



## WHY PLAN FOR AGRICULTURE AND FOOD SYSTEMS?



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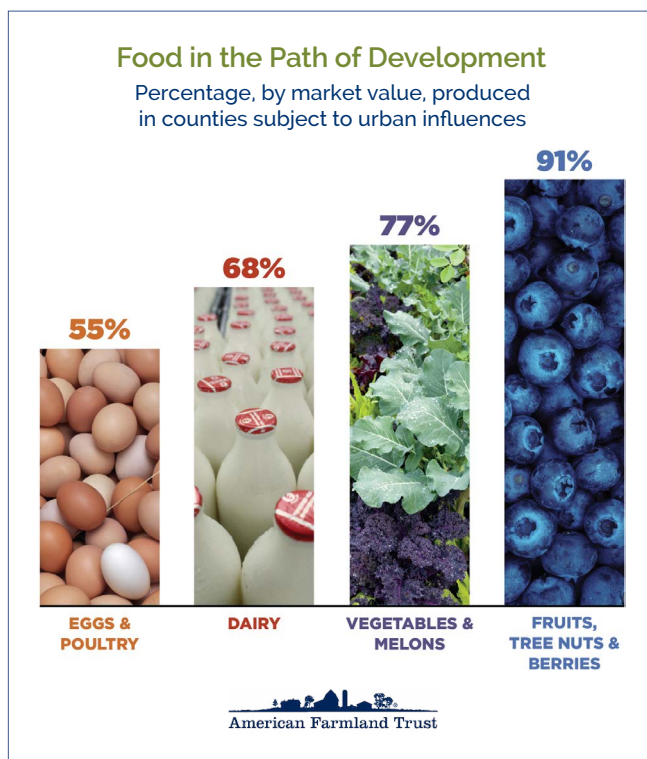
As the old adage goes, “a failure to plan is a plan to fail.” Communities plan for many things—from housing to environment to transportation—but only recently for agriculture and food. Responding to a maturing food movement and a public hungry for healthy food alternatives, local governments are beginning to incorporate food systems into planning and policy development. At the same time, a great deal of private activity and some policy implementation are occurring without formal public planning processes.

Local policy has a profound effect on the farms and ranches that are the foundation of food systems, as well as on the provision of public services and other supports to improve community food security. This is true in urban as well as rural communities as food production is no longer primarily a rural enterprise.

Rural communities are critical to commodity agriculture and global markets. At the same time, significant domestic food production takes place in an urban context. Nearly 60 percent of the value of farm production occurs in metropolitan areas or adjacent counties. These farms produce 91 percent of fruits, nuts, and berries; 77 percent of vegetables; 68 percent of dairy; and 55 percent of poultry and eggs.<sup>1</sup> They often supply local and regional markets. Indeed, the value of direct marketing activities is reaped in the most urban counties: 81 percent of food sold directly to consumers; 76 percent of community supported agriculture farms (CSAs), and 74 percent of farms selling directly to retail outlets.<sup>2</sup>

Agriculture and food production are cornerstones of state and local economies, supporting them directly through sales, job creation, support services and businesses, and by supplying valuable secondary markets including food processing and distribution. Well-managed farm and ranch lands supply important ecological services including wildlife habitat and groundwater recharge, flood and fire prevention, and carbon sequestration. They also provide nonmarket benefits including preservation of rural character and quality of life.

Thus, planning for agriculture is important because of its value to food systems, local economies, the environment, and quality of life, and also to help communities become more resilient and able to adapt to market forces and climate change.



