Plannning for a

Northern Illinois Food Systems Network

Prepared for DeKalb County Community Gardens and Illinois Farm Bureau/Local Foods Program
by Northen Illinois University, Center for Governmental Studies

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NORTHERN ILLINOIS UNIVERSITY
Center for Governmental Studies
Outreach, Engagement and Regional Development

Table of Contents

Executive Summary

While Northern Illinois is rich in agriculture and is home to the largest consumer market in the Midwest, little of the food consumed in the region is grown in the region. This time of disruption and change within food systems nationwide is an opportune moment to plan for a stronger northern illinois food systems network. This study is a step in the planning process and was funded by the Chicago Region Food System Fund and the Illinois Farm Bureau, two organizations supporting Illinois agriculture and access to fresh foods for Illinois residents. The study was conducted by the Northern Illinois University Center for Governmental Studies (NIU-CGS) in collaboration with DeKalb County Community Gardens.

Geographically, this study focuses on the following nine counties in northern Illinois:

- Boone
- Carroll
- DeKalb
- Jo Daviess
- Lee
- Ogle
- Stephenson
- Winnebago
- Whiteside

Research for this project included surveys of farmers and restaurant owners, interviews with key stakeholders, and review of existing research on local food systems. The synthesis of this information offers suggested strategies to build a northern Illinois food system network. The full report presents a detailed discussion of the research and a plan for moving forward.

Underlying Approach

The nine-county area possesses the components to grow a food system network to serve the subject counties, the Chicago area, and other markets. However, there is much work to be done to bring it to fruition. Most of the strategies and resources suggested in this report build on existing assets, strengthening them, and fostering collaboration to create the network, rather than large investments in new facilities or organizations. This approach minimizes risk, gives existing businesses and organizations a strong stake in the system, honors established relationships, can be approached incrementally, and is more cost-effective than extensive new facilities and organizations.

Leadership

With a network built on existing, presently independent components, central leadership is needed to make the pieces into a strong whole. The lead organization will coordinate more often than carry out tasks. There are existing organizations that could provide leadership but are reluctant to take on the expense of additional staff. Dedicated paid staff will be necessary to make implementing the plan a priority. There are options for covering the cost of staff, and these should be investigated. Administrators of potential leadership organizations in the region feel that it will be easier to generate interest in taking on a leadership role after this report has been shared within the region.

Financial and Technical Assistance

Insufficient production volume is an obstacle to area farms becoming a more significant source of fresh food for metropolitan Chicago and elsewhere. Farmers are interested in increasing production and operating more efficiently, but most divide their time between the farm and a nonfarm source of income. There are many sources of financial and technical assistance but sorting through and applying for those most appropriate can be challenging. Having an individual whose job is to assist farmers with this effort will increase the likelihood of success.

Next Steps

After leadership has been established, completing the following tasks will begin to build a stronger northern illinois food systems network.

- **Use farmers' markets as a starting point.** The farmers' markets in the Chicago area are a relatively easy entry to the Chicago market. By coordinating booth rentals, labor, and transportation, multiple farms can find the time and resources to participate in the markets.
- **Work with market managers to make farmers' markets vibrant business centers for farmers, restaurants, and consumers.** Educate market managers on how to make their market a more effective sales location for farmers and a productive purchasing and marketing experience for chefs, as well as increase the fresh local food choices for area residents at all income levels.
- **Establish connections with restaurants and other food service providers.** Personal connections were cited by both farmers and restaurants responding to surveys as the key to working together. Farmers' markets are where these two groups can come together to establish these connections. Help farmers to be well-prepared to make overtures to restaurants and educate chefs on how to work with farmers.
- **Position small-scale storage, aggregation, and/or distribution sites so they are within a reasonable distance of every farmer.** Start by building on existing organizations already playing this role in the area. Add other sites as needed, but retain the small scale of each, minimizing investment and risk.
- **Support improved meat processing through one or more new or expanded facilities.** Lend support to proposed projects that appear to have a good chance of success.
- **Coordinate transportation of products through truck sharing.** In some instances, the availability of a truck is less of a problem than finding someone to drive it. This task can be shared among participating farms.

- **Work with community colleges to expose disadvantaged groups to opportunities in agriculture.** This may include participating in events, outreach to high schools, and outreach within the existing college student body. Work through existing organizations with established relationships wherever possible.
- **Set up a mentorship program for new farmers, perhaps connecting them with farmers in or near retirement.** Such a system would make entry into farming easier and aid older farmers looking to lighten their load. Such a program might be housed within one or more of the community colleges.
- **Establishing a stronger local food system network will make it easier to ensure that branding local products is successful.** Once infrastructure is in place, mechanisms to ensure quality and consistency can be established.

The first step towards implementing this plan is to share the findings of this report and bring local stakeholders together to discuss the contributions each can make. Organizations and individuals in the nine-county area stand ready to assist with this effort.

I. Introduction

While Illinois is rich in agriculture and is home to the largest consumer market in the Midwest, It is estimated that Illinois grows only 4 percent of the food currently consumed in-state while importing 96 percent.[1] This has left consumers and food providers looking for local foods, and farmers struggling with low farm revenue, despite the presence of a large and nearby source of demand.[2] A northern illinois food systems network would support more Illinois farmers and businesses engaged in processing, reduce the cost and carbon footprint for distribution, and make more fresh food available for Illinois consumers.

This time of disruption and change within food systems nationwide is an opportune moment to plan for a northern illinois food systems network. The Biden administration recently announced $2.1 billion in funding to shore up weaknesses in the country's food supply system, enhance competition in food processing and distribution, increase access to healthy food, and expand markets for farmers. The investments, drawn from the American Rescue Plan Act and other relief legislation, will include $900 million for food processing workforce training and supply-chain infrastructure, $550 million for small food businesses and reducing food waste, $375 million for organic and urban agriculture projects, and $370 million to boost public access to healthy food. This funding will touch all aspects of the food system and provide Northern Illinois with new resources to achieve its goals.

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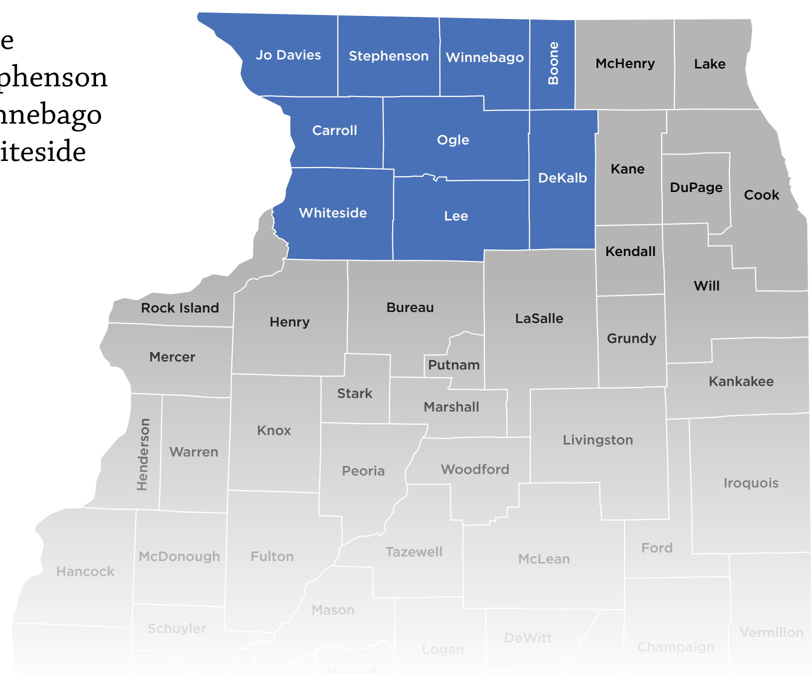


[1] Source: Illinois Stewardship Alliance: https://www.ilstewards.org/re-diversifying-illinois-production-food-system/
[2] 2017 USDA Census of Agriculture.

Research for this project included surveys of farmers and restaurant owners, interviews with key stakeholders, and review of existing research on local food systems. Based on this research, strategies are suggested for moving a northern illinois food systems network forward.

This report is divided into four main sections. The first section presents the farmers' perspective, based largely on findings from a survey of farmers in the nine counties. The second section discusses connecting area farmers with the Chicago metropolitan area. The third section discusses increasing production of specialty crops and animals. The fourth section presents an approach to creating a strong northern illinois food systems network and suggests next steps for moving ahead.

II. The Farmers' Perspective

As stated by the American Farmland Trust: No farmers, no food. This simple statement is a compelling reason to begin by investigating the farmers' perspective on local foods. Therefore, NIU-CGS surveyed farmers in the nine subject counties regarding farm practices and how farmers can meet a greater share of consumer needs for farm products. County offices of the Illinois Farm Bureau distributed the link to the online survey to farmers in the subject area. A total of 56 responses were received.[3]

Key findings from the survey are summarized below, followed by a more detailed analysis.

Key Findings

- More than half (54%) of the respondents indicate their farm grows specialty crops. Almost two-fifths (38%) of the respondents report their farm is involved in small scale animal production for food or nonfood products for human consumption or use.
- About one-fourth (23%) of the respondents state their farm does not grow specialty crops nor is involved in animal production. Of the 23% of respondents, 13% are interested in adding specialty crops and none are interested in adding animal production.
- Those respondents who indicate their farm grows specialty crops or is involved in animal production were asked if they were interested in expanding specialty crops or animal production. More than one-half of respondents are interested in expanding specialty crops (58%) and expanding animals for food or nonfood products (55%).
- Those respondents who indicate their farm grows specialty crops or is involved in animal production or are interested in adding specialty crops or animal production, were asked in which ways their farm sells to its customers. More than one-half of respondents indicate their farm sells to its customers at a community farmers' market (58%), online direct-to-consumer through the farm's website or by email (56%), and on-farm sales direct to consumer (e.g., farm stand, onsite store, u-pick) (56%). A total of 28% of respondents state their farm sells to restaurants, food service providers (e.g., food trucks, caterers, etc.), or lodging facilities.

