



Courtesy ACENet

► The catalysts

Capitalizing on assets: Southeast Ohio has a rich history of agricultural production. The region also benefits from having multiple organizations in southern Ohio and central Appalachia that are leaders in supporting economic growth in the agriculture sector. These organizations, including the Appalachian Center for Economic Networks (ACENet) and Rural Action, have strong networks of local partners that enable them to function as coordinators of value chains. Value chains, which are networks of agencies and businesses, work together toward a set of shared values as well as toward each partner's own goals to fulfill programmatic work that advances a market opportunity. Value chains are a distinct type of partnership compared to traditional supply chains, and they typically are facilitated by a coordinator that holds those shared values and larger vision.

Need for food systems infrastructure: Farmers grow agricultural products in the region, and consumers need food and are interested in purchasing local foods, but effort from multiple partners was needed to connect the supply to the demand. Several Plain community farms (such as Amish and Mennonite) are located in the area, whose ability to market their products is constrained by the distance they can reasonably travel by non-motorized means—typically

Marketing Scales up Regional Food Systems

horse and buggy. Larger towns and cities within the region have access to grocery stores, although they may not have carried much locally grown food, and many smaller communities and villages in the region have little fresh food access.

► Strengthening the economy:

Southeast Ohio contains several counties that are considered economically distressed. Low per capita income and high rates of static poverty and unemployment affect the resilience of the regional economy and often prevent residents from being able to take risks in starting up new businesses or changing business practices.

► The value opportunities

Rural Action, ACENet, and their partners work to increase economic success for the region's residents by providing connections to potential buyers and seeking opportunities to add value to the region in several ways. Farmers can market directly to household consumers and to buyers for restaurants, food banks, schools, and hospitals through the Chesterhill Produce Auction, a food hub in Morgan County, Ohio that aggregates produce at two weekly auctions during the growing season of May – November

each year. The Chesterhill Produce Auction draws growers and buyers throughout southeastern Ohio and West Virginia's Mid-Ohio Valley region and is located within a convenient travel distance for Plain community growers.

A social enterprise owned by Rural Action, the Chesterhill Produce Auction was founded by a couple who retired to Morgan County, Jean and Marvin Konkle, and realized residents had limited access to good quality fresh produce despite being in an agricultural region. Local buy-in from the Plain community and other farmers was key to securing adequate and consistent supply of produce to attract consistent buyers, and farmers continue to play a critical leadership role in the auction's steering committee. The auction began operation in 2005, and Rural Action took on ownership in 2010 to ensure continued operation of this regional institution. From the beginning, however, Rural Action was involved in helping to establish the auction and connect to large-volume buyers. Farmers participating in the auction increased from 40 in 2009 (when Rural Action began collecting data) to 185 in 2018. Over this period, auction revenue increased 401 percent, to over \$300,000 in 2018.



Courtesy Rural Action

ACEnet assists the region's food systems stakeholders to add value. ACEnet's facilities include the Athens Business Incubator, Athens Food Ventures Center, and Nelsonville Business Center and Food Hub. These facilities are important parts of the food value chain infrastructure, including kitchens, thermal processing, warehouse and office space, cold storage, a local meat processing facility, and a separate produce processing facility. The Nelsonville facility is located in close proximity to institutions such as Hocking College, Ohio University, and the Tri-County Career Center, which provide opportunities for food business development. ACEnet also owns the Athens Food Venture Center, where the licensed commercial kitchen, thermal processing, and warehouse facilities are used by 65 food entrepreneurs each year. Food business entrepreneurs can access ACEnet assistance with business planning, marketing, regional brand access, and financial management, as well as the shared commercial facilities.

► The demand

Consumers within the region care about accessing foods that are healthy and taste good. Demand for local foods exists within the regional culture. Anecdotally, some buyers have reported feeling that by purchasing locally grown products, they are purchasing food that is higher quality and supports the regional economy.

The Chesterhill Produce Auction accommodates demand from both individual and institutional buyers by having two simultaneous auctions occurring within the auction facility. Small lots of produce are available for buyers who need a smaller amount for their household. Large lots are available for commercial buyers such as restaurants and institutions.



Courtesy ACEnet

Food access is an issue for many households in the region, with some demand that cannot be met through traditional markets. Farmers can donate excess produce at Donation Stations set up by area nonprofit Community Food Initiatives at the auction and the Athens Farmers Market, and monetary donations enable the nonprofit to purchase additional local food. This is distributed to food pantries and agencies serving residents of the region who need food but may be unable to pay market price for it on their own.