Source: American Farmland Trust Farmland Information Center

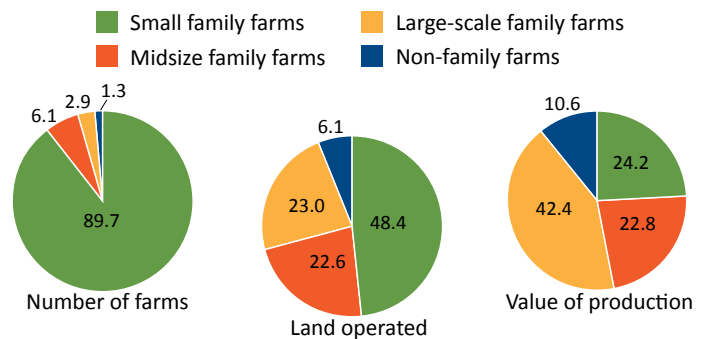


## Agricultural Viability

Over the course of the 20<sup>th</sup> century, the number of U.S. farms fell by more than 60 percent while average farm size increased by 67 percent. Agriculture became increasingly mechanized and specialized, and farm labor dropped from 41 percent of the workforce to less than 2 percent.<sup>3</sup> Today 90 percent of U.S. farms are “small”—with annual gross revenues of \$350,000/year or less, but agricultural wealth is concentrated on fewer and fewer larger and larger farms. In 2015, 42.4 percent of the total value of agricultural products sold came from the 2.9 percent of farms with annual sales of \$1 million or more. Of this, 39 percent came from the 0.28 percent of farms with sales over \$5 million a year.<sup>4</sup>

Suburban expansion after World War II devoured farmland, driving up land values and threatening agricultural viability. In 1956, Maryland enacted the first differential assessment law, taxing farmland at its value for agriculture instead of for nonfarm development. The pressure continued, and in 1982 USDA started collecting data on farmland conversion. Between 1982 and 2012, 24 million acres of agricultural land were converted to nonfarm development—with the highest quality farmland developed at a

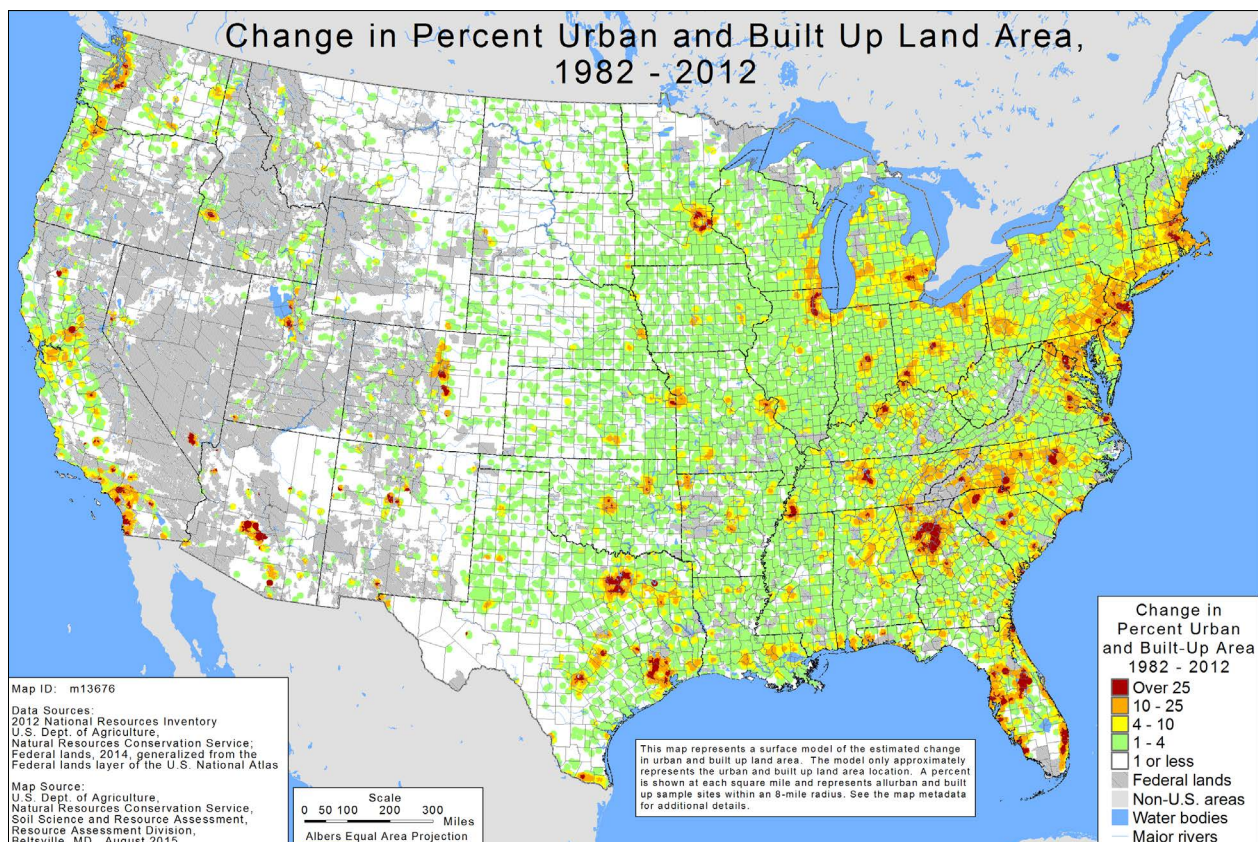
**Percent of U.S. Farms, Acres Operated, or Value of Production by Typology**