[3] While efforts were made to contact only farmers within the subject area, many respondents declined to indicate their zip code on their responses and therefore some are likely from outside of the area. However, these responses are still relevant because they reflect the thoughts of Illinois farmers like those within the study area. Percentages shown below are based on differing numbers of farmers answering individual questions. In some instances, nearly all farmers may have responded to questions, while in others a small number responded.

- Those respondents who don't sell to restaurants, food service providers (e.g., food trucks, caterers, etc.), or lodging facilities were asked the reason(s) why not. The main reason provided is insufficient product volume to meet demands of large orders (54%), followed by not having a relationship with restaurants, food service providers, or lodging facilities (42%).
- About two-fifths (38%) of all respondents find it difficult to hire enough workers for their current production level. About three-fifths (58%) report worker availability would limit their farm's ability to expand production.
- More than three-fourths of respondents indicate for their farm to add or expand specialty crops or animal production it is very important to have better marketing to potential customers (77%) and funding for expansion expenses (77%). About one-half of respondents say it is very important to have more access to animal processing facilities (55%), more land (50%), and more or improved equipment (48%).
- More than half of the respondents who indicate they plan to add or expand specialty crops or animal production would be willing to use an aggregation center (68%), small scale animal processing facility (61%), digital aggregation center (57%), centralized marketing (55%), and commercial kitchen (52%) if they were available within a desirable distance.

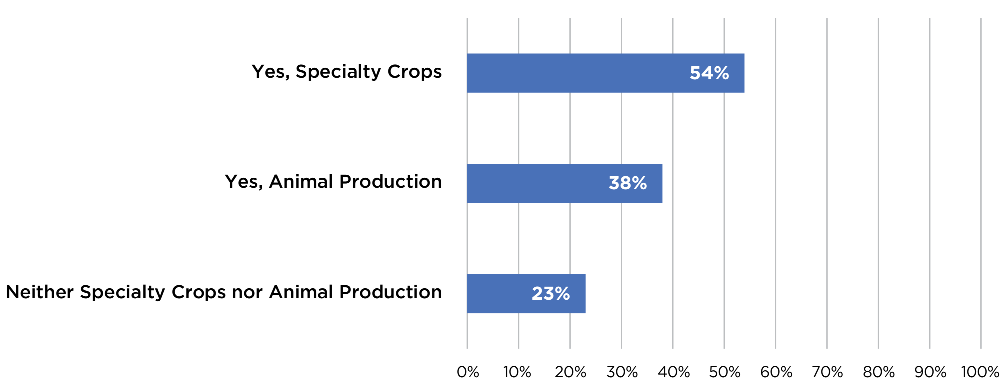
Detailed Findings

The respondents were first asked whether their farm grows specialty crops or is involved in animal production. Depending on their answer to the first question, the respondents were then asked whether they are interested in *adding* specialty crops or animal production or whether they are interested in *expanding* specialty crops or animal production.

More than one-half (54%) of the respondents indicate their farm grows specialty crops. Almost two-fifths (38%) of the respondents report their farm is involved in small scale animal production for food or nonfood products for human consumption or use. About one-fourth (23%) of the respondents state their farm does not grow specialty crops nor is involved in animal production (Figure 2).

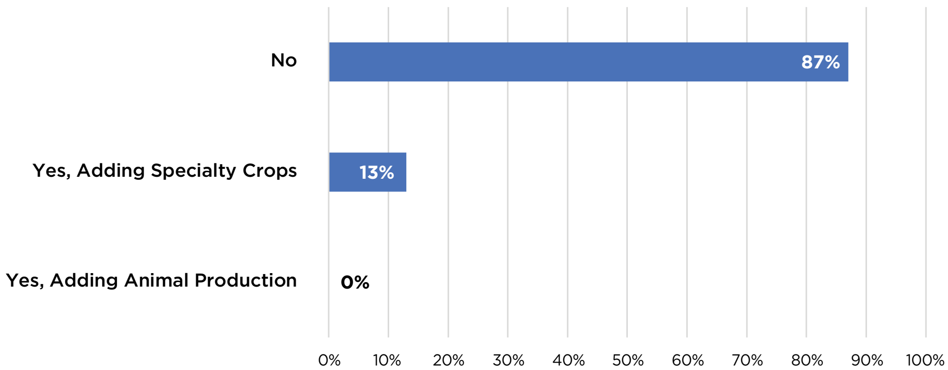
Figure 2: Whether Farm Grows Specialty Crops or is Involved in Animal Production

Does your farm grow specialty crops or is it involved in small scale animal production for food or nonfood products for human consumption or use? (MULTIPLE RESPONSES POSSIBLE)



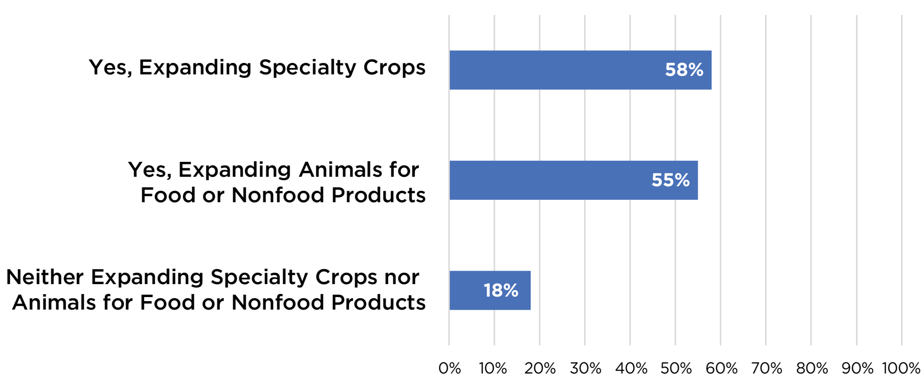
Those respondents who indicate their farm neither grows specialty crops nor is involved in animal production were asked if they were interested in adding specialty crops or animal production. The majority (87%) are not interested, while 13% are interested in adding specialty crops and none are interested in adding animal production (Figure 3).

Figure 3: Interest in Adding Specialty Crops or Animal Production
Are you interested in adding specialty crops or small-scale animal production?
(MULTIPLE RESPONSES POSSIBLE)



Those respondents who indicate their farm grows specialty crops or is involved in animal production, were asked if they were interested in expanding specialty crops or animal production. More than one-half of respondents are interested in expanding specialty crops (58%) and expanding animals for food or nonfood products (55%). A total of 18% of respondents are interested neither in expanding specialty crops nor animal production (Figure 4).

Figure 4: Interest in Expanding Specialty Crops or Animal Production
In addition to your current specialty crops or animal production, are you interested in expanding specialty crops or animal production of food or nonfood products for human consumption or use? (MULTIPLE RESPONSES POSSIBLE)



Those respondents who indicate their farm grows specialty crops or is involved in animal production or are interested in adding specialty crops or animal production, were asked in which ways their farm sells to its customers. More than one-half of respondents indicate their farm sells to its customers at a community farmers' market (58%), online direct-to-consumer through the farm's website or by email (56%), and on-farm sales direct to consumer (e.g., farm stand, onsite store, u-pick) (56%). A total of 28% of respondents state their farm sells to restaurants, food service providers (e.g., food trucks, caterers, etc.), or lodging facilities. One-sixth (17%) of respondents provide other responses, including selling through social media and convenience stores (Table 1).

Table 1: Sales Channel(s) Used to Sell to Customers

In which of the following ways does your farm sell to its customers?
(MULTIPLE RESPONSES POSSIBLE)

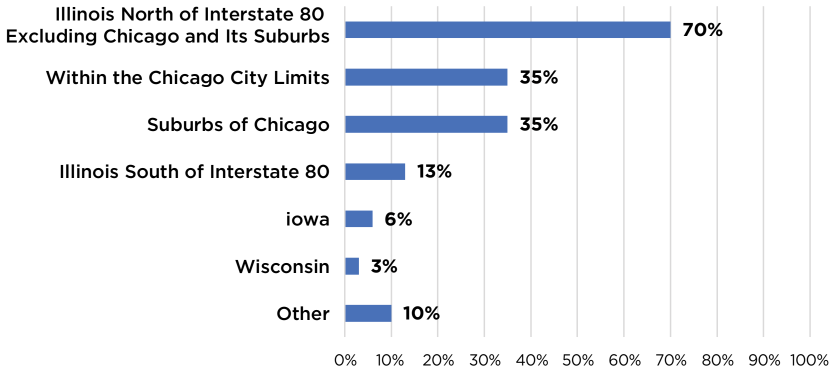
Sales Channel	Percent
Community Farmers' market	58%
Online Direct-to-Consumer Through Farm's Website or by Email	56%
On-Farm Sales Direct to Consumer (e.g., Farm Stand, Onsite Store, U-Pick)	56%
Products in Small, Independent Grocery Store	28%
Sales to Restaurants, Food Service Providers (e.g., Food Trucks, Caterers, etc.), or Lodging Facilities	28%
Online Direct to Consumer Through Another Organization's Website	25%
CSA Subscription Service	17%
Through Distributors, Wholesalers, Aggregators, or Food Hubs	14%
Products in Large Chain Grocery/Supermarket	6%
Sales to Institutional Buyers (e.g., Schools, Hospitals, Prisons, etc.)	3%
Other	17%

Those respondents who sell products in a large chain grocery/supermarket were asked to list which one. The one supermarket listed is Woodman's. Those respondents who sell products in a small, independent grocery store comment that they sell to Inbodens, SuperValu (Oregon, IL), Hideaway Farms Market, and Corner Health Foods. Those respondents who sell products through distributors, wholesalers, aggregators, or food hubs say they use Forage and Foster, Kohl's Wholesale, and Jo Daviess Local Foods.