► Putting it together: Marketing and branding practices

The strong regional culture supporting the food systems economy is reflected in several collaborative marketing efforts.

Marketing connects the supply partners to buyers who



Courtesy ACEnet

are already interested in local foods by providing awareness of its availability. Marketing also increases demand by raising awareness of potential buyers about the quality of food available and its importance to the regional economy. A focus on food-related brand programs in southeastern Ohio has strengthened value chain commitments between buyers, sellers, and support partners. These brands include Country Fresh Stops and the 30 Mile Meal, as well as the Chesterhill Produce Auction's own brand.

Country Fresh Stops are a program to increase food access in parts of



Courtesy Rural Action

the region that are underserved by grocery stores. In these communities, convenience stores and gas stations sell some food items, but they often lack high quality produce or locally produced goods. Through the Country Fresh Stops program, stores can purchase produce from the Chesterhill Produce Auction and other regional farmers with direct delivery to participating stores on a regular basis throughout the growing season. The brand also includes pop-up markets located at partner institutions, including healthcare facilities and school districts. Country Fresh Stops currently serve nine locations in southeastern Ohio and West Virginia, with a service area of under 100 miles from where the produce auction is located in Chesterhill. In 2018 alone, Country Fresh Stops brought more than 10,000 lbs of healthy local produce to these underserved food deserts. “One location is at a regional hospital in Athens County. Once a week, produce is distributed to the hospital store, where employees, patients, or others can make purchases,” explains Eric Smith, Rural Action’s Chief Program Officer.

The Real Food Real Local Institute, another value chain partner in Southeast Ohio, developed the 30 Mile Meal brand with ACEnet and the Athens County Convention and Visitors Bureau. This brand assists



residents and visitors in finding foods produced within a 30-mile radius of a participating community’s epicenter. Any food business can participate in the brand, which provides a shared identity to growers and producers, processors, servers, and sellers. After beginning in Athens County in 2010, the brand has been replicated in other communities in Southeast Ohio, as well as elsewhere in the state and in Huntington, West Virginia.

Leslie Schaller, Director of Programs for ACEnet, says, “Having a logo and brand allows food businesses to communicate directly with customers. It gives partners such as restaurant buyers credit for sourcing local, and it builds brand awareness. When consumers see consistent branding through the growing season and at various markets and businesses, we are reinforcing the idea that these are products and produce raised within their region.”

These brand programs are managed by partners within the region who maintain assets and recruit participants. Marketing assets for these brands include high quality logos that communicate the brand identity and are used consistently by brand

partners. Branding guidelines ensure that partners know how to use the brand in appropriate ways and maintain a high level of quality and recognition of the brand. The brands maintain outreach assets, such as websites for each 30 Mile Meal community and for the program, and press releases that are issued or seasonal taste test events held when new Country Fresh Stops locations join the network.

► The bottom line: Replicating successes

Food systems work in southeastern Ohio is interconnected with other value chains, within Ohio and elsewhere in central Appalachia. Other partners doing food-related value chains in their own regions have joined together in a program called The Central Appalachia Food Corridor. Partners in Ohio as well as Southwest Virginia, Eastern Kentucky, West Virginia, and Eastern Tennessee are supporting economic resilience by connecting producers to wholesale and retail outlets.

Within Ohio and West Virginia, Rural Action’s food systems work also includes forest farming. Forest farming encourages forest landowners to grow native medicinal or culinary herbs including American ginseng, goldenseal, and ramps. This work gives landowners income on an ongoing basis via high value herbal product buyers (in contrast to selling timber from their forest once), it builds cultural capital by helping local families continue a regionally significant practice of forest farming and land stewardship, and it provides environmental benefit by maintaining habitat for herbs that are being overharvested in the wild.

The value chain partners are also finding ways to apply the knowledge learned through their food systems work to other sectors. In one example, Rural Action has formed the social enterprise Zero Waste Event Productions, which serves special events by handling on-site collection of waste and sorting it into landfill,



Courtesy ACEnet

compost, and recycle streams. The Zero Waste value chain work also intersects with food systems, as the annual Ohio Pawpaw Festival celebrating the native fruit is a Zero Waste client, and compost from the zero waste program is available as a soil amendment for gardening and agriculture.

