

KX 101

Local Foods: Farmers Markets and Beyond



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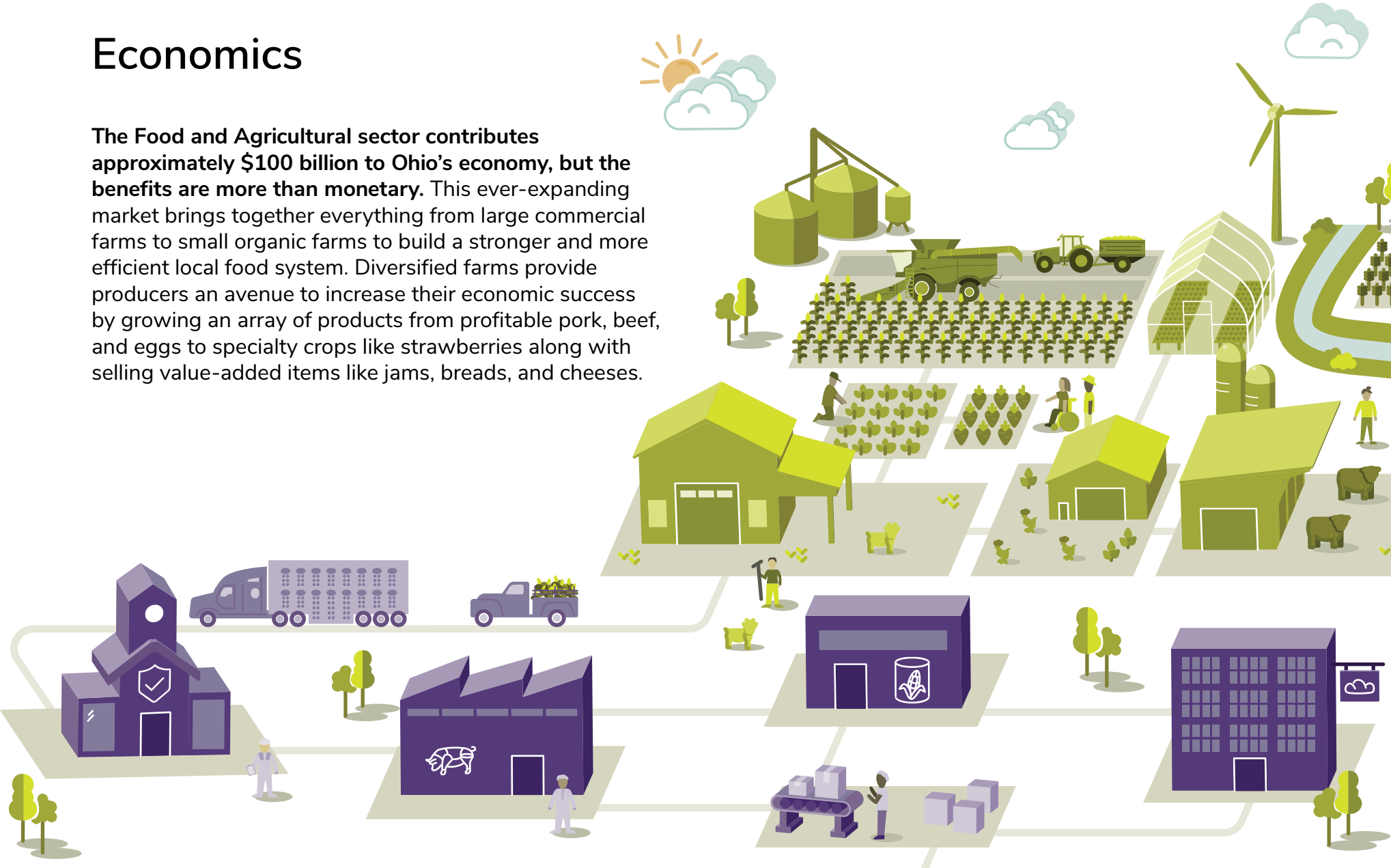
Imagine waking up on a Saturday morning and taking a trip to your local farmers market. There's a smell of fresh fruit and flowers in the air. Vibrant colors surround you in the form of peppers, strawberries, lettuce, and apples. Now look deeper. Farmers provide this experience through hard work and dedication.



The USDA defines local and regional food systems as **“place-specific clusters of agricultural producers of all kinds—farmers, ranchers, fishers—along with consumers and institutions engaged in producing, processing, distributing, and selling foods..”** (USDA ERS). However, there’s more to local foods than a bustling farmers market.