Those respondents who indicate their farm grows specialty crops or is involved in animal production, or who are interested in adding specialty crops or animal production, were asked in which major markets their farm currently sells. Most respondents (70%) indicate their farm sells in Illinois north of Interstate 80, excluding Chicago and its suburbs. More than one-third of respondents report their farm sells within the Chicago city limits (35%) and in the suburbs of Chicago (35%). One-tenth of respondents provide other responses, including nationally and regionally (Figure 5).

Figure 5: Major Market Areas Where Farm Sells

In which major market areas does the farm currently sell either directly or through intermediaries? (MULTIPLE RESPONSES POSSIBLE)



Those respondents who sell products to restaurants, food service providers (e.g., food trucks, caterers, etc.) or lodging facilities were asked what challenges they have experienced. The challenges experienced include:

- changes in staff (buyers, managers) makes it difficult to maintain relationship with one person,
- require organic certification,
- size of demand,
- storage,
- transportation, and
- wholesale price too low.

Those respondents who sell products to restaurants, food service providers (e.g., food trucks, caterers, etc.), or lodging facilities were asked what has helped them succeed in selling to those entities. The responses include:

- face-to-face interactions and transparency,
- quality of products,
- selling to restaurants that value local foods and farmers, and
- Spee-Dee Delivery Services for quick and relatively cheap shipments to Chicago.

Those respondents who don't sell to restaurants, food service providers (e.g., food trucks, caterers, etc.), or lodging facilities were asked the reason(s) why not. The main reason provided is insufficient product volume to meet demands of large orders (54%), followed by not having a relationship with restaurants, food service providers, or lodging facilities (42%). Four percent of respondents provide other responses, including restaurants would rather buy from one large supplier and they are not willing to pay the price (Table 2).

Table 2: Reason(s) for Not Selling to Restaurants, Food Service Providers, or Lodging Facilities
Why doesn't the farm sell to restaurants, food service providers or lodging facilities?
(MULTIPLE RESPONSES POSSIBLE)

Reason	Percent
Insufficient Product Volume to Meet Demands of Large Orders for Restaurants/Food Service Providers/Lodging Facilities	54%
No Relationships with Restaurants/Food Service Providers/Lodging Facilities	42%
Lack of Financing, Infrastructure or Other Resources for Farmers and Producers to Pursue Such Opportunities	38%
Lack of Outreach to Farmers and Producers About Such Opportunities	33%
Do Not Meet Requirements to Contract with Restaurants/Food Service Providers/ Lodging Facilities Legal Status, Required Certifications, etc.)	33%
Lack of Food Hubs/Distributors/Aggregators That Source from Local Producers	21%
Lack of Shared Facilities for Producers to Collaborate (Warehousing, Distribution Trucks, Processing/Shared Kitchen Space)	17%
Negative Prior Experience with Restaurants/Food Service Providers/Lodging Facilities	8%
Poor Return on Investment	8%
No Particular Interest	8%
Do Not Have Products Restaurants/Food Service Providers/Lodging Facilities Need	4%
Not Worth the Effort	4%
Other	4%

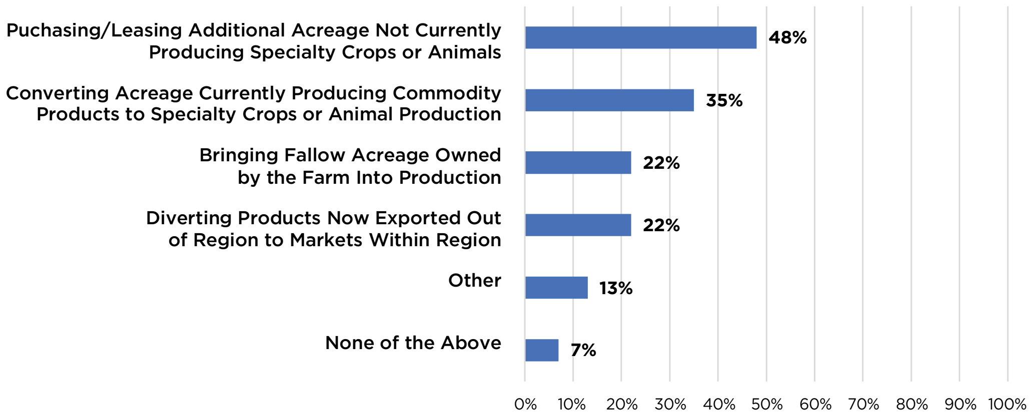
Those respondents who indicate their farm grows specialty crops or is involved in animal production, or who are interested in adding specialty crops or animal production, were then asked what challenges they have experienced selling and distributing their products. A variety of challenges are mentioned by the respondents, including:

- amount of time required,
- butchering backlogs,
- COVID restrictions on selling food at farmers' markets,
- delivery of perishable food items (cheese),
- fluctuating demand,
- marketing is very expensive,
- no local (within an hour) USDA butchers or processing plants willing to do rabbits,
- online shipping setup,
- some people want the feed to be non-GMO or organic but to do those practices would require raising prices, which would hurt the sales to people that aren't concerned about those practices,
- staff shortages related to COVID,
- various food safe handling rules are difficult to navigate, and
- working with USPS.

About two-fifths (38%) of all respondents find it difficult to hire enough workers for their current production level. About three-fifths (58%) report worker availability would limit their farm's ability to expand production.

Respondents who indicate they plan to add or expand specialty crops or animal production were asked in which ways they might add or expand sales of specialty crops or animals to regional consumer markets. Almost one-half (48%) of respondents state they might purchase or lease additional acreage not currently producing specialty crops or animals. One-eighth (13%) of respondents provide other responses, including: farm has enough land to expand but does not have the markets, expanding apiary if skilled workers are available, and adding different species of animals (Figure 6).

Figure 6: Ways Farm Might Add or Expand Sales of Specialty Crops or Animals
In which of the following ways might you add or expand sales of specialty crops or animals to regional consumer markets? (MULTIPLE RESPONSES POSSIBLE)



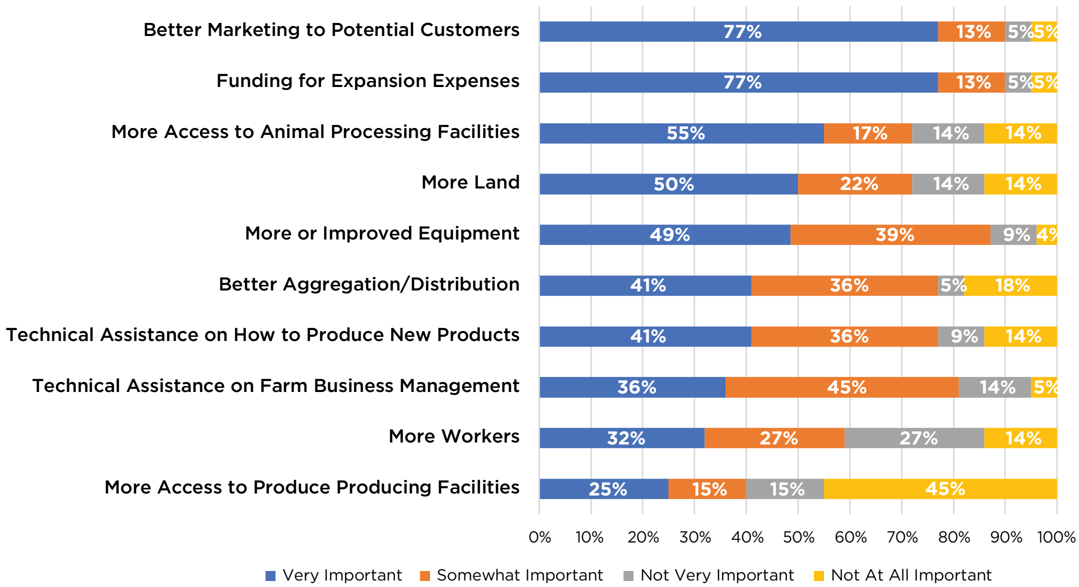
Approximately one-half (48%) of respondents who indicate they plan to add or expand specialty crops or animal production say they are interested in adding or expanding honey. Three out of ten (30%) respondents provide other responses, including lambs, goats, and sheep (Table 3).

Table 3: Specialty Crops or Animal Production Interested in Adding or Expanding
You mentioned earlier that you might be interested in adding or expanding specialty crops or animal production, which specialty crops or animal production might you be interested in adding or expanding? (MULTIPLE RESPONSES POSSIBLE)

Honey	48%
Vegetables	35%
Specialty Grains	35%
Fruits	30%
Beef	26%
Forage Goods (e.g., Mushrooms, Greens, Berries, etc.)	22%
Eggs	17%
Poultry	17%
Hogs	13%
Nursery, Christmas Trees, Flowers	13%
Dairy	9%
Other	30%
Unsure	4%
Unsure	4%

More than three-fourths of respondents indicate that for their farm to add or expand specialty crops or animal production it is very important to have better marketing to potential customers (77%) and funding for expansion expenses (77%). About one-half of respondents say it is very important to have more access to animal processing facilities (55%), more land (50%), and more or improved equipment (48%) (Figure 7).

Figure 7: Importance of Types of Assistance and/or Resources
For the farm to add or expand specialty crops or animal production, how important are the following types of assistance and/or resources?



More than half of respondents indicating they plan to add or expand specialty crops or animal production would be willing to use the following if available within a desirable distance.

