
Red Tomato Report
to the
Illinois Food and Community Funders Group

Executive Summary

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Acknowledgements

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The members of the Illinois Food and Community Funders Group include:

Brinson Foundation, Chicago Community Trust, City of Chicago-Department of Cultural Affairs, City of Chicago-Department of Environment, City of Chicago-Department of Planning and Development, Chicago Tribune Company, Donors Forum of Chicago, Environmental Grantmakers Association, Field Foundation of Illinois, Inc., Gaylord and Dorothy Donnelley Foundation, Illinois Clean Energy Community Foundation, Joyce Foundation, Kraft Foods Foundation, Liberty Prairie Foundation, Lumpkin Family Foundation, Prairie Crossing CSA, Retirement Research Foundation, Robert R. McCormick Tribune Foundation, Shorebank Enterprise, USDA Food and Nutrition Service, Midwest Region, W.K. Kellogg Foundation.

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Executive Summary

I. Why this report now?

The funders of this study, and the network they represent, are unified in their desire for a different farm and food system. More than 20 public and private funders “have come together to explore ways to work together to increase the demand for healthy food among all populations in Chicago and Illinois and to promote its local or regional production and widespread accessibility and affordability.”¹

The principal aim of this report is to identify key *leverage points* where positive change can be made through strategic investment by funders acting alone or in collaboration to increase their effectiveness.

II. Methodology

More than 70 in-depth interviews make up the core of the study. Over the course of this project we spoke with farmers, university employees, funders, food industry staff, activists, state and federal employees, City of Chicago staff, and nonprofit staff. For a complete list of interviewees see appendix A in the full report.

We saw the project as an unfolding investigation looking for an answer to the question “What actions will effect the most change?” It was a search for experienced opinions that we could analyze for opportunities and leverage points.

III. The big picture

Future prospects of the Illinois food system: two views.

The comments of interviewees about the prospects of changing the Illinois food system in the direction sought by the funders of this report fall into two camps—the first, decidedly pessimistic; the second, optimistic.

Both these views of the Illinois food system tell the truth.

One view: The glass is half empty.

To some of those working to change the Illinois food system, the prospects seem dismal. Some say that in 25 years things will only have gotten bigger. In this vision, government commodity subsidies will continue to dominate the state’s agricultural sector. Small-scale farms of less than 100 acres will constitute the rest of the state’s farm economy. And there will be little in between.

Proponents of this view report that less is happening to create a local, sustainable, and healthy food system in Illinois than in nearby states such as Iowa, Wisconsin, Minnesota, and Michigan.

“In Wisconsin, a lot of people are doing stuff at the margins... [Here in Illinois], it’s only a very small handful.” And, “It’s hard to get [innovative agricultural grant proposals] out of Illinois. It’s a little bit disconcerting when you don’t even get *anything* out of Illinois.”

Another view: The glass is half full.

At the same time, many voices offer small success stories that paint a more hopeful picture of the future. **Again and again, we heard about the growing demand for high quality, differentiated, locally grown food products**—both conventional and organic—in high volume

¹ From the Illinois Food Systems Needs Assessment Request for Proposal, December 2003.

places such as supermarkets, restaurants, schools, and hospitals. Consumers are ready. Here are two voices:

“I’d buy a lot more local [for my store] if I could get it, particularly organic. It has the best flavor, not like those cardboard tomatoes.” And, “There are sizable markets in health care and food service that are looking for highly differentiated food products, not only differentiated on the basis of quality factors but also in terms of food stories...where did it come from, who are the farmers...The food service industry is extremely concerned about the loss of *mid-size* farms. It’s an enormous opportunity.”

Who will feed Illinois?

To what degree, then, will the people of Illinois, say 25 years down the road, be fed by mega-farms? Small, diversified farms? Medium-sized farms? Urban farms and gardens? Asian and Latin American farms?

Food for all. There’s more to the question, “Who will feed Illinois?” than the type, size, and location of farms. There’s the question of whether *everyone* in Illinois will have the same access, the same right, to healthy and affordable food.

Other factors will influence whether everyone in Illinois has access to a healthy diet such as having affordable stores in lower income neighborhoods, and public transportation systems.