Economics

The Food and Agricultural sector contributes approximately \$100 billion to Ohio's economy, but the benefits are more than monetary. This ever-expanding market brings together everything from large commercial farms to small organic farms to build a stronger and more efficient local food system. Diversified farms provide producers an avenue to increase their economic success by growing an array of products from profitable pork, beef, and eggs to specialty crops like strawberries along with selling value-added items like jams, breads, and cheeses.



Economics

At the heart of the local food system is the family farm. Did you know about 97% of farms are family operated? Family farms increasingly use direct markets to supply food to local and regional markets. The local food system shortens the supply chain to encourage direct sales through farmers markets, roadside stands or on-farm markets, produce auctions, and wholesale distribution. The goal of this shortcut is to help farmers walk away with more money in their pockets.



Economics: Direct Marketing

Farmers markets are a beneficial distribution method where farmers sell direct-to-consumer (DTC) on a seasonal basis. Direct marketing requires that farmers acquire a deep understanding of various market channels and make the best choice to meet their goals. This allows the producer to capture a greater share of the consumer food dollar, increasing the profit and sustainability of local farms.



Economics: Direct Marketing

To reduce the impact of market fluctuations, farmers extend their sales through community supported agriculture (CSA) subscriptions. Buyers purchase a share of output from the operation, either during a specific season or throughout the year, and farmers secure a source of income at the start of the season. CSA's may offer fresh local produce, fresh cut flowers, meat, eggs, and dairy products.

The Ohio State University research project [Buckeye ISA \(Institution-Supported Agriculture\)](#) explored a fresh approach that combined the CSA model with institutional purchasing power.



Economics: Direct Marketing

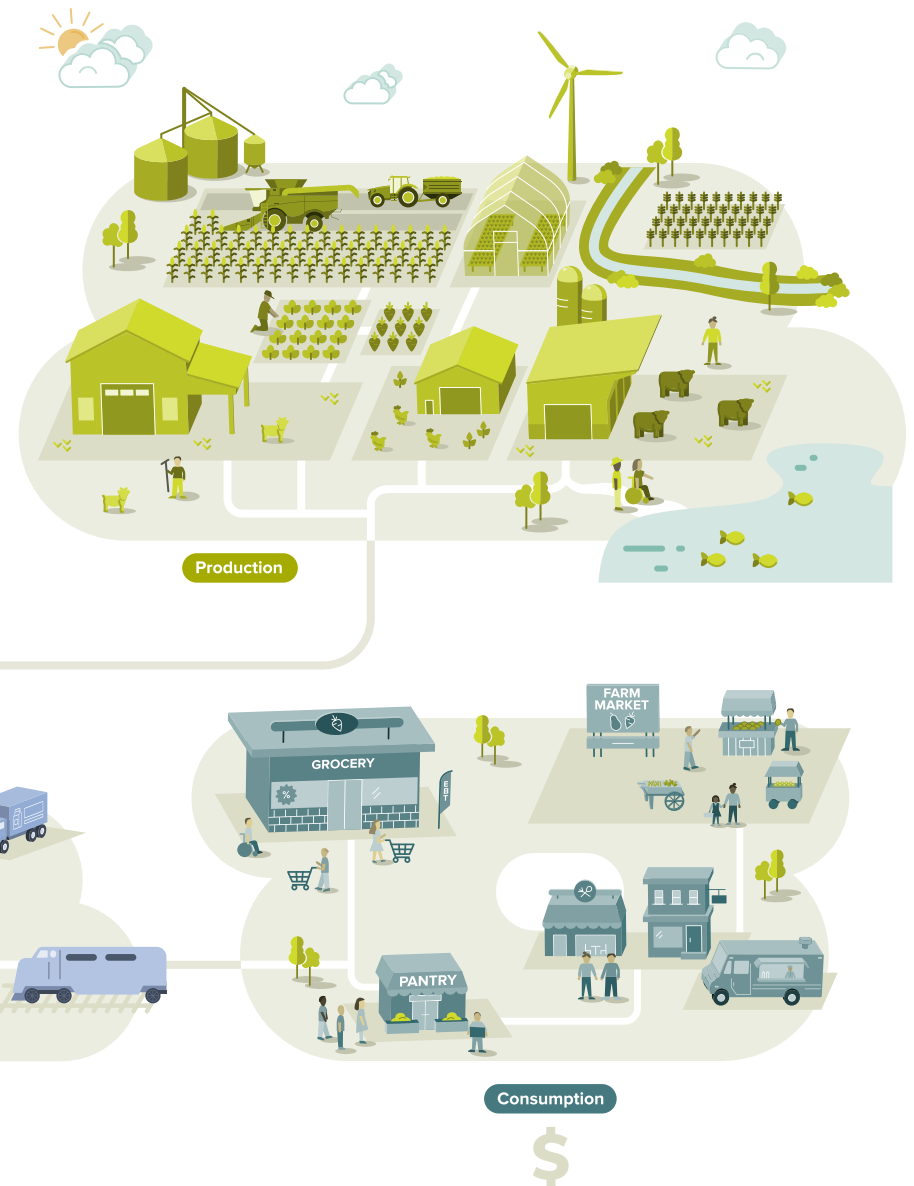
Ohio is fortunate to have both rural and urban areas within a 2-hour drive from almost anywhere in the state. Farmers benefit from this proximity by creating a destination for the public. Enticing people with apple picking, corn mazes, and more encourages visitors to not only come back but recommend the destination to others. Bypassing the processing and distribution stages creates an experience for the public and an influx of additional income for local farmers.