- Aggregation Center (68%, 15 farms)
  - would use it for beef, lamb, vegetables, fruits, honey, and jams
- Small Scale Animal Processing Facility (61%, 14 farms)
  - would use it for beef, pork, chicken, lamb, goat, sheep, and rabbit
- Digital Aggregation Center (57%, 12 farms)
  - would use it for eggs, chicken, beef, potatoes, and fruits
- Centralized Marketing (55%, 11 farms)
  - would use it for meat, fruit, and vegetables
- Commercial Kitchen (52%, 11)
  - would use it to make jams, jellies, chutneys, salsa, bread, infused honey, butter, cheese, and milk
- Interest in a processing facility for specialty crops was low (28%, 6 farms)

Table 4 summarizes the characteristics of the farms and farmers who responded to the survey.

Table 4: Characteristics of the Farms and Farmers

Industry Sector (Multiple Responses Possible)	
Oilseed and Grain Farming	7
Vegetable and Melon Farming	11
Fruit and Tree Nut Farming	3
Apiary	5
Greenhouse, Nursery, and Floricultures Production	3
Other Crop Farming	3
Apiculture	1
Cattle Ranch and Farming	11
Hog and Pig Farming	5
Dairy Farming	3
Poultry and Egg Farming	6
Sheep and Goat Farming	8
Aquaculture	2
Other Animal Production	1
Other	1
Type of Farm Ownership (Multiple Responses Possible)	
Certified Disadvantaged Business Enterprise (DBE)	0
Woman Owned	14
Veteran Owned	2
Black/African American Owned	3
Hispanic/Latino Owned	0
Asian/Asian American Owned	0
Native American Owned	1
None of the Above	12
Age of Owner(s) Multiple (Responses Possible)	
Less than 30	4
30-39	9
40-49	11
50-59	4
60-65	3
65+	6

Conclusions

The findings from the survey are helpful in identifying key issues in increasing farm revenue. These are listed below.

Farmer Interests

- Many farmers are interested in expanding specialty crop and animal production, and a small percentage are interested in entering this market. Therefore, it does not appear that lack of interest among producers is an impediment to growing the local food supply.
- The products that farmers are interested in for expansion or beginning production are evenly divided between crops and animals, with the specific products quite varied, which may indicate that farmers are interested in following market demand.

Distribution and Aggregation

- Many farms go it alone when it comes to selling and delivering their products, using their own mailing lists or websites, selling on their own property, and distributing directly to customers through markets or deliveries to pick up points. This is a system that seems to work well but is limiting for expansion.
- Only a small percentage use an intermediary such as an aggregator or distributor, indicating either untapped potential for such services or a lack of interest.
- Interest in a processing facility is high for animals but low for specialty crops.
- There is limited interest in a processing facility for produce.
- There is interest in an aggregation facility for both specialty crops and animal products.
- Restaurants are a largely untapped market, but there are challenges to serving this market, the greatest of which are insufficient production by farms and a lack of personal connections between farms and restaurants.

Expanding Farms

- Labor is not an issue for most farms at current production levels; however, it could become an obstacle to expanding production for many farms.
- Farmers would use a variety of means to have enough land to expand production, the most common of which was buying or leasing additional acreage.

Each of these points will be considered in the following sections of the report.

III. Connecting Farms to Chicagoland and Other Markets

With a greater understanding of the farmers in the area, connecting small farms to Chicagoland and other nearby markets can be addressed. This includes several elements:

- Marketing and sales
- Aggregation
- Processing
- Distribution

It is difficult to separate these elements into clearly defined categories because there are many players who have overlapping roles or carry out multiple functions. Therefore, while each of these elements will be addressed, the discussion will often blur the lines between functions.

Marketing and Sales

Farmers expressed that they find it most profitable to sell their goods directly to the consumer, bypassing the aggregating, processing, sales, and distribution players who would take a share of the revenue. Marketing directly to customers has often meant marketing to high-end tastes and at-home preparation, hence a higher income market that values and can afford fresh local food. The farmer to home consumer pipeline is well established through farmers' markets, on-site sales, and community-supported agriculture (CSA) subscriptions. Reaching retailers, restaurants, and institutional food service is harder. Making fresh food accessible to lower income households is another challenge. It is more difficult for small farms to get into chain grocers where price paid by the purchaser is more affordable. The ability to use SNAP at markets helps to bring local fresh foods within financial reach of lower income households. Making it easier to get to markets in Chicago would reach more lower income people.

A big part of marketing and sales is generating demand. The Illinois Farm Bureau has taken a strong role in generating demand for specialty crops and animal products. The Bureau has been focusing on educating the public on the value of fresh local foods through publications, media, and promotion of agritourism. A discussion of direct connections between farms and consumers follows.

Farmers' Markets

Many of the farmers in the subject area participate in markets close to their farms. The markets are a direct-to-consumer source of sales, and many farmers use the markets to build a customer list for CSA or direct delivery/pick up of products. However, farmers' markets have limitations. Attending markets takes time, often much of a day, resulting in the loss of worktime on the farm. Renting and staffing the booth are expenses that reduce profits. Markets may take all interested vendors until spaces are filled, with little thought to building a complementary mix. Desirable markets may be scheduled at conflicting times, forcing a choice of which one to attend.

There are improvements that would make it easier and more profitable for farmers to participate, meaning more produce for customers. These changes would be particularly helpful in enabling farmers to begin attending markets in the Chicago area.

- **Curate vendors:** Some markets have an abundance of certain products, making it less likely that a farmer will sell out. Striving for a complimentary mix of products is to everyone's advantage, including customers.
- **Consolidate hours:** Markets generally have peak hours and slow hours during their allotted time. Consolidating hours into the peak times would save on labor for farmers and allow farmers to attend additional markets, providing fresh food in more locations.
- **Coordinate market days:** Scheduling markets strategically is beneficial for customers, the markets, and farmers. Spreading the markets throughout the week can take advantage of multiple pickings during high harvest times, meaning fresher products for customers.
- **Enable selling from the truck:** If the site is conducive to vendors selling from their trucks, this can save farmers time and enable them to attend a second market in a day.
- Help with market displays: Farmers may not be experts at displaying their goods or reaching out to market visitors. Tips from market managers can be helpful.

Online Sales

Survey responses show that marketing and sales are top of mind for farmers regarding revenue generation. The most common methods of selling products are solo ventures by the farmer. This includes onsite sales, farmers' markets, CSAs, and online sales from the farm's own website or mailing list.

While these methods are effective, they are not ideal for reaching markets farther away. Online sales tools are widely available to assist with this. Farmers participating in the survey mentioned a variety of online tools, including Barn2Door (https://www.barn2door.com/), GrazeCart (https://grazecart.com/), Eat from Farms (https://www.eatfromfarms.com/), EatLocal (https://eatlocal.farm), MarketMaker (http://il.foodmarketmaker.com/), and Eat Fresh, Eat Local (https://mediaspace.illinois.edu/playlist/dedicated/160701211/1_wss645ce/1_cfrqwlo6). Each of these tools is designed for farms and focuses on sales. Other online tools often used by farmers, but not designed specifically for farms, include Wix (https://www.wix.com/), Square (https://squareup.com/us/en), and Shopify (https://www.shopify.com/). Other tools are complete systems, including aggregation and distribution. Examples mentioned include LuLus Local Food (https://www.luluslocalfood.net/) and Local Food Market Place (https://home.localfoodmarketplace.com/). The more complex systems offer more services and can coordinate multiple functions. The downside is that they may be cumbersome to work with.

Table 5 summarizes a variety of online tools. It is presented not to evaluate the specific tools listed, but rather to show the kinds of options that may or may not be included and that should be considered when selecting one to use. Other factors to consider include:

1. **The longevity of the platform:** How long have they provided an outlet for farm product sales? How has the platform evolved over time, and where is it heading? What features are scheduled to be added, and when?
2. **Farmer clients:** How many farms use this platform, and what are they selling? If possible, talk to other farmers using that online sales platform. Are they happy with it? What do they like and not like about it?
3. **Fees:** What does it cost to sell on this platform? Is it a flat fee, or a percentage of sales? Does this include the credit card processing fee? Does the platform allow your customers to use payment methods besides credit cards?

4. **Ease of management:** How easy is it to manage your inventory and pricing? What will be required of you once a customer makes a purchase? How easy is it to print out pack lists and other reports?
5. **Order Fulfillment:** How will this online sales option fit with the rest of your marketing? Will you need to deliver or ship products? Can you integrate order fulfillment with your other markets (for example, dropping off orders on your way to a farmers' market, or servicing a buying club pick-up site when you are on your way to pick up feed)? It's never a good idea to rely solely on any single marketing channel, so think carefully about how this will fit with your other channels.
6. **Customer Experience:** Peruse the online store of another farm on this platform to see what it's like to be a customer. Is it user-friendly from a customer's perspective?[4]

Table 5: Direct Sales Software Platforms

While markets, restaurants, and other food distribution channels close or reduce operations to prevent the spread of COVID-19, farms across the country have expressed interest in using software platforms that support direct sales to consumers in their communities. This publication highlights product options and sales models that farmers may find helpful.

The selected products are farm-specific sales platforms that support single-farm, direct sales. Generic e-commerce platforms, platforms that sell farm products to consumers, and farm aggregators or food hubs are not included.

		1000EcoFarms	Barn2Door	Cropolis	CSAware	EatFromFarms	Farmers Web	Farmigo	Food4All	GrazeCart	GrownBy	GarvestHand	Harvie	Local Food Marketplace	Local Line	Local Orbit	MyRealFoods	Open Food Network	Online Farm Markets	WhatsGood
E-Commerce storefront	Post individual items for sale in an online shop	✓	✓			✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
CSA / subscription management	Offer subscription products ("farm shares") and manage CSA members				✓			✓			✓	✓	✓	✓	✓					
Order forms	Create availability list to send to costomer list and costomers can order diretly from list			✓			✓							✓	✓	✓				
Multi-farm / Food hub features	Facilitates multiple farms selling through one storefront or availability list					✓		✓						✓	✓	✓	✓	✓	✓	✓
Process credit card payments	Customer can purchase products online with a credit card	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓	✓
Offline payment options	Customer can pay offline with cash, check, EBT/SNAP, or other in-person payment		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Accounting tools or integration	Data automatically exported to Quickbooks, or other significant accounting reporting features		✓		✓		✓	✓		✓			✓	✓	✓	✓	✓	✓	✓	
Marketing tools or integration	Email or SMS customers through platform, or customer date integrates with third-party CRM, or other significant marketing features		✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Distribution management	Facilitates logistics task, such as delivery route planning and packing list		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Source: National Young Farmers Coalition. National Young Farmers Coalition does not endorse these products or assert that this publication includes all available products or product features. This publication is for information purposes only.

