



Courtesy CU

Growing the Local Food Economy through the Mid-South Food LINC Value Chain

► The catalysts

Capitalizing on assets: Growers in the Mississippi River Delta areas of Arkansas, Mississippi, and Tennessee have a long history and deep knowledge base of growing a variety of types of produce and other crops. The fertile Delta soil can produce nearly anything that consumers would want to purchase and eat.

Opportunity for new perspectives: Food deserts exist in rural portions of the region, as well as in nearby urban centers such as Memphis. Communities Unlimited (CU), a nonprofit community development organization that works in seven southern states, serves as a local food coordinator to identify market opportunities and areas with limited food access and make connections with area growers who are able to meet those needs.

Strengthening the economy: Connecting growers to markets opens up increased sales opportunities, but it also improves consumers' access to locally grown, healthy foods. Through the process of identifying and connecting market opportunities, other forms of community capital are also built.

► The value opportunities

In 2016, the U.S. Department of Agriculture (USDA) launched a new initiative with philanthropic and other federal agency partners to support local and regional food systems. Called Food LINC (Leveraging Investment for Network Coordination), the three-year initiative supports coordinators in ten regions around the country to work with partners and create lasting economic change in rural agricultural economic systems. The coordinators work with partners in to form value chains, which are strategic alliances between supply chain actors that are intentionally structured to produce both business success and social benefit.

CU recognized the Food LINC program as an opportunity to make an even bigger difference in economic opportunity and quality of life in its service area, having had the experience coordinating a biofuels value chain, Delta Bioenergy, for several years and seeing the impacts. Upon receiving the Food LINC project award, CU hired its first Healthy Foods Coordinator, Brenda Williams, to manage the project and connect growers with market opportunities.



Courtesy CU

Williams has built relationships with growers whose available farmland might range in size from five acres to 400 acres, as well as with buyers and other partners. This information allows the value chain to explore what market opportunities exist and how to add value in the transactions between farmers, processors, aggregators, and multiple types of buyers.

► The demand

Local, fresh produce is healthy and tastes good, making it in demand by both individuals and institutions that purchase and serve food. Direct-to-consumer sales occur though farmer's markets in rural communities, as well as in Memphis. Additional pop-up markets are held at community



Courtesy CU

churches in Memphis. Many of the farmer's markets are located in food deserts, where residents do not have nearby grocery stores or other access to high quality, fresh food. Selling Mid-South Food LINC growers' produce at those farmer's markets fulfills an important role in food access.

Institutional buyers are important partners representing economic demand. Because they need products in higher volumes, institutions offer value chain growers the opportunity to scale up and increase sales to meet that larger demand. The Mid-South Food LINC value chain has found institutional partners in Memphis that are very interested in sourcing products from the surrounding rural regions in Tennessee, Arkansas, and Mississippi. These anchor institutions include St. Jude Children's Research Hospital, Shelby County Schools (Tennessee), and wholesaler Fresh Point.

However, institutional demand may come with higher requirements for quality control. Some institutions require that the growers supplying their produce be Good Agricultural Practices (GAP) or Good Handling Practices (GHP) certified to ensure a commitment to food safety. GAP certification is a voluntary process intended to verify that fruits and vegetables are produced, packed, handled, and stored as safely as possible. Growers seeking GAP certification often benefit from training and assistance to prepare for the process, and then an audit from the state department of agriculture



Courtesy CU

or USDA confirms they are GAP compliant. In addition to the knowledge and skills required to become certified, the audit itself may cost more than \$1,000 to complete, depending on the size of the farm. Some programs exist to help bring down the cost to growers in certain areas or that meet certain criteria. Certification occurs yearly to ensure that growers continue to use GAP procedures.

► Putting it together: Entering communities and building relationships

Throughout the process of starting up the Mid-South Food LINC value chain, relationship-building has been a necessary ingredient. "When I was first starting out, I was the new kid on the block, and I didn't have any credibility" with the region's growers, says CU's Brenda Williams. However, a USDA Natural Resource Conservation Service (NRCS) staff member was an important early ally because he already knew area farmers and had been working with them as a trusted partner. "He was able to open the door to a group of growers, and the word spread like wildfire," says Williams.

Having a coordinator who is able to connect in an authentic way with individuals in the value chain has been critical to the Mid-South Food LINC's successes so far. CU Executive Director Ines Polonius credits Williams' ability to find those connections as she became acquainted with area growers. Although Williams does not



Courtesy CU

have a background of farming herself, Polonius says, "Brenda grew up in a family where people were farming, so she was comfortable spending a large amount of time on farms meeting with growers to build those relationships in the first few months. She was already familiar with some of their challenges and had a genuine interest in learning about their operations, which made a real difference in being able to build that trust.

"Any time you do this work," Williams says, "you have to have a passion for it." And her passion shows through. Since agricultural work by necessity occurs daily, especially during the growing season, occasionally Williams fields calls even on weekends from growers asking for assistance with finding a buyer for a product that is in season.

Taking those calls and demonstrating a commitment to follow-through on requests for assistance has also been critical. Williams provides as an example: "It's more than just words. When we say we're going to help them become GAP certified, then we are going to provide the technical assistance so they can become GAP certified, and walk them through the process. Most importantly, we're also going to connect them to a buyer—without that, the certification process would not be worthwhile."

Social ties among growers themselves have also been beneficial, as they are willing to share information with other CU growers and bring them



to the table. As a result of the trust that has been built, CU’s network of partners now includes over 100 growers in Arkansas, Mississippi, and Tennessee, as well as relationships with buyers and other members of the value chain, including a regional food hub, suppliers, regulators, and additional support partners.