Small family farms have annual gross cash farm income (GCFI) less than \$350,000. Midsize family farms have GCFI of \$350,000 to \$999,999. Large-scale family farms have GCFI of \$1,000,000 or more. Non-family farms are those where neither the principal operator, nor individuals related to the operator, own a majority of the business.

Source: USDA Economic Research Service and National Agricultural Statistics Service, 2015 Agricultural Resource Management Survey

disproportionately greater rate.<sup>5</sup> In response, states and communities have enacted tax and other policies ranging from regulations (such as protective zoning) to incentives (such as purchasing agricultural conservation easements).







Retaining family farms is important to community health and wealth. According to USDA's Economic Research Service (ERS), small commercial farms are economically significant with greater financial impact than total farm production in the Corn Belt, often considered the most productive agricultural region. Small and mid-size commercial farms are more likely to supply local and regional food markets, and communities with more of these farms have been shown to be healthier, more cohesive, and have a higher quality of life than those dominated by large farms.<sup>6</sup>

In a global food economy, these farms have become increasingly vulnerable. Many have limited resources, and their

economic viability lags well behind that of large farms, largely because of production volume. Modern farmers and ranchers receive only 10.4 cents of every food dollar.<sup>7</sup>

In recent years the United States has gone from being a net exporter of fresh fruits and vegetables to a net importer. Since 1990, per capita consumption of fresh fruits and vegetables held steady, but imports rose from 12 to 34 percent for fruits (excluding bananas) and from 10 to 34 percent for vegetables. An ERS report suggested that the supply of domestically produced fruits and vegetables was insufficient for providing a healthy diet for every American, estimating it would take another 13 million acres of fruit and



Source: USDA ERS 2014 Food Dollar, Industry Group series

vegetable production to meet the 2005 recommended dietary requirements with domestic production.<sup>8</sup>

Similar limitations in agricultural land and capacity also are reported at local and regional levels. In New York's Erie and Niagara counties, studies found that if residents only purchased locally grown food and ate the recommended servings of fruits and vegetables, just 38 percent of the demand could be met by what local farmers grow.<sup>9</sup>