[4] https://smallfarms.cornell.edu/2019/07/selling-real-farm-products-in-a-virtual-marketplace/

Branding Objectives:

There has been interest in creating a brand for products from the region. One idea has been to create a Driftless brand, reflecting the unique geology of the northwestern counties in the region. Connecting the brand to the physical features makes sense, tying it to a geographic area which plays on the local connection. However, creating a brand is more than a name and logo. Every product must reflect positively on the brand and deliver what the customer has come to expect. This means consistent product characteristics and high quality. Assuring this occurs requires additional labor, time, and expense. Therefore, it might be most practical to brand processed products. Meats could be a possibility, or value-added products like salsa, jams, baked goods, etc. Establishing a strong local food system infrastructure before launching a brand may make it easier to maintain high standards.

Restaurants and Related Businesses

Independent restaurants, caterers, bed and breakfast inns, and food trucks (for simplicity referred to as restaurants) are all potential buyers for fresh local foods and providers of these foods to consumers. Therefore, information was gathered on connecting restaurants to the local food system. Two methods were used. First, questions about farmers' experience selling to restaurants were included in the farm survey. Second, to gather information from the perspective of the restaurants, a separate survey was sent to them. The following discussion first presents the relevant findings from the farmer survey followed by findings from the restaurant survey.

Farmers Survey Responses Regarding Restaurants

Most farmers participating in the survey said that they do not sell to restaurants. The most common reason was that do not believe they have sufficient volume to meet restaurant needs, followed by their lack of relationships with the businesses.

Approximately 28% of farmers responded that they do sell products to restaurants. They felt that they were successful because of personal relationships they had established, followed by the quality of their products, the fact that the business owners valued local fresh foods, and the availability of a rapid delivery service.

Even farmers successfully selling to restaurants encountered challenges. First among these was the same reason they succeeded: personal relationships. It was difficult to maintain these relationships with the frequent turnover in management and staff at the restaurants. Other challenges were organic certification, meeting desired quantities, storage of products, transporting products, and low prices expected by the restaurants.

Restaurants Survey

Key Findings

An online survey was sent to independently owned restaurants and related businesses in the study area. A total of 36 responses were received. Key findings are presented first, followed by more detail.

- Almost one-fourth (23%) of the respondents currently purchase food from small farms located in northern Illinois and 8% currently purchase food from small farms located outside of northern Illinois.
- Most respondents (78%) report that they make their purchases by direct contact with the farm by telephone, email, or in person.
- More than four-fifths of the respondents report the following benefits to their business of purchasing from small farms:
  – Helps support local food industry (91%),
  – Customers are attracted by use of local products (82%), and
  – Better quality food (82%).
- Those respondents who do not purchase from small farms were asked the reason(s) why not. The main reason given for not purchasing from small farms is they don't have connections to small farms (79%), followed by already having established suppliers who meet business needs (54%).
- Almost two-thirds (65%) of respondents say that certifications are not important in their purchasing decision from small farms, whereas 35% indicate certifications are important.
- More than one-half (53%) of the respondents report they would need delivery of local farm products once per week. Almost one-third (31%) of respondents say they would need delivery of local farm products 2-3 times per week. The remainder (16%) of respondents would need delivery of local food products less than once a week.
- The respondents were asked about the factors that would make it more likely to purchase from local farms. The top three factors are convenient ordering (91%), cost comparable to large scale providers (78%), and a centralized distribution option (66%).

Detailed Findings

The respondents were first asked a set of questions regarding their current purchase of food from small farms. The respondents were asked if they currently purchase food from small farms and, if so, how they make their purchases and whether they are satisfied with the method(s) used for purchasing food, as well as the benefits of purchasing food from small farms. Respondents who do not currently purchase food from small farms were asked the reasons why not.

The respondents were asked whether they currently purchase food from small farms located in northern Illinois. The majority (77%) do not purchase food from small farms located in northern Illinois, while almost one-fourth (23%) do. (Figure 8).

Figure 8: Purchase Food from Small Farms Located in Northern Illinois

Do you currently purchase food from small farms located in northern Illinois (north of I-80)?

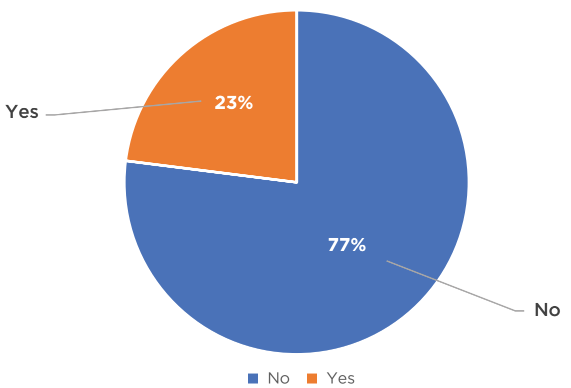
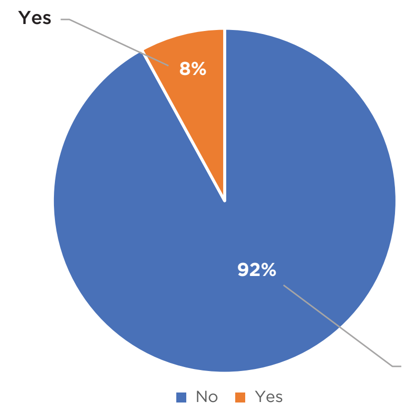


Figure 9: Purchase Food from Small Farms Located Outside Northern Illinois

Do you currently purchase food from small farms located outside of northern Illinois?

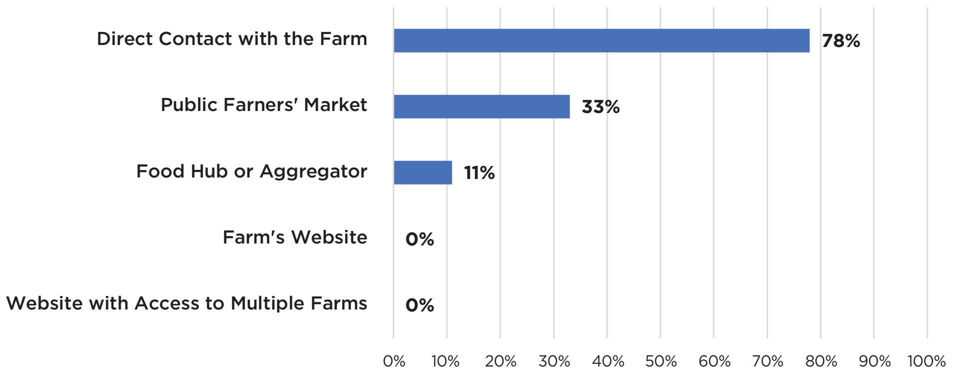


Next, the respondents were asked whether they currently purchase food from small farms located outside of northern Illinois. Almost all (92%) do not purchase food from small farms located outside of northern Illinois, while 8% do. (Figure 9).

Those respondents who currently purchase food from small farms were asked what they purchase. The most frequently given responses are produce and meat.

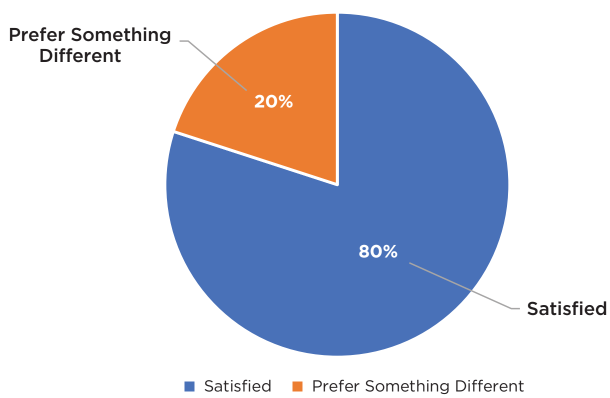
Most respondents (78%) report that they make their purchases by direct contact with the farm by telephone, email, or in person. One-third (33%) indicate that they make their purchases at public farmers' markets (Figure 10).

Figure 10: Method(s) Used to Purchase from Small Farms
How do you make your purchases? (MULTIPLE RESPONSES POSSIBLE)



When the respondents were asked whether they are satisfied with the method(s) they use for purchasing food from small farms, the majority (80%) indicate they are satisfied and 20% state they would prefer something different (Figure 11).

Figure 11: Satisfaction with Method (s) Used for Purchasing Food from Small Farms
Are you satisfied with this/these purchase method(s), or would you prefer something different?

