire Hinrichs

Next Committee Co-Chair: David Conner

All former chairs will help write final report.

One more annual meeting is authorized (2016). Will need to decide whether to apply for new project prior to next meeting—work will need to happen via email/teleconference, led by chairs.

Discussion of how to include/reach out to potential new members.

Hold 2016 Meeting Dates: October 17-19.

12:00 Full group adjourned, small work group meetings held during afternoon