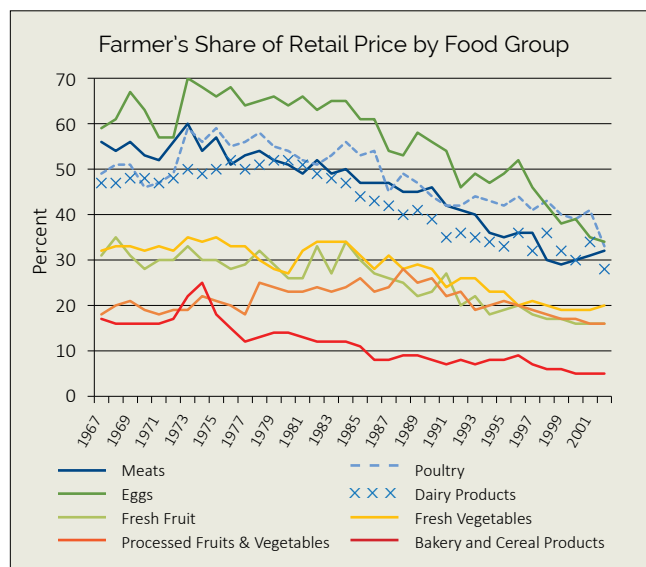
In this context, it is not surprising that communities have a significant gap between foods that are produced versus consumed within their state or region. Typically, farm products are exported to wholesale markets, while the food residents eat is imported from outside the region, state, or country. Closing this

gap with import substitution, replacing some food imports with local production, can bolster agriculture and strengthen local economies. Numerous studies have found that import substitution leads to increased output, more jobs, and higher wages.<sup>10</sup>

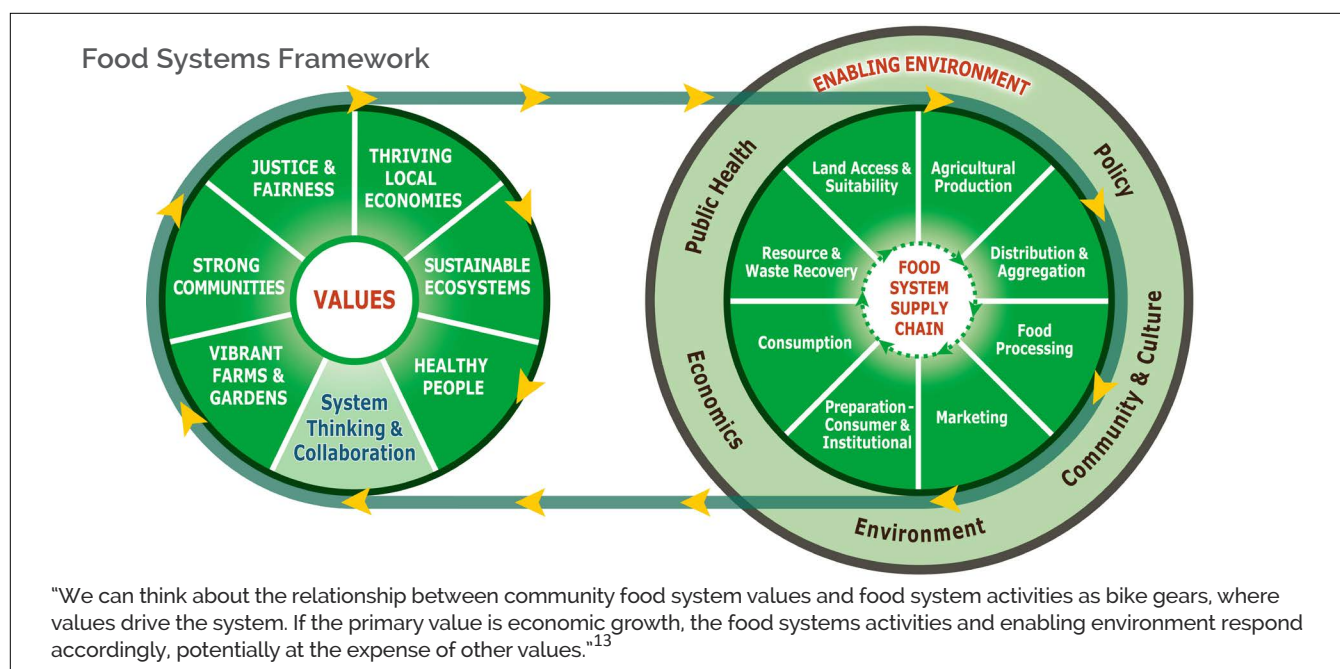
Beyond agriculture, the food system generates significant employment throughout the supply chain. Food processing and manufacturing are major contributors—the first line handlers who receive, pack, and store raw agricultural products. Then there is food marketing, which connects producers and manufacturers to consumers through wholesaling and retailing, and wholesaling where products are assembled, stored, and transported to other wholesalers, retailers, and institutions. Retailing includes supermarkets and grocery stores, convenience and corner stores, farmers markets, and other retail outlets. Finally, food service is a rapidly growing and changing sector, including restaurants and fast food establishments, hotels, bars, and institutions such as schools, colleges, hospitals, and prisons. Food service is labor intensive and reflects nearly half of all food sales.<sup>11</sup>