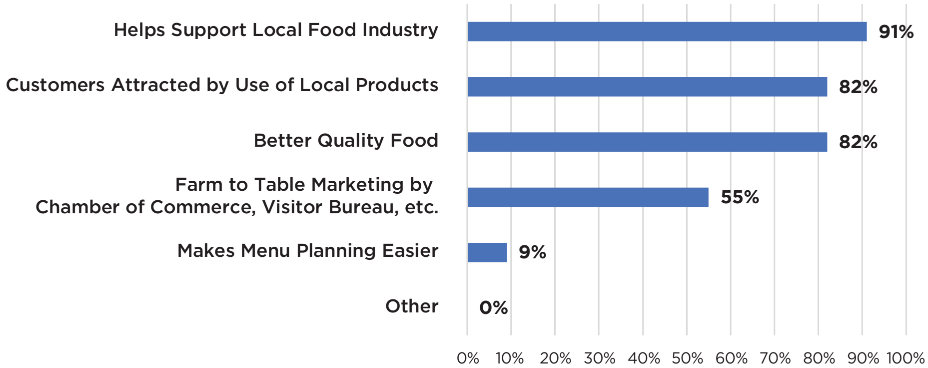


Those respondents who prefer something different comment that they would like more options and they would like farmers' markets or other central places that are not on the weekend, when they are busiest.

More than four-fifths of the respondents report the following benefits to their business of purchasing from small farms:

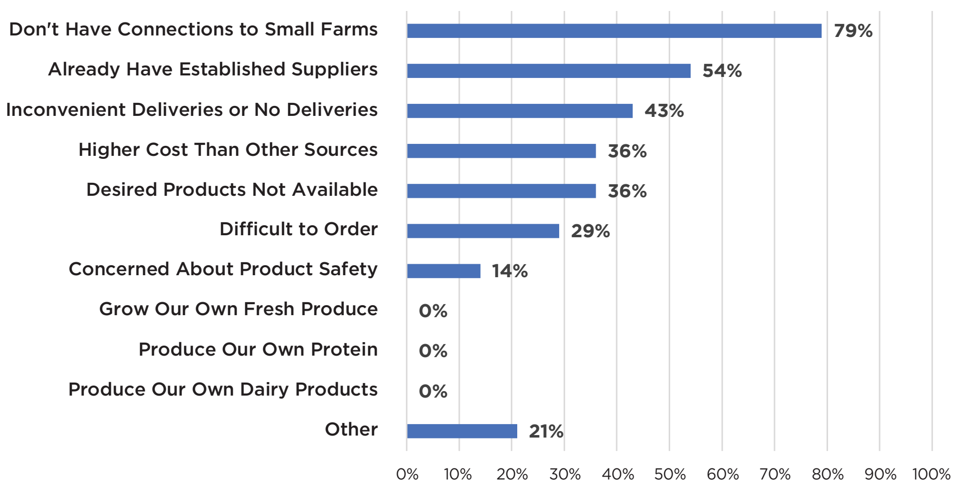
- Helps support local food industry (91%),
- Customers are attracted by use of local products (82%), and
- Better quality food (82%) (Figure 12).

Figure 12: Benefits to Business of Purchasing from Small Farms
How does purchasing from small farms help your business?
(MULTIPLE RESPONSES POSSIBLE)



Those respondents who do not purchase from small farms were asked the reasons why not. The main reason given for not purchasing from small farms is not having connections to small farms (79%), followed by already have established suppliers who meet business needs (54%). Another response was given by 21% of respondents. The most frequent other response is small farms can't provide the volume needed (Figure 13).

Figure 13: Reasons for Not Purchasing from Small Farms
Why do you not purchase from small farms? (MULTIPLE RESPONSES POSSIBLE)

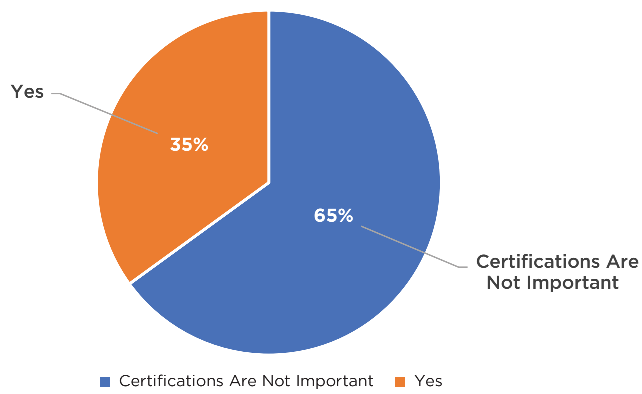


All respondents were then asked the importance of certifications in their purchasing decision from small farms, the frequency of local food product delivery they would need, and the factors that would make it more likely for them to purchase from local farms.

Almost two-thirds (65%) of respondents say that certifications are not important in their purchasing decision from small farms, whereas 35% indicate certifications are important. (Figure 14).

Figure 14: Importance of Certifications in Purchasing Decision

Are there certifications you would prefer a farm to have for you to purchase from them?



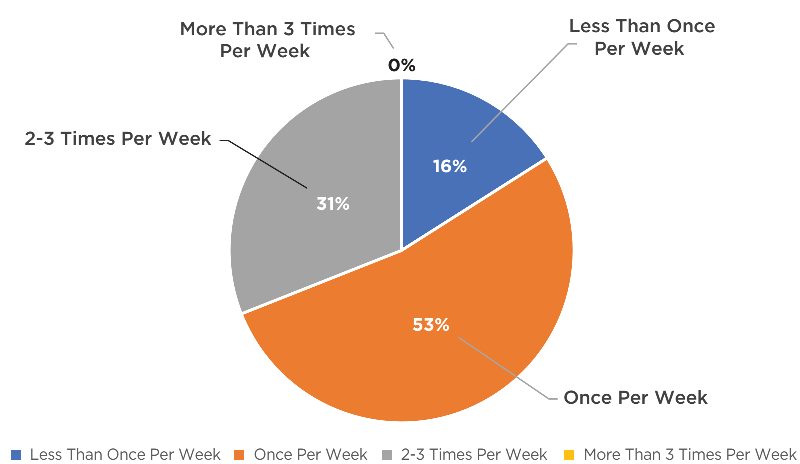
Those respondents who indicate certifications are important mention they would prefer a farm to have a food handler certification, organic certification, and be FDA approved.

When asked what products they would encourage area farmers to produce either because locally grown products are not readily available or demand is greater than the supply, the main responses are eggs, fruits, and vegetables. The vegetables mentioned are romaine, kale, leaf and iceberg lettuce, bell peppers, spinach, fresh herbs, tomatoes, cucumbers, baby slim carrots, button mushrooms, super colossal yellow onions, and red onions.

More than one-half (53%) of the respondents report they would need delivery of local farm products once per week. Almost one-third (31%) of respondents say they would need delivery of local farm products 2-3 times per week. The remainder (16%) of respondents would need delivery of local food products less than once a week (Figure 15).

Figure 15: Frequency of Delivery of Local Food Products

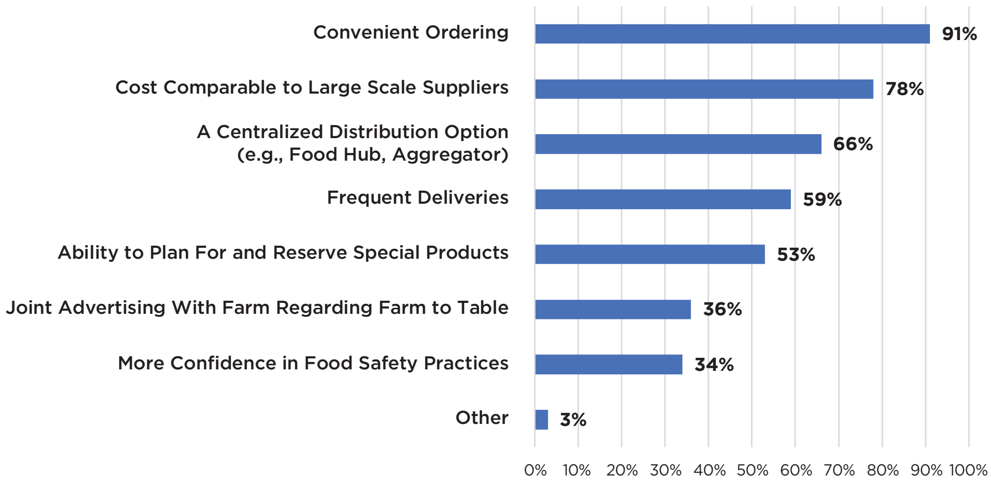
How frequently do you or would you need delivery of local food products?



Respondents were asked about the factors that would make it more likely for them to purchase from local farms. The top three factors are convenient ordering (91%), cost comparable to large scale providers (78%), and a centralized distribution option (66%). One respondent gave another response. The other response was consistent product availability (Figure 16).

Figure 16: Factors That Would Make It More Likely to Purchase from Local Farms

What would make it more likely that you would either begin to purchase or increase your purchasing from local farms? (MULTIPLE RESPONSES POSSIBLE)



At the end of the survey, the respondents had the opportunity to provide additional comments, and they were as follows:

- Have found that locals do not have the facilities to grade, sort or clean their produce. Also, no consistent sizing of product or packaging. No refrigerated trucks for delivery.
- I'm interested to learn more about what local products we might be able to use in our café.
- It is sometimes lack of knowledge about what is available from local farms. We are a carry out and delivery business. Not a sit-down restaurant.
- Very important in the creation and implementation of our personal and professional values.
- We enjoy working with our neighbors very much. When we promote each other everyone wins.
- We would love to buy directly from the farm. Farmers are part of the backbone of this country.
- We would love to support local small farms if they have quality organic food or sustainable farming practices.
- Would love to use local farms but it would have to be convenient.

Table 6: Characteristics of the Food Service Providers

Table 6 summarizes the characteristics of the food service providers who responded to the survey.

Characteristic	Number
Type of Food Service Provider (Multiple Responses Possible)	
Restaurant	31
Catering	5
Lodging with Limited Food Service	3
Food Truck	9
Other	5

Conclusions

There is interest among restaurants and related businesses to purchase products from farms because of the higher quality of the products, the appeal to customers, and a desire to support the local food industry. However, most do not have connections to small farms. Businesses report that convenient ordering, cost comparable to large scale providers, and a centralized distribution option would increase likelihood of purchasing from local farms.