We return to food production. U.S. agriculture is increasingly bipolar. The 70% of the farms in the middle—575,000 small to medium-sized farms—are the most at risk.²

Small is beautiful. Small-scale diversified direct marketers (CSAs, farmers’ markets, etc.) are trailblazers. They play a critical strategic role by introducing tens of thousands of people to high-quality farm fresh foods.

However, small-scale diversified direct marketers won’t feed Illinois, and they won’t feed Chicago. One limitation of small-scale diversified direct marketers is that they won’t reach average American shoppers in large numbers. In similar fashion, urban agriculture won’t stock too many shelves. Nor will they produce high numbers of paying jobs. But their contribution will be invaluable for neighborhood development and stability, education, production of ethnic and specialty crops, and for generating new recruits, especially youth.

Mega-farms raising monocultures of corn and soybeans won’t feed the people of Illinois, either. The crops they raise are destined for export markets, animal feed, or industrial uses.

The commodity system is not as stable or monolithic as some believe. Stan Schutte, Triple S Farms, says, “Deep down, this system is unhealthy. It’s going to fall apart.”

In the hopeful view of the future, medium-sized farms will undergo the greatest change. Through crop diversification, through the creation of new partnerships and marketing infrastructure, and through a transformation of mental attitude—with financial and operational support from the land grant system, public policy, and the private sector—these medium-sized farms will become increasingly able to supply the wholesale markets that feed the majority of people in Illinois.

² Willard Cochrane, A Food and Agricultural Policy for the 21st Century, unpublished paper, 1999.

The missing infrastructure.

Before moving to the heart of this report readers must understand the barriers that keep medium-sized family farms from directly feeding the people of Illinois. We are calling these barriers **the missing infrastructure**.

1. **Physical infrastructure:** There is a need for processing facilities for livestock, storage facilities where perishable product can be refrigerated and loads consolidated, processing facilities for dairy and fresh produce, and transportation, distribution, and marketing in new ways.
2. **Attitude:** This is the absence of a strong positive mental model that medium-sized diversified Illinois farms are viable, and that farmers can benefit by transitioning to new crops and to wholesale marketing. This is also about the lifestyle transition conventional corn and soybean farmers would have to make were they to transition to diversified crops or livestock.
3. **Knowledge:** The particular deep knowledge it takes to raise any and all crops and animals is eroded every time a diversified farmer goes out of business; entire production categories, from vegetables to fruits to types of livestock, are at risk. The knowledge of how to transport and market diversified crops is also part of the missing infrastructure.
4. **Training:** When knowledge and experience are missing, the onus is on training—the need to train new farmers, and farmers in transition. This includes training in marketing and distribution, and issues unique to the urban grower.
5. **Labor:** Planting, weeding, harvesting, grading and packing, pruning trees, and care of livestock, will all need an expanded and trained labor force if the Illinois farm economy is to shift toward diversified crops.
6. **Land:** Farmers report there is little farmland available, at least at affordable prices. Suburbs and sprawl are taking prime farmland permanently out of production. The City of Chicago has 60,000 to 70,000 vacant lots, but they are often too expensive, too small, or simply unavailable. Ann Sorensen of American Farmland Trust says, “The problem we have here in Illinois is local land use planning...to do a good job with any food systems work, you need regional planning.”
7. **Financing:** Even when a farmer owns the land, conventional financing for unconventional crops can be hard to find and arrange.
8. **Political will and savvy:** Lack of political will among decision makers and politicians, and lack of political savvy at the grassroots and organizational levels, are barriers to success.

At the crossroad.

We stand at a crossroad. Without concerted investment and action now or in the near future, the opportunity will slip away for Illinois producers to be the ones delivering diversified and specialty products to the Illinois food marketplace. The growing demand for high quality, diversified farm products, both organic and conventional, will be filled increasingly by large-scale commodity suppliers out-of-state, out-of-region, and out-of-country.

IV. What is leverage?

Leverage is the idea that “small, well-focused actions can sometimes produce significant, enduring improvements.”³ For a system as large and complex as the Illinois farm and food

³ Peter Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization* (Currency, 1994), 64.

economy, there's probably no single leverage point that could turn the system around. Change will occur from the synergy of a number of actions and investments made simultaneously.

V. Leverage points: How to take action

We have identified seven key leverage points that funders should work on immediately and simultaneously. For each leverage point we make recommendations for specific actions to consider executing or funding.

