

Economic Advantages of Local Food

by Lynn Jones

Interest in eating local food has skyrocketed in recent years. There are dozens of new books on the subject and there is even a new word in the English language – “locavore” - to describe folks who deliberately choose to eat locally as much as possible. Local harvest festivals and local food tasting events have also taken off recently as have restaurants featuring local food in-season on menus year round.

There are so many advantages to eating locally, one wonders why we ever stopped. The food is fresher and the environmental impact of consuming it is far smaller than when we eat foods that travel thousands of miles to get to our dinner plate. Shopping locally forges connections between producers and consumers and contributes to a wonderful spirit of community and place that is missing when everyone eats food from far away.

One advantage of local food is not talked about much but should be since it has tremendous potential to bring about positive change in communities all over the industrialized world. This is the economic impact of shifting to a more locally-based diet. Since every household in every community spends a significant chunk of money on food, the impact on the local economy of shifting even a portion of the expenditures to local items can be quite large.

To see how this works let's consider that households in Renfrew County spend close to 300 million dollars each year on food. Presently, most of this money leaves the county very rapidly, to pay people outside of the county who have helped to produce it and bring it here. But if more people consumed local food and if, as a result, more food was produced and sold for local consumption here, the effect on the economy of the Ottawa Valley would be tremendous.

One way the positive effect would operate is via something called the “multiplier effect” which refers to the number of times that money changes hands before it leaves a community. The more times the better, since money is in this case a symbol of value changing hands - the more times this happens the more vibrant and healthy the local economy. An easy way to picture this happening is to imagine that the cash you pass on to the local farmer or grocer is then passed on by him or her to the local hairdresser, who spends some of it at the local car repair shop, and so on. By contrast, when you buy foods from far away, much of the money you hand over immediately leaves the community without passing through the hands of many of your friends and neighbours.

Another way the positive economic effect of a more locally-based food system would show itself is in the creation of new jobs and small businesses. Many more farmers and market gardeners would be needed to produce more food, and there would be lots of need also for processing and local storage businesses. Keep in mind we are not talking here of trying to shift all of the food dollars to local food. That would be neither desirable or feasible, but even a 10% shift could make a very significant impact on our valley economy. Ten percent of food expenditures in Renfrew County would be about 30 million dollars or about the equivalent of 750 jobs.

This prospect of economic stimulus from re-localizing part of the food system is proving to be of great interest to numerous city, county and State governments in the United States. Many interesting reports have been published on the internet in the past year outlining the estimated benefits and suggesting means of moving forward. Some states have even passed resolutions such as this one by the State of

Vermont “to increase the direct sale of local farm products by 50% and to increase storage and processing capacity of locally grown farm products by 20% above current levels by 2012”

The United States Department of Agriculture has also been studying the economics of local food systems and has been actively encouraging communities to tap into over a billion dollars of existing funding programs to help start new farmers markets, community kitchens and local food businesses including mobile slaughterhouses and creative local food marketing programs.

So far Canada seems to be missing the boat on this issue, at least at the governmental level. Google searches for “local food systems” combined with “Agriculture Canada” or “Ontario Ministry of Agriculture and Food” don’t turn up anything of note at this time. Fortunately, there are many non-government organizations working very creatively to promote local food and this is great to see.

The fact that there are no federal funding programs to help develop and expand local food systems doesn't need to stop us from moving forward. Here in Renfrew County, the Ontario Trillium Foundation recently funded a collaborative project between the Ottawa River Institute and Ottawa Valley Food Co-operative to promote local foods including increased awareness about the advantages of choosing them. This article is part of this project.

Local municipalities and institutions can help to promote local foods too. Local food procurement policies are one way of doing this and of course there are many others. The County of Renfrew has been very supportive of local agriculture ...

Here are some examples of potential activities to increase local food production from a recent report in the State of New Hampshire:

- Extend both the season for Farmers’ Markets and their geographic scope
- Increase the presence of Coops and CSAs
- Develop root crops and their markets
- Create farm-to-regional distributor partnerships
- Create farm-to-institution partnerships (direct or through coops) to hospitals, large employers, schools, etc.
- Create a business incubator to help entrepreneurs create new businesses in agriculture and food manufacturing
- Develop apprenticeship programs to train the next generation of farmers