Farmers are interested in meeting the needs of these businesses. The farmers see insufficient product volume as a challenge to selling to food service providers. Farmers say to increase their product volume they would need to have funding for expansion expenses, more land, more or improved equipment, and greater worker availability. Additionally, to increase their animal production, farmers indicate they would need access to an animal processing facility. Farmers see not having a relationship with food service providers as a challenge, too. They report that they need assistance marketing to potential customers and indicate they would use centralized marketing if available. These needs are addressed later in this report.

Actions to Increase Farm-Restaurant Sales

While actions to address on-farm challenges, like increasing production, are addressed elsewhere in this report, actions that farmers and markets can take specifically targeted to connecting with restaurants are suggested below. These suggestions are drawn from a review of suggestions from chefs and other experts in the field. Some of these actions could be undertaken by an umbrella organization serving multiple farms, such as a food hub.

Actions for Farmers

1. Be Prepared

- Know the menu. Eat there, meet the chef and kitchen staff.
- Consider getting Good Agricultural Practices certification (GAP) https://www.ams.usda.gov/services/auditing/gap-ghp
- Identify restaurants within reasonable travel zone. Deliveries are often 2-3 times/week. Will this be profitable with delivery time and cost?
- Encourage area farmers desiring to sell to restaurants to use the same software so chefs become familiar with it.
- Have a contract. While informal arrangements are appropriate for selling to chefs occasionally through a farmers' market, a formal arrangement protects both parties as quantities and costs become larger. A contract can also carry a relationship through changes in staff and management at the restaurant.

2. Make Contact

- Farmers' markets are good places to meet. Learn which chefs frequent which markets and be able to recognize them.
- An alternative to markets is to suggest a meet and greet at the restaurant.
- Educate restaurants on the marketing pluses of using local products.
- Off season contacts allow you to plan for next year's growing season. In season contacts allow you to show off your products. Do both.
- Provide a weekly "fresh sheet" of what's available.
- Specialize in something that is seasonal and something year-round. Bring samples.
- Respect the chef's time and make contact at non-busy hours (mid-morning or mid-afternoon)
- Arrive with samples and an invoice.
- Suggest root to top and nose to tail use of your products to make them more cost- effective.
- Be prepared to repeat contact many times before getting an order.

3. Manage the Relationship

- Be consistent and timely. Timing is important for chefs.
- Know what chefs want now but also be prepared to switch next season to something new.
- Products should be clean and presentable, but do not have to be triple washed. Ask what condition the chef expects to get products in.
- Have an organizational structure to keep track of what different restaurants use, have ordered, payments, etc. Maybe suggest developing a model for the farms to use?
- Explain your timing to chefs – how much notice you need to plan for a particular product, how flexible you can be on quantities, when to expect availability, alternatives you could offer if there are problems with a crop.
- Restaurants can highlight a farm on their website and menu. Farmers can do the same for a restaurant on their farm website, at their market booth, and other places. Plan events together, on farm and in restaurant, to introduce each other to your community. Co-host meals at both locations.
- Provide samples of other products when you deliver what was ordered.

Actions for Markets

- Markets can provide preferred parking and shopping carts for chefs.
- Allow chefs to offer samples and do demos at the market.
- Introduce farmers and chefs to each other.
- Encourage restaurants serving products from your market to advertise that it came from your market. Likewise, markets can advertise the restaurants that shop there.

Processing and Value-Added Products

Fresh Produce

The survey of farmers revealed little interest in processing for fresh produce. Processing for fresh produce from the area's small farms appears to be minimal because the existing customer base does not require it, with produce going to CSAs, farmers' markets, and onsite sales without significant processing.

Meat Processing

Meat processing was mentioned by respondents in the farm survey, with 61%, or 14 farms, indicating that they would use additional facilities if developed. This was discussed in detail during interviews. Farmers commented that they waited up to a year for appointments at slaughterhouses and that area processors were refusing some requests altogether. Some farmers are taking their animals hundreds of miles to get them slaughtered and processed. The need seems to be greatest for beef, but pork and poultry processing is also in short supply. While poultry processing is allowed on the farm, there are limitations on quantity and how the products are sold. An informal survey of 23 area farms conducted as research for a proposed meat processing facility found that there was great interest in meat processing, with the most desired model being a combined slaughter and processing facility. There was little interest in distribution, with farmers handling that themselves.[5]

Discussions about developing a new meat slaughterhouse and meat processing facility are ongoing by at least two independent groups. One proposed project would be in Hanover and the other in Elizabeth. The objective for both projects is to create a process that is more efficient and cost-effective for the farmers rather than increasing the amount of beef produced. A third proposed project intended to increase capacity has been proposed by an existing processor desiring to enlarge their facility. The recently announced Meat and Poultry Processing Expansion Program (https://www.rd.usda.gov/programs-services/business-programs/meat-and-poultry-processing-expansion-program) is a potential source of funding that some of these projects are hoping to tap.

Labor to work in meat processing is in short supply. An alternative to traveling to receive training or learning as an apprentice at an existing facility is an online program available through Range Meat Academy (rangepartners.com).

Another need mentioned was for a meat locker, particularly in Jo Daviess County. A meat locker is planned for Carroll County. A meat locker enables farmers and customers to engage in direct sales without storage constraints. The locker provides interim storage space for either farmers or customers, allowing farmers to store product until sold and/or consumers to buy in quantity beyond their storage capabilities.

A list of nearby meat processing facilities is shown below.

Eickmans: https://www.eickmans.com/

Johnson's: https://johnsonsprocessingplant.com/

Galloway Meats: https://galloway-meats.business.site/

Pork King: https://www.porkkingpacking.com/

Smith's: https://www.smithsdeerprocessing.com/index.cfm

Spectrum Preferred Meats (Rudey): https://www.rudey.org/

Family Farm Meats: https://www.familyfarmmeatsllc.com/

Meat Master Processing: https://mmpc.us/

Harbach Meats: https://www.harbachmeats.net/contact.html

Lena Maid: https://ajslenamaidmeats.net/

[5] Survey conducted by Odyssey Renewables, February 2022.

Value-Added Products

Value-added products are an important source of revenue for many farmers and another way for customers to procure products of the local food system. These products are commonly produced in house or in one of the several commercial kitchens available in the region. Existing institutional kitchen facilities that are underutilized have proved to be possibilities for communal commercial kitchens. One is currently being organized by JDLF at Jo Daviess Carroll CTE Academy. A challenge for users of communal commercial kitchens has been health department certification. The cost to the individual can be high enough to discourage some farmers from participating. Small grants, such as those offered by some area economic development organizations, are being discussed as ways to cover these costs for individuals.

Distribution

Distributing farm products to intermediary players or directly to consumers occurs in many ways. The most common method is direct to consumers through on-site sales, CSAs, farmers' markets, and online sales with or without delivery service. Small scale aggregation and independent delivery services are also used. Two local case studies provide examples of how area farm products are being successfully distributed.

Case Study 1: Independent Farm Model

A successful area farmer who serves the Chicago market described how he developed his system and how it operates. He began by doing on-site events where his farm products were served. These events attracted visitors from the Chicago area who then became familiar with his products. Some of these visitors bought his products on-site. Interest developed in having access to his products closer to Chicago. When enough Chicago area customers expressed interest, he set up delivery points in the Chicago area where people could pick up pre-ordered food. With trips into Chicago planned on a regular basis, he began also participating in farmers' markets in the Chicago area. He made good connections, but too often weather was bad, or it took too much time. He was doing six markets. He built his list of customers to 3,000 through the markets. He stopped doing markets during COVID but still has pick up points in the Chicago area and pick up on-site.

Most of his sales are direct to consumers; 5-10% are to restaurants. He also sells locally, but there are only so many people in the area near his farm. He recently started selling in some retail stores. Fifty percent of sales are local.

He doesn't have a meat processing problem because he has a standing arrangement with a processor. Transportation is a challenge. He goes to Chicago three Saturdays per month, but this may not work for stores. He has his own refrigerated (frozen) truck. If there was enough interest, he would haul for other people and hire a driver. He would have to section off some of the truck to be refrigerated but not frozen for produce.

Case Study 2: Small Scale Consolidated Distribution Model

Several businesses in the region offer consolidated sales and distribution on a small scale. Jo Daviess Local Foods (JDLF) is an example. This for-profit business was founded in 2018 with 7-8 producers. There are now 80 producers. JDLF delivers to eight locations plus home delivery every Tuesday.

JDLF uses a web-based ordering system for greater geographic coverage. JDLF gets a percentage of sales that occur on through the system. There is no fee to the producers. Each producer sets his/her own price, and the website automatically adds 15%. This percentage covers management time, credit card costs, building lease, administrative expenses, website costs, and marketing.

JDLF has enough producers to cover current demand and is only looking for additional producers if they offer new products or perhaps if they have popular items.

JDLF is open to considering expansion. Carroll County is a possibility, and a Savannah drop site is available, but so far there is no demand. There is an online market in Winnebago County, The People's Market, so JDLF is not considering entering that area.

JDLF has a building for sorting orders but does not have a physical retail presence. A retail storefront is a possibility if the opportunity was a good fit. A storefront would reach more people, have more open hours, but also more expenses.

JDLF recently leased space from Jo Daviess Carroll CTE Academy in Elizabeth for a shared commercial kitchen. Products prepared in the shared kitchen could be sold through the website. There will be a small amount of cold storage, but not enough to meet the need in the area. It will offer rental use of the kitchen to individual producers and JDLF will do some processing. More processing equipment could be added if there is demand. Challenges in working out arrangements with the County Health Department are holding up use of the kitchen by others.

Main sources of capital are grants (Illinois Stewardship Alliance) that support local food ventures.

With one delivery van, JDLF does not have the scale to serve the Chicago market. If another organization would handle transportation, JDLF might consider a larger aggregation role. Some current JDLF producers could do enough volume to justify serving the Chicago market, but not most.