To fund or to do? When we recommend an action, in almost every case (unless it is very clearly specified otherwise) we are *not* distinguishing between actions that funders would facilitate through an investment or grant, or actions they would execute themselves.

Leverage Point #1: Be the glue.

What was missing suddenly became clear at one of the all-project-team meetings we held to analyze the Illinois food system: glue.

Illinois has hundreds of groups, thousands of people, actively working on food system reform. What it doesn't have is a well-developed consciousness that all these stakeholders are part of a single local food system movement. And it doesn't have the leadership to hold them all together.

1. Take the leadership role.

Be the glue that holds these stakeholders together in common purpose. Stimulate deeper conversations. Redefine a more positive picture of the future.

Funders may not need to play this role indefinitely. They may be able to pass the baton. But we believe leadership that will hold together a common movement must be in place before anything else can work, and the funders are well positioned to fill that need.

Funders can expand the volume of conversations by convening meetings and conferences. They can request proposals for specific activities. They can speak with credibility to the media and shape public opinion. They can draw in political and other influential leaders. They can identify and attract additional financial resources.

2. Define the common purpose.

No single entity can orchestrate a transformation of this magnitude. It takes hundreds of organizations and tens of thousands of individuals doing their own thing, their own way, *with support* from major institutions. The leverage is in herding this mass of self-managed activity in a common general direction.

An important first step is to define that direction. A purpose statement could be as short and simple as: *A more diverse agriculture for Illinois—feeding us healthier food, providing tomorrow's best business opportunities.*

3. Bring in new players; attract new resources.

A more diverse network is a stronger network. From the agricultural sector, seek diversity in production—crops, animals, scale, location, ways of marketing, IPM as well as organic. From the food security sector, seek demographic diversity and innovative projects that make locally grown food affordable to low income people. Recruit hard inside the food industry—the voice of business is seriously underrepresented. Allies from the land grant system and the state department of agriculture are critical. Include the Illinois Farm Bureau. This will make it easier to attract new resources. The effort will be taken more seriously by prospective funders and participants.

4. Include faith-based communities as critical partners.

Reach out to both rural and urban people through their religious community. Faith-based communities are both a trusted vehicle of communication and a cost-effective way to reach large numbers.

5. Tear down the walls. Unite Illinois behind food system reform.

The “profound cultural polarization between Chicago and downstate Illinois” is a major impediment to change. But unlike the irradicable commodity support system, these cultural walls can be torn down *or eroded* through sheer intention and practice.

6. Move beyond the Food Summits.

The Food Summits sponsored by the Chicago Community Trust were successful. They got people talking, thinking, and interacting.

Now we recommend that the funders, in partnership with other sponsors such as the University of Illinois and the City of Chicago, take the Food Summits to the next level: *convene the one conference every year that no one can afford to miss.*

Leverage Point #2: Shape public opinion.

The change funders envision will, in large part, be market driven. There is leverage in shaping what ordinary citizens believe about food, farming, and their own health.

1. Change the common story told about Illinois agriculture...

...from the one about the domination of corn, corn, corn (and soybeans), to a story about the early stages of transformation from an export-oriented monoculture to a more diversified farm state learning to feed itself once again.

A majority of the interviewees offered some version of the prevailing mental model: Illinois farms raise exports; Illinois families eat mostly imports; and things won't change as long as government subsidies persist. Changing the prevailing mental model is everyone's responsibility and challenge.

2. Turn up the volume—fund communications work.

The public and media's love of new stories presents an opportunity to turn up the volume and be heard by millions of people at once. Fund communications projects staffed by media professionals.

Leverage Point #3: Build the Markets of the Middle.

We recommend that funders take on the arduous task of building the wholesale infrastructure that will enable Illinois farms to supply the food outlets—the grocery stores, institutions, and restaurants—that feed most Illinois people every day.

Markets of the Middle are the portion of the conventional food distribution system that can be recaptured and resupplied by small and medium-sized farms as part of a reformed regional and national food distribution system.

This includes all manner of *wholesaling*. For example:

- a farm delivering to a number of restaurants three times a week;
- many farms in a region reaching stores and/or restaurants indirectly by delivering regularly to a produce distributor or a specialty foods distributor; and

- ten farms consolidating their mix of products under a single brand name in order to gain efficiencies in processing, trucking and marketing.