Economics: Food Hub

A food system maintains an equal flow of food from one step to the next: production > processing > distribution > consumption.

Farmers who take on additional supply chain functions, like processing, distribution, and marketing, capture revenue that would otherwise go to a third party. But that requires a significant investment in capital, equipment, maintenance, warehousing, and more—a challenge for many small to mid-size farms.

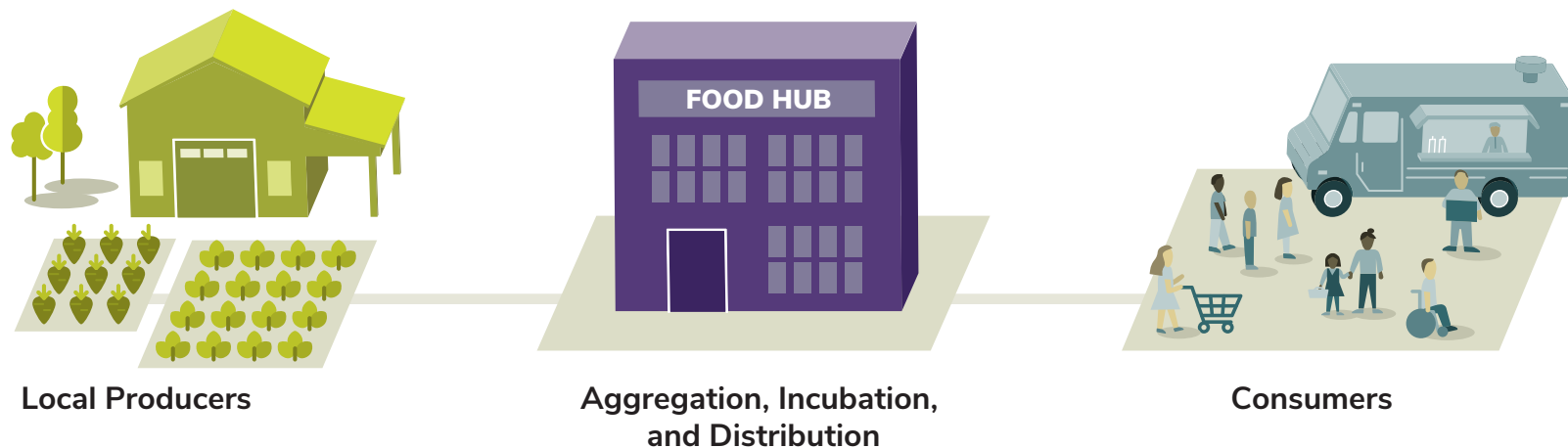


Economics: Food Hub

When a farmer produces more than can be sold through a direct market, they may turn to a **food hub**. The concept of a food hub is simple: **connect the dots to help get food from farm to table**. Local farmers pool their products so items can be sold to a wider market than any single farm could handle. Food hubs are centralized facilities experienced in storage, processing, distribution, and marketing of regional or local foods. By working through a food hub, farmers can scale up their business while minimizing their costs.

The food hub handles three steps for the farmers:

- 1. Produce aggregation**
Food is sold to a facility that will prepare it for market.
- 2. Kitchen incubation**
Food is processed and packaged for sale.
- 3. Local distribution**
Food is sent to market outlets, such as stores, restaurants, and institutions.