Strategies for Connecting to the Chicago Area

Considering the two case studies presented, possibilities for connecting to the Chicago area emerge. These are listed below.

Strategy 1: Coordinate multiple farmers selling at the same selection of Chicago area farmers' markets. This is too time consuming for each farmer, but by partnering with other farms, ideally those offering complementary products, the farmers can sell at the same market. Each farmer is responsible for labor at one market. A food hub or other umbrella organization might coordinate farms and train farmers on selling different products.

Strategy 2: Farmers with delivery vehicles that have excess capacity can deliver products for other farmers, either pairing up with a noncompetitive farm or combining similar products to increase volume to the point that commercial customers are interested (restaurants, retailers, Chicago area resellers, etc.). Coordination might be handled by the same food hub or umbrella organization mentioned above.

Strategy 3: With JDLF in place in Jo Daviess County and the People's Market operating in Winnebago County, there is already a model for a network of small-scale sales, aggregation, and distribution centers. The Community Food, Health and Education Center planned for DeKalb County will include a food hub that could perform similar functions covering DeKalb County and adjacent areas. The JDLF model could be replicated at other locations throughout the region. Small-scale aggregation centers paired with online sales and a distribution partner are a lower risk venture than a large-scale food hub. Localizing the business makes it easier to build on existing relationships and maintain frequent personal contact. Once a strong network is in place, the individual centers could work together to service larger customers.

One, two, or all three of these strategies can be selected, as they are not mutually exclusive. In fact, they are mutually supportive.

Additional Resources for Connecting Farmers to the Chicago Area

A number of businesses are active in the area and could be part of a more robust northern illinois food systems network. Some are already being used by area farmers. These businesses can be engaged individually by each farm, or a coordinated approach could be made to any of them.

Aggregation and Distribution

Spee-Dee Delivery — https://speedeedelivery.com/

Spee-Dee Delivery is used by multiple farmers in the area. They have a hub located in Rockford and provide next day delivery throughout northern Illinois. There are some complaints that the software is awkward, but new software is coming soon.

Kohl Wholesale — https://kohlwholesale.com/

Broadline distributor also offering marketing support.

Located in Quincy, IL

Kinwood Farm — https://kinwoodfarm.com

Family farm with online market that sells products from other farms as well. Online market and website by Grazecart.

Located in Prophetstown, IL

Maeta Data — https://www.maetadata.com

Formerly Farm Logix, provides detailed information for all food systems players, assisting them in managing their businesses.

Wholesale Food Sources — http://www.wholesalefoodsources.org/IL.php

A search engine for sources of farm products at wholesale.

Boka Restaurant Group — https://www.bokagrp.com/

A restaurant group that sources from local farms. Located in Chicago.

Forage & Foster — https://www.forageandfoster.com

Specialty value added products purchased wholesale and resold.

Testa Produce, Inc. — http://www.testaproduce.com/

Testa connects restaurants, institutions, and others to local farms. Restaurant pays 50% down for an ordered crop.

Trucking

The trucks used by farmers and food hubs are generally classified as Local Operations. These are typically on short-haul routes less than 150 to 200 miles and may not require a Commercial Driver's License (CDL). Due to their flexibility in handling smaller loads, it is common for food hubs to use vans or box trucks, which range in length from 10 to 26 feet or more and carry loads in the light to medium duty vehicle classes. As demand from buyers increases and food hubs scale up operations, semi-trailers—trailers without a front axle, ranging from 26 to 53 feet—are used to accommodate the transportation of products at higher volumes. For the transportation of perishables that must be refrigerated, carriers own and operate "reefer" vans or trucks that support "temperature-controlled" climates. Though refrigerated trucks are more costly to purchase and maintain, the ability to set precise temperature controls is an indispensable feature for transporting produce, dairy, meat, and other perishable foods.[6]

A northern Illinois food systems network could largely operate with box trucks and vans. Coordinating use of existing trucks and vans might enable more products to reach the Chicago area market.

[6] Improving Systems of Distribution and Logistics for Regional Food Hubs by Jonah Rogoff

Connecting with Lower Income Households

Progress has been made in making fresh local food available to food pantries and low-income households. Many markets now accept SNAP, enabling more households to shop there. Connections to institutions serving low-income households have improved, with purchasing by schools and other service providers increasing.

The Farm to Foodbank Program (https://www.feedingillinois.org/farmers/) launched in July 2021. Over a four-month period, food banks purchased nearly 500,000 lbs. of fruits and vegetables for five food banks, spending over $250,000 with Illinois Farmers. The project continues this year.

A local example of connecting with foodbanks through the Farm to Foodbank Program is JDLF Gives, JDLF's charitable arm. JDLF Gives works with the Community Foundation of Jo Daviess County.

The planned DeKalb Community Food, Health and Education Center (https://dekalbcounty.org/wp-content/uploads/2021/10/packet-eco-10052021.pdf) has as one of its primary missions connecting lower income households with fresh local food. The plans call for a food pantry, a pay-as-you-are-able restaurant, public education on healthy foods, and entrepreneurship opportunities for disadvantaged individuals.

IV. Expanding Production

Survey findings and interviews indicate that farm production is in equilibrium with the demand generated by the markets currently served. To meaningfully increase local fresh produce available to the Chicago area market likely requires expanding production. Aspects of increasing production include:

- Increasing acreage devoted to specialty crops or animals
- Acquiring additional equipment
- Bringing new farms into production
- Technical assistance on management issues
- Funding for increased expenses

These items are discussed in this section.

Putting Additional Acreage in Production

Farmers have three options for adding acres to production: acquiring additional land; shifting land from other farm uses to specialty crop or animal production; or redirecting products going out of state to local distribution. Based on survey responses, the amount of specialty crops or animals leaving the state from the subject area is not high. Therefore, this option will not be a meaningful strategy. Shifting away from commodity crops is an option but may not be economically wise for the farmer or the region as commodity crops are generally more profitable than specialty crops. Therefore, acquiring additional acreage for specialty crops or animals is likely to be necessary to significantly increase production.

Land is expensive, but there are ways to make it more affordable.

Ag Invest is a state level program that provides loans that can be used to purchase land. (https://illinoistreasurer.gov/Invest_in_Illinois/Ag_Invest). The Illinois Treasurer's Office partners with approved financial institutions to provide qualified farmers, agri-business, and agriculture professionals below-market rate loans to start, expand, or add value to their farm operations. The loans provided by the financial institution can be used to purchase farm equipment, purchase land, cover construction-related expenses, provide operating lines of credit, or cover other costs related to conventional or sustainable farming.

The Ag Invest Annual Agriculture Loan program makes loans more affordable for farmers and agricultural professionals. The loans can be used to help pay for the annual start-up costs associated with seed, fertilizer, plants, salaries, transportation cost, transitioning, milling, processing, crop insurance, and other qualified expenses.

The Ag Invest Long Term Agriculture Loan program makes loans more affordable for farmers and agricultural professionals. The loans can be used to help pay for major expenses like machinery, purchase of land up to $400,000, building construction, milling, processing, transportation cost, fees, salaries, irrigation systems, and other qualified expenses.

Microloan Programs (Microloan Programs (usda.gov)) is a federal program. Key features are:

- Funds are divided into direct farm ownership microloans and direct farm operating microloans.
- Ownership microloans may be used to make a down payment on a farm or to build, repair, and improve buildings on the property.
- Operating microloans may be used to pay for essential tools, fencing, and other equipment such as bee equipment, milking and pasteurization equipment, and living expenses.
- Maximum loan amount for either loan is $50,000.

Private sector lenders are available to finance land purchases:

- Citizens State Bank: Ag | Citizens State Bank (csbnow.com)
- Compeer Financial: https://www.compeer.com/ag-financing/agriculture-loans
- Illinois Bank & Trust: https://www.illinoisbank.com/industry-expertise/agri-business
- Apple River State Bank: https://www.appleriverstatebank.com/index.html
- Farm Credit: https://farmcredit.com/

Purchasing development rights for agricultural land is another way to make farmland affordable and can have several benefits. First, it preserves farmland, which will enable the region to grow as a source of local food. Second, it puts money in the farmer's pocket by paying for the development rights. Third, it lowers the property taxes paid on the farmland. Fourth, farmland without development rights can be purchased by a new farmer for far less than land with development rights.[7] The enabling legislation is [(505 ILCS 5/) Agricultural Areas Conservation and Protection Act](). Often the purchase is made at the county level. [USDA-Natural Resources Conservation Service]() can assist with funding to purchase rights or establish easements.

Raising Capital for other Farm Expenses

Survey participants indicated that financing was one of the main obstacles to expanding production on their farms. The funding sources available are numerous, varied, and sometimes targeted in who they are for. A discussion follows.

Illinois Finance Authority

Agriculture Program Overview (https://www.il-fa.com/programs/agriculture)

- Working Capital Guarantee Program: The Working Capital Guarantee Program is a guarantee program designed to enhance credit availability for a farmer, producer or agribusiness for needed input costs related to and in connection with planting and raising agricultural crops and commodities in the State of Illinois. Eligible input costs include, but may not be limited to, fertilizer, chemicals, feed, seed, fuel, parts, and repairs.

Office of the Illinois State Treasurer

Farm Storage Facility Loan Program — USDA (Farm Storage Facility Loan Program (usda.gov))

- Provides low-interest financing so producers can build or upgrade facilities to store commodities.
- Commodities include:
  - Grains
  - Oilseeds
  - Peanuts
  - Pulse crops
  - Hay
  - Honey
  - Renewable biomass commodities
  - Fruits and vegetables
  - Floriculture
  - Hops
  - Maple sap
  - Dairy products (milk, cheese, yogurt, butter)
  - Eggs
  - Unprocessed meats