► Funding the value chain

Grants from agencies, foundations, and local contributions have been critical to lay the infrastructure that supports the existence and expansion of the food and agriculture economy in southeastern Ohio. For example, initial capital for the Chesterhill Produce Auction came from Jean and Marvin Konkle, who conceived of the auction with Rural Action and also donated significant amounts of personal time to the effort; grants from the Southern Ohio Agriculture and Community Development Foundation and Ohio Farm Bureau Foundation supported infrastructure such as the produce auction building, driveway, and other capital improvements. Similarly, the Nelsonville Business Center was supported by grants from the U.S. Department of Commerce's Economic Development Administration, Nelsonville Chamber of Commerce, and others, while the U.S. Department of Agriculture (USDA) and Osteopathic Heritage Foundation provided funding for equipment within the facility.

Start-up support in the form of labor has also been invaluable. The value chain coordinators and other partners have contributed significant time to planning and developing these value chain activities. Rural Action staff played a key role in developing the Chesterhill Produce Auction through its steering committee, grantwriting, and outreach to partners. The Ohio Small Business Development Center at Ohio University's Voinovich School helped to develop a business plan while Ohio State University Extension of Morgan



Courtesy Rural Action



Courtesy ACENet

County assisted with fundraising. Area residents have invested their time, as Amish farmers contributed their labor to construct the auction building.

The food systems value chain connects producers to real market demand. As a result, some aspects of the value chain work are self-sustaining through payments for products or services. The Chesterhill Produce Auction functions as a social enterprise program of Rural Action, charging a commission of 16 percent on items sold through the auction. Similarly, ACENet generates 65 percent of its total organizational budget through earned income from incubator services, including assistance to food businesses.

Some aspects of the value chain work are building capital for regional consumers that cannot pay market price for products or services. For instance, ACENet's remaining funding

comes from federal, state, and foundation grants that underwrite the work to develop the local economy. The Central Appalachian Food Corridor program is an example of this kind of funding, with support from the Appalachian Regional Commission Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative, USDA, Just Transition Fund, and CoBank. Retail partners participating in the Country Fresh Stop program purchase produce, but at a reduced rate, with a subsidy provided by grants from funders such as the Osteopathic Heritage Foundation. The AmeriCorps VISTA program supports labor and expertise for distribution, sorting food, and other tasks related to the Chesterhill Produce Auction and Country Fresh Stop program.

the **wealthworks** inventory

- **Individual capital:** Entrepreneurs build skills through incubation services. Residents have access to local, healthy foods.
- **Intellectual capital:** Branding programs help food-related businesses to connect to customers and communicate a shared value placed on regional food production and access. Area businesses innovate using local products, visible in restaurants' seasonal menus and in the products developed by food ventures. Value chain partners have produced education manuals, such as a consumer guide for using fresh produce and a producer guide about winter growing.
- **Social capital:** Residents gather at the Chesterhill Produce Auction to visit, as well as to purchase produce. Shared kitchens and other incubator facilities encourage networking among small businesses.
- **Natural capital:** Support for food and agriculture maintains working landscapes. Marketing food within the region reduces transportation needs.
- **Built capital:** Facilities and equipment support food and agriculture enterprises.
- **Political capital:** Local leaders support policies that assist food systems value chains. Area institutions have policies to allow for marketing of regional produce and support for food enterprises. Licenses held by incubation facilities help new businesses comply with food production-related regulations.
- **Financial capital:** Local, state, and national funders support projects and programs that advance the value chain. These efforts, in turn, support financial sustainability for businesses and households participating in the food systems value chain, as well as continued operations of value chain coordinators.
- **Cultural capital:** Opportunities to generate income through regionally significant practices, such as forest farming or non-mechanized farming, are maintained. The cultural significance of local foods is celebrated.
- **Local ownership and control:** Steering committees and governing boards made up of regional residents guide many of the decisions made about value chain activities. Landowners have new opportunities to generate income, helping them to stay in place. Residents receive support to initiate or expand businesses within the region.
- **Better livelihoods:** Connecting to demand partners has allowed food producers across the income spectrum to increase their income.

Information sources:

Chesterhill Produce Auction: A Rural Appalachian Case Study (2010)

Chesterhill Produce Auction: 2018 Brochure

Impacts of Chesterhill Produce Auction on Southeastern Ohio's Regional Food System (2017)

Rural Action JM Kaplan Social Innovation Prize Application (2017)

<https://acenetworks.org>

<http://ruralaction.org>

<http://realfoodreallocalinstitute.org>

Personal communication with Leslie Schaller, Eric Smith, and Joe Barbaree

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