### Community Food Security

Despite this elaborate system and multi-channel opportunities to acquire food as it moves from farm to plate, food insecurity is an intractable problem, especially in impoverished communities. According to ERS, 12.7 percent of U.S. households in 2015 did not have reliable access to a sufficient quantity of affordable, nutritious food, with food insecure populations predominantly low-income and people of color. Although most low food access neighborhoods are urban, more than 2 million people live in low access rural areas, where residents experience the highest rates of food insecurity.<sup>12</sup>



Source: USDA ERS



Source: Community and Regional Food Systems Project, University of Wisconsin-Madison

Food insecurity is tied to many factors from consolidation in the food industry, income distribution, transportation, racism, and the behavior of retail and wholesale sectors. Concentration and consolidation in the retail sector have resulted in fewer, bigger stores.

The movement of wealth to the suburbs led to disinvestment in the inner city while redlining<sup>i</sup> resulted in concentrated poverty. This affects rural residents as well as urban. In rural areas, residents have fewer retail options, often live 10 miles or more from the closest food market, and often have more isolated neighborhoods where linguistic and cultural barriers increase the lack of access to healthy, affordable, and culturally appropriate food.<sup>14</sup> Lastly, prices for food have risen faster than for most consumer goods,<sup>15</sup> and the impacts of these increases are most severe for the lowest income consumers. In 2012, people in the lowest 20 percent of income groups earned less than in 2007, but their spending on food increased by 25 percent—as compared to a 3 percent increase for the general population.<sup>16</sup>

Understanding the complex and interrelated factors that contribute to food insecurity in a community is an important step toward finding system-wide solutions. National authorities such as the Institute of Medicine and the Centers for Disease Control and Prevention recommend environmental and policy interventions as the most promising strategies.<sup>17</sup> Finding appropriate and effective solutions is difficult. It requires understanding how people, places, and food interact within

the natural, built, social, and political environments. But it is important for improving health outcomes because food insecurity has been shown to increase the risk of diet-related disease and obesity. It also is correlated with higher rates of stress, anxiety, and depression along with negative impacts on children's mental development and attachment.<sup>18</sup>

Communities cannot rely solely on the private marketplace to ensure food access and security, nor can they rely on federal programs like the Supplemental Nutrition Assistance Program (SNAP) alone. Food insecurity is a structural problem and requires structural solutions. It takes planning and responsive policy making to keep farmers on the land and ensure that all community members have access to healthy, affordable, and culturally appropriate food.

Planning for food systems also contributes to more resilient communities by protecting natural resources, supporting economic development, and advancing public health. These efforts are more likely to succeed when they are driven by democratic participation and local governments are engaged and provide support. Thus, it is important to learn from what innovative local governments have done to create policies that have a positive impact on food systems—from protecting farmland and encouraging on-farm processing, to establishing chicken ordinances and incentivizing corner stores to carry fruits and vegetables. It is equally important to learn what they have done to take away barriers by modifying, or even eliminating, onerous or unnecessary policies. Sometimes less is more.

<sup>i</sup> Redlining is the practice of denying key services (like home loans and insurance) or increasing their costs for residents in a defined geographical area.