

Office of Farmland Preservation

Issue Briefing Paper

ISSUE: Agricultural/Livestock Marketing

Source: Farmland Preservation Task Force

Relationship to OFP: Opening new markets and opportunities provides security to new and existing farmers.

Description/Background: Opening new markets and opportunities are critical to the successful operations of Washington farmers. Critical to this goal is the infrastructure to process the crops in an efficient and economical manner to keep competitive on the open market.

INFRASTRUCTURE

One of the biggest factors leading to the reduction of farmland is the loss of support infrastructure that is required for agriculture to prosper and survive. Not only does infrastructure provide a place for farmers to process their crops, but also provides jobs to local communities. As technology continues to lead the way for efficient handling of product, the demand for skilled jobs increases, which in turn provides better working family wages. The impacts of the creation and retrofitting of support infrastructure and the loss of support infrastructure resonate even today. Below are two examples.

Stemilt Growers Inc. in Wenatchee recently opened a new \$7 million state-of-the-art pear packing facility. The new plant allows Stemilt to pack more than one variety of pear as well as conventionally and organically grown pears at the same time. The facility increases Stemilt's daily capacity in pear packing by 40 percent and allows it to do more customized packing. This has an impact on the entire region of pear producers. Most of Stemilt's pears come from the Wenatchee Valley, but a significant amount come from the Entiat Valley and Tonasket with a small number coming from the Yakima District.

An example of the impact of the loss of infrastructure recently occurred in the asparagus industry. Washington State was once a leading asparagus producing state. Due to the loss of asparagus canning plants, asparagus growers have had to find alternative markets for their product. Many have stopped producing asparagus all together. In 2008, Washington growers planted a little more than 8,000 acres in asparagus this year, down 8 percent from last year. In 1997 state growers harvested over 22,000 acres.

WSDA MARKETING

Opening new markets to producers is the goal of the Washington State Department of Agriculture (WSDA). WSDA's **International Marketing Program** assists Washington companies to export food and agricultural products. They work closely with the U.S. Department of Agriculture to promote exports, and with the Governor's Office and industry to resolve foreign trade barriers.

Through their **Small Farm and Direct Marketing Program** WSDA works with farmers, farmers markets, chefs and non-profit organizations to connect consumers directly to farmers who sell fresh, local products. They partner with public and private organizations to increase the economic viability of family farms and strengthen Washington's local food systems.

Also of importance is WSDA's "**From the Heart of Washington**". A public awareness campaign designed to increase consumer demand for Washington state food and agricultural products.

LOCAL FARMS – HEALTHY KIDS ACT

In 2008, the **Local Farms – Healthy Kids Act** was enacted. The Act establishes Washington as a national leader in promoting local food policy. By increasing the amount of Washington-grown food consumed through schools, food banks and farmers markets, this Act will help keep working farms working.

The Act is intended to strengthen links between state agriculture and state food procurement to expand local markets, improve nutrition, and benefit the environment. The Act creates four programs:

Farm-to-School Program; administered by the state Department of Agriculture (WSDA);
Facilitate increased procurement of Washington-grown foods by public schools

Washington Grown Fresh Fruit and Vegetable Grant Program; administered by the Office of the Superintendent of Public Instruction (OSPI);
Grants available through OSPI's Child Nutrition Services to purchase snacks of Washington-grown fresh fruit and vegetables. Priority goes to K-8 schools with 50% or more students eligible for Free and Reduced Price Meals.

Farmers Market Technology Improvement Pilot Program; administered by the Department of Social and Health Services (DSHS)
The Farmers Market Technology Improvement Pilot Program was created to assist farmers markets to develop the capability to accept wireless electronic payment cards. The program is intended to increase access to fresh fruits, vegetables, and quality meat and dairy for state residents and to increase the number of food stamp recipients using food stamp benefits through electronic benefits transfer at farmers markets.

Farmers to Food Banks Pilot Program; administered by Community Trade and Economic Development (CTED).

The program is designed to provide a source of wholesome, fresh products grown in Washington State to food bank clients around the state, in areas both rural and urban. It created a competitive selection process allowing non-profit 501 (c) 3 organizations that were in the business of providing social services to propose innovative strategies for using the program's funds to create partnerships between local agriculture and emergency feeding providers.

Following the Request for Proposals process to include food banks and emergency services agencies and also to the agricultural community, including small farms, around the state, the program received over 40 expressions of interest from a wide variety of organizations throughout the state. They are in the process of making their final selection of 3 – 5 projects that have potential for serving as models for other agencies in creating their own collaborations with their

farming communities. They received 14 applications submitted by food banks, emergency food assistance distributing agencies, Community Action Agencies, and Resource Conservation and Development Councils.