We are either in the early and most difficult stages of a long, slow transition to a food system driven by a desire for healthful, safe high quality foods, and for connection to and knowledge about the sources of food. Or, we are, as the skeptics contend, playing around with permanent small niche markets that will never grow into something significant enough to support tens of thousands of small and medium-sized farms in the U. S.. The authors of this report believe the die has not yet been cast. Without intervention, the system will progress toward a confirmation of the skeptics' view of tomorrow. *There is an opportunity to intervene.*

Farmers are among the most resourceful of people in the world. With adequate market incentives, and in evidence of hope and support, farmers will find a way to surmount barrier after barrier to deliver the goods.

1. Identify successful ventures and tell their stories.

There are *lots* of farm to market activities in Illinois and in neighboring states whose untold stories would be instructive, if not inspirational.

For example, the Amish are among the most talented growers of regional organic produce and their story ranges across Iowa, Indiana, and Ontario, Canada.

This is, indeed, a regional effort, and state borders should not confine the marketing and communications work. To keep success stories fresh they'll have to come from Wisconsin, Michigan, Indiana, Iowa, as well as from Illinois.

The search for stories will lead to the creation of a list or database of ready-to go-farmers. Make it widely available to the public; include an inventory of the products and volumes the farmers can supply. This sets the stage for immediate expanded wholesale marketing activity.

2. Amplify the level of local trade activity—support matchmaking and marketing.

Funders should invest in, support, train, and/or make alliance with individuals and organizations that can bridge the gap between farmers and buyers. While some farmers are skillful marketers, more and more farmers concede that marketing has become the weak link in their survival chain.

Established brokers, cooperatives, or distributors will have the know-how to arrange and coordinate deals. Skillful intermediaries will do even more. They will locate new markets for unsold high quality product. They will inform growers about new opportunities.

Number one on the matchmaking *to-do* list is connecting the ready-to-go farmers and the ready-to-go buyers.

3. Support farmers in transition.

The transition from commodity agriculture to raising specialty crops or livestock is loaded with risk. So is the transition from conventional farming to organic.

If there is to be a significant Marketplace of the Middle in Illinois in 25 years, then there must be a significant number of farmers who undergo one or both transitions.

Formal support and training will be necessary to reduce and manage the risks of transition. Growers will benefit from a combination of advice and training on finance and accounting, business management, technical farm production issues, marketing, and labor management.

4. Cultivate partnerships within the food industry.

Engage the food industry. The voice of the food industry is essential to this effort. Not only do they own and manage the businesses that provide the majority of food consumed in Illinois. But their detailed knowledge and experience are essential ingredients in planning for distribution strategies that will adequately serve these markets.

There are organizations, businesses, and individuals who are already building the Markets of the Middle in their own way, on their own turf. Several are specifically looking for partners in Illinois. See the full report for examples.

5. Engage the land grant and the state as partners.

We heard criticism of the University of Illinois and the Illinois Department of Agriculture for their lack of leadership and commitment to sustainable and organic agriculture. We also encountered individuals inside those institutions who were hard at work to prove the critics wrong.

The short-term battle is to support, strengthen, and grow the existing programs inside the land grant system and inside the Department of Agriculture so they become increasingly effective advocates for change. The long-term battle is to engage these two powerful institutions as full partners and major funders of local and organic market development and food system reform.

6. Support mission-driven business activity.

At this early and experimental stage in the transformation of the Illinois food system, strong ideas and strong entrepreneurs may not find sufficient capital for their start-up activities in the usual places.

To the degree their own legal structure and internal guidelines permit, funders should seriously consider all kinds of mission-driven food business proposals, including the most far-reaching of ideas and activities. Scrutinize the entrepreneur as closely as the idea and the plan itself. Does she or he have adequate skills? Recognize the leaders and the risk-takers who will successfully build the Markets of the Middle, and step up to support the growth of their enterprises, especially in the early stages, in both ordinary and new ways.

Leverage Point #4: Support Chicago Organic and other urban initiatives.

Urban dwellers in the United States don't associate their health with agriculture. It's a gap that keeps rural and urban people from working together. **Community food security is a way to unify farm and food concerns.** It brings food distribution, food production, nutrition, and feeding the poor into one analysis and process.

We have the public's ear. The current national media focus on obesity and public health is an excellent opportunity to connect what the nation eats, what the nation weighs, and how the nation farms.