➤ The bottom line: Planning for the future

CU and its partners will continue to provide technical assistance, business assistance, and support for opportunities such as GAP certification to growers. CU helped a group of minority farmers set up an agricultural co-op and supported the business plans of two new healthy foods-related businesses. Meetings between growers and buyers may help to open up increased sales, particularly with large institutions including exploring the possibility of additional farm-to-school sales.

However, scaling up to meet the opportunities offered by institutional demand brings new challenges. The distances from growers’ operations to institutional delivery sites can be long, and some produce would not survive



Courtesy CU

the trip, particularly in hot weather. Few farms have on-farm cold storage or refrigerated trucks, so additional infrastructure would support growers’ ability to increase their sales. With participating growers located in three states, shared storage or trucks might be feasible only for limited numbers of growers.

In addition to addressing storage and transportation challenges, the Mid-South Food LINC partners hope to add the capacity for value-added processing in the future. At the moment, produce is sold whole and fresh, so only the highest quality fruits and vegetables can be marketed. Processing would allow for items that have blemishes or grow misshapen, known as seconds and thirds, to be sold as well, increasing the productivity from each harvest.

➤ Funding the value chain

Support from foundations and assistance from federal grants have been important sources of funds. From the beginning, foundations operating in

three-state region have been supported of the food systems work conducted by the Mid-South Food LINC. These foundations have included Pyramid Peak, Assisi Foundation, and Hyde Family Foundation.

Federal grant support through USDA’s Food LINC program has provided the coordination services that are critical to connecting growers with buyers and supporting new market opportunities. In addition, USDA’s Farmer’s Market Promotion Program has expanded the Mid-South Food LINC’s ability to expand direct-to-consumer sales through established and pop-up farmer’s markets and advertise the markets, increasing small-scale farmer sustainability and potential for profit as a result. State departments of agriculture can apply for funding through USDA’s Specialty Crops Block Grant Program or Specialty Crops Multi-State Program, which can support food safety efforts such as providing partial reimbursement to growers for GAP certification.

Financing for area businesses may grow in importance in the region, as more growers seek certification and food-related businesses start up and expand. CU is also a Community Development Financial Institution (CDFI) and has a business lending program. If growers need access to capital to become GAP certified, they may qualify for a microloan through CU, or CU can recommend other lending programs.



- ▶ **Individual capital:** In 2018, healthy, local produce grown by Mid-South Food LINC growers was purchased by 6,981 consumers in food deserts and served in school lunches to 681 children in school summer programs. Six small-scale farmers have received GAP certification, which expands their market opportunities. CU has leveraged Food LINC partners and small business technical assistance experience to help small-scale farmers satisfy GAP/GHP standards required by institutional buyers. After a grower's farm became GAP Certified, St. Jude and FreshPoint purchased more than \$11,000 of locally grown produce from his farm. This was a tremendous increase in annual sales for this grower.
- ▶ **Intellectual capital:** Services provided to the Mid-South Food LINC include technical assistance, legal and managerial assistance, and help with developing business plans. Growers are using regional knowledge about best practices and adding innovations such as hydroponics and high tunnels to expand their growing season.
- ▶ **Social capital:** Growers have their own networks and communities, and they often share information about value chain work with others. Connections from USDA NRCS staff to growers, and among growers has allowed the value chain to expand.
- ▶ **Natural capital:** The region's fertile soil is an important asset to the food value chain, as is access to water and clean air.
- ▶ **Built capital:** Mid-South Food LINC participates with several farmer's markets around the region, primarily in food deserts. One new one has been established in Como, Mississippi, a rural community with little fresh produce access. In addition, pop-up farmer's markets serve urban food deserts and are held in partnership with community churches.
- ▶ **Political capital:** The policies of large institutional partners to seek local and regional food suppliers opens new market opportunities for growers. Having those partners involved brings others to the table. Relationships with USDA NRCA staff and funding support from USDA programs have enabled the work to flourish.
- ▶ **Financial capital:** Growers have new sales opportunities, which supports the success of their own business as well as suppliers and related businesses. Regional foundations have been committed to improving healthy food access and increasing earning potential, and federal funds have been critical to supporting the value chain. CU's ability to provide financing can further support agricultural businesses.
- ▶ **Cultural capital:** Communities in the Delta have a long history of farming that this work extends and celebrates. Cultural knowledge about growing practices and the crops that are grown and desired by consumers all reflect the region's past and evolving culture.
- ▶ **Local ownership and control:** Participating growers are locally owned farms, some of which have formed an agricultural co-op to expand their opportunities while maintaining local control over the collective business.
- ▶ **Better livelihoods:** Connections to buyers that are made through the Mid-South Food LINC are increasing the sales and earning potential for small-scale growers and those with larger acreage, including minority farmers.

Information sources:

Communities Unlimited. "Mid-South Food LINC Value Chain," <http://food.communitiesu.org>

USDA. "What is Food LINC?" www.ams.usda.gov/sites/default/files/media/foodlincoverview.pdf

Personal communication with Brenda Williams, Ines Polonius

This case study was produced under contract to the Region Five Development Commission through a cooperative agreement with the United States Department of Agriculture Rural Development. Any opinions, findings and conclusions, or recommendations expressed in this publication do not necessarily reflect the views of USDA. This case study was authored primarily by NADO Associate Director Carrie Kissel. Thanks are extended to Communities Unlimited staff who provided information, editorial guidance, and images.