Applications describe collaborations between dairy farms, small and large vegetable and fruit growers, community non-profit farms and gardens, meat producers, economic development programs, Washington State Department of Agriculture programs, WSU Extension agents, and other state services.

Applications came in covering 17 different counties in both eastern and western Washington.

Project awards are as follows:

		<u>FY 09</u>	<u>FY2010</u>	<u>2 YR TOTAL</u>
Food Lifeline	Seattle	\$61,425	\$59,261	\$120,686
WA. Gorge Action Program	Skamania, Klickitat Co.	\$92,658	\$92,462	\$185,120
2 nd Harvest Inland Northwest	Spokane Co.	\$72,000	\$72,000	\$144,000
<u>Bellingham Food Bank</u>	<u>Whatcom Co.</u>	<u>\$50,217</u>	<u>\$56,477</u>	<u>\$106,694</u>
		\$276,300	\$280,200	

The projects include:

- A highly collaborative project in the Columbia Gorge region that will provide year-round distribution of fruits, vegetables, meat, and dairy products sourced locally in Klickitat and Skamania Counties from 15 growers and producers to food programs in 2 counties. It builds on relationships with the Gorge Grown Food Network, WSU Extension, and Horizons, an anti-poverty program of Washington State University.
- A Whatcom County Food Bank Fresh initiative by the Bellingham Food Bank to serve 9 food banks that will contract with 4 county farms, a local dairy, and a dairy distributor in the county to expand the supply of fresh fruits and vegetables, dairy, and protein for distribution. The existing Bellingham Food Bank Farm production will be also be expanded to supply 16,000 pounds of produce, at no cost, to the project.
- A Spokane area project by 2nd Harvest Inland Northwest with 5 vegetable and fruit growers and a local beef rancher that anticipates securing 170,000 pounds of new fresh fruit, vegetables, and meat for area food banks, and uses a “Mobile Food Bank” approach to serving smaller, hard to reach outlying communities in rural counties. 2nd Harvest Inland Northwest intends, at least initially, to work with Cliffside Orchards in Kettle Falls for pears and apples; Easterday Farms Produce Co. in Pasco for onions; Lazy R Ranch in Cheney for beef; Middleton Organic Orchards in Eltopia for apples, blueberries, and cherries; and S&P Homestead Farm (Otis Orchards) for mixed vegetables. These are growers with whom they have reached letters of intent, but they should not be taken as the only or final sources, that will be used as the project develops. 2nd Harvest intends to open the doors for growers and producers to be involved in other ways including donating “second-line” surplus products in

bulk form or in packaged form for which 2nd Harvest would be willing to help with paying packaging fees.

- An urban project working with over 10 new regional growers and producers of fruits, vegetables, eggs and meat, serving Seattle neighborhoods through the Seattle Food Committee, representing 29 local food banks.

FARMERS MARKETS

Farmers markets have long been an outlet for producers to directly market to consumers. In the recent past, farmers markets have been flourishing, a product of consumers demand for fresh local produce. Across the state there are well over a hundred farmers markets. These markets are becoming critical to the success of small farm producers. A resurgence of farmers markets is one face of a widespread grassroots movement to revitalize small-scale, community-based agriculture as an alternative to an increasingly globally organized food supply.

BENEFITS OF DIVERSIFYING

As evidenced by the Task Force tour to Dickey Farms in Bingen, diversifying can have a major economical impact on a farms bottom line. Dickey Farms has established itself in nearby Portland with weekly shipments of produce, and also the 2004 addition of a 10,000 square foot year round feed, grain, and vegetable stand. The new building recently accounted for 40% of their overall gross and continues to enjoy 15% growth.

Community Supported Agriculture - CSA

CSA consists of a community of individuals who pledge support to a farm operation so that the farmland becomes, either legally or spiritually, the community's farm, with the growers and consumers providing mutual support and sharing the risks and benefits of food production. Typically, members or "share-holders" of the farm or garden pledge in advance to cover the anticipated costs of the farm operation and farmer's salary. In return, they receive shares throughout the growing season, as well as satisfaction gained from reconnecting to the land and participating directly in food production. Members also share in the risks of farming, including poor harvests due to unfavorable weather or pests. By direct sales to community members, who have provided the farmer with working capital in advance, growers receive better prices for their crops, gain some financial security, and are relieved of much of the burden of marketing.