Economics: Co-ops

Another local food model is a **cooperative (co-op)**, a collaborative effort to centralize land, labor, and profit. Three examples include:

Worker co-ops are collaborative operations owned and managed by producer-members—people who pool their resources for production, processing, marketing, and distribution. These co-ops help beginning farmers earn enough capital to farm on their own, while also protecting them from the many risks involved in a new farming operation.



Consumer co-ops allow consumers to buy a membership that gives them access to products grown or raised from local farms. As a member, they share the risk and rewards with farmers. One example is community supported agriculture, or CSA, mentioned on page 8.



Agricultural co-ops are multiple farms banding together to enhance their economic power for purchasing inputs, marketing, distribution, and other resource needs.



Economics: Co-ops

The [CFAES Center for Cooperatives](#) explains how this business model bases itself on voluntary and open membership, democratic systems, profit sharing, independence, training, and cooperation. At Ohio State, the [Mansfield Microfarm](#) and [Richland Gro-op](#) are examples of agricultural co-ops.



Mansfield Microfarm



Richland Gro-op

Engagements: Food Policy Councils

A survey conducted by Doug Jackson-Smith and Jeff Sharp with the CFAES School of Environment and Natural Resources indicated that **98% of Ohioans believe the government should engage in developing local food systems**. One approach is through local food policy councils.

The [Ohio Food Policy Network](#) defines councils as diverse “groups of food-system stakeholders who collaborate to transform their local food systems.” Stakeholders include Extension professionals, teachers, farmers, and small-scale producers. Every food council is different and can focus on various issues and programs, ranging from school gardens to institutional local food purchasing.



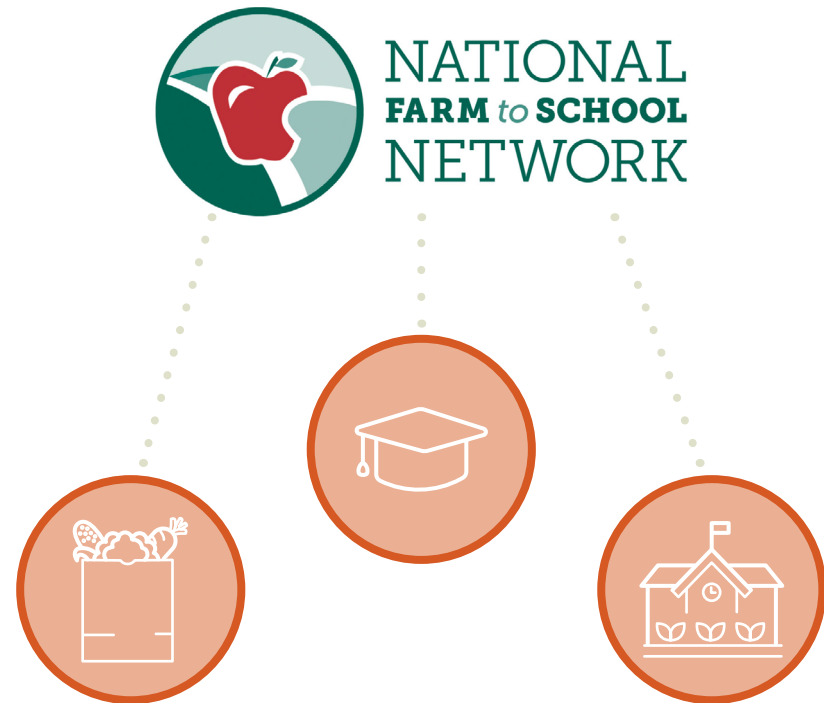
Engagements: Farm to School

The **National Farm to School Network** enriches “the connection that communities have with fresh, healthy food and local food producers by changing food purchasing and educational practices” (Cooper 2006).

Student benefits:

- Access to healthy local foods
- Education on the food system
- Healthy eating through school gardens, cooking lessons, and farm field trips

See examples of Farm to School efforts in the 2018 annual report [here](#). Stay updated on Ohio Farm to School efforts on the Ohio Farm to School [website](#) and [Facebook](#).



Recommendations

- **Support local farms** for resilient food systems. Thriving communities offer increased employment opportunities, improved food availability, and vital community services.
- **Check out the KX Ohio Food System Map** to learn about the opportunities and vulnerabilities in your county.
- **Reduce barriers** to beginning farmers and small farm owners selling to retailers.

Resources

franklin.osu.edu

kx.osu.edu/food-system-tool

oeffa.org

sare.org

si.osu.edu

southcenters.osu.edu

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AND ENVIRONMENTAL SCIENCES