We have the greenest mayor. Mayor Richard M. Daley's ambition to *make Chicago the greenest city in the United States* is a golden opportunity for developing a sustainable and secure food system. Chicago Organic is an example of the kind of unified thinking and planning that is needed. This effort by Mayor Daley will plan, organize, and drive the city's environmental initiatives.

1. Strike while the iron's hot.

There is no time to be lost in rallying behind Chicago Organic.

2. Support pilot projects in which local farmers supply city institutions, such as public schools.

Food procurement is an obvious place to strike first. Getting local farm products into the City of Chicago food-procurement system is an area in which immediate progress can be made and showcased. Success will depend on a variety of factors (see the full report for a list).

3. Support urban agriculture.

Urban agriculture is another area in which to strike right away. It's more accurate to say, "keep on striking," because there's already so much going on.

A local group, The Advocates for Urban Agriculture, state, "With a strong, integrated plan for urban agriculture, the City of Chicago could reap the broadest community, economic, nutritional and environmental benefits."⁴ We agree.

4. Push supermarkets to introduce stores in underserved neighborhoods.

We recommend that funders use their influence to get large well run food stores in underserved neighborhoods. No single event would increase more access to healthy and affordable food.

5. Help establish food policy councils.

A food policy council is one of the main arenas in which diverse parties can discuss and debate the issues, explore common ground, and figure out how to collaborate and move forward. A new generation of Chicago and state-level food policy councils could help integrate policies across city/state departments, private-sector organizations, and different regions. The Chicago Organic committee is well positioned to start—or evolve into—such a council for the city.

6. Support matchmakers and marketers who can successfully link growers to low-income consumers.

Efforts to connect growers, both urban and rural, to low income consumers are among the most challenging to execute successfully, especially setting a price that is mutually acceptable to growers and buyers. Two current examples are the work of the Chicago Anti-Hunger Federation, which buys from local farmers, and Seven Generations Ahead, which is linking farms and buyers as one of its programs. Other approaches include funding farmers' markets in lower-income neighborhoods, subsidizing CSA shares for lower-income families, or directing more "seconds" and aesthetically-off-grade produce to food banks.

Leverage Point #5: Fortify and facilitate all of the above by investing in leadership.

It sounds trite, but ultimately, it's people who make things happen. Leaders.

Invest in leadership. Effective leaders need mentorship, technical skills, emotional support, and/or greater resources at their disposal. This is an area where interviewees spoke in unison.

⁴ Advocates for Urban Agriculture, Draft Plan for Sustainable Urban Agriculture in Chicago, February 24, 2004

Leverage Point #6: Fortify and facilitate all of the above with selective policy work.

The most leverage from additional resources applied by funders in the area of policy work will come by funding efforts for policy change at the state, county, and local levels directly in support of other recommendations in this report.

The skills and know-how to move an in-state policy campaign forward are in short supply. Funders should support the initiatives of organizations and leaders with a proven track record.

1. Fund policy work whose intention is to generate state level resources and University of Illinois resources.
2. Add funds (matching grant style) to support emerging policies in the City of Chicago that promote healthy eating and farm-to-city business connections.
3. Make healthy and affordable food for all a central feature of public policy.
4. Support initiatives that remove or modify policies that now serve as obstacles to diversified farm production, and as obstacles to the processing, transportation and marketing of diversified farm products such as meat and poultry.
5. Fund efforts at land use planning and policy creation that make land available for new or diversified farm production, both urban and rural.

Leverage Point #7: Synergy.

Behind every recommendation above is an assumption that, if executed successfully, it will make it easier to realize success in one of the other areas.

For example, if we can change the common story told about Illinois agriculture and reach millions of people, then buyers and chefs and food industry managers will be willing to take more risk and buy more locally grown foods.

A self-fulfilling cycle is set in motion. In the synergy that develops from these changes, lies the hope for enduring change.

VI. Talk amongst yourselves!

Members of the Illinois Food and Community Funders Group are anxious to move toward the action phase. *Talk amongst yourselves!* Discuss your next steps, and how to coordinate your actions.

KATHY DICKHUT,
DEPUTY COMMISSIONER
OF THE CHICAGO
DEPARTMENT OF
PLANNING AND
DEVELOPMENT

...if all the funders, including the city,
got behind the same set of food system
initiatives, it could have a major impact.
“They could be funding the same quilt,
but different patches.”