The CSA movement began in the early 1960s in Germany, Switzerland, and Japan as a response to concerns about food safety and the urbanization of agricultural land. Groups of consumers and farmers in Europe formed cooperative partnerships to fund farming and pay the full costs of ecologically sound, socially equitable agriculture. The idea took root in the United States in 1984, when Jan Vander Tuin brought the concept of CSA to North America from Europe. Since that time, community supported farms have been organized throughout North America, mainly in the Northeast, the Pacific coast, the Upper-Midwest, and Canada. North America now has at least 1,300 CSA farms, with estimates ranging as high as 3,000.

According to Local Harvest, a national resource for CSA, Washington has over 100 CSA farms or nurseries specializing in plants and flowers. Actual farms number in the dozens, offering a wide range of produce across the state.

PUGET SOUND FRESH

Puget Sound Fresh is a consumer education and product identification program. Puget Sound Fresh educates consumers in 12 counties about the health and environmental benefits of buying and eating locally grown.

“Puget Sound Fresh” describes any product grown, raised or harvested in one of the 12 counties that touch Puget Sound -- Clallam, Jefferson, Mason, Kitsap, Thurston, Pierce, King, Island, San Juan, Snohomish, Skagit and Whatcom. As part of the program, locally grown products are labeled with a Puget Sound Fresh sticker or banner. Other farm products not considered “fresh” can be labeled with the “Puget Sound Grown” logo. This includes wines grown and produced in the Puget Sound Appellation, Christmas Trees, the growing variety of nursery products and more. The logo was also designed to be customized, providing the opportunity to more specifically brand a farm, community or geographic area within the larger Puget Sound region. The Puget Sound Fresh Select Kitsap logo was the first to be developed and marketed.

The program encourages area grocery stores, farmers markets, restaurants and other retailers to source and promote local produce and farm products by using the Puget Sound Fresh logo. Currently, nearly 90 farmers markets in the region sell “Puget Sound Fresh” products. Local grocery stores featuring Puget Sound Fresh include PCC Natural Markets, Metropolitan Market, Central Co-op's Madison Market, Safeway, QFC, Whole Foods and Haggen/Top Foods.

LIVESTOCK

Washington small livestock producers are limited in their ability to direct market due to the limited number of USDA meat facilities in the state. There is a large void between livestock producers, meat processors and consumers who want the ability to purchase locally raised meat products. Some of the questions being asked are whether livestock producers have adequate places to market their cattle or other species of livestock. Is the State of Washington losing its critical infrastructure that is needed to support livestock producers?

The state does not have a state meat inspection program that is equivalent to the USDA meat inspection program. For this reason, meat products processed by custom meat processors can not be provided to the general public. They are only allowed to be processed for the actual owners of the animal.

Recently, the Senate Agriculture and Rural Development Committee held a work session on encouraging local processing of meat products. Committee members heard from the recently formed Puget Sound Meat Producers Cooperative. The Puget Sound Meat Producers Cooperative has proposed a Mobile Slaughtering Unit (MSU) to serve beef, pork, sheep/lamb, and goat producers in a six-county region of southern Puget Sound: King, Kitsap, Lewis, Mason, Pierce and Thurston Counties. The Cooperative emphasizes the importance of producers being able to effectively and efficiently get the livestock inspected and slaughtered. Currently, producers need to transport livestock to USDA-inspected slaughter facilities in Oregon or the Tri-Cities, and then back to their hometowns.

Another issue facing livestock producers is the dwindling numbers of livestock markets in the state (see attached map). In the past two years, the state has lost three public livestock markets, bringing the number down to six statewide. This raises questions about the future viability of the livestock industry with the declining number of public livestock markets and slaughtering plants

in the state. If there is no viable option to raise crops on ag lands or if the land is only suited for pasture or forage production, livestock then becomes the last viable use. If the livestock marketing infrastructure is lost, what are the consequences?

Issue for Farmland Preservation: Marketing to farmers and consumers is critical to the success of new farmers and existing farmers. Local groups such as the NW Agriculture Business which encompasses five counties in NW Washington are actively promoting local producers. The mission of the NWAB is preserving farmland through economics – making farming in the region more economically viable and achieving more acres of preserved and working farm land. They are achieving this by working with farmers/producers, providing business training, producing Value-Added products, creating market opportunities, assisting and developing connections to the market, and collaborating with other groups, agencies, and interested parties.

The Task Force might consider recommending this model state wide.

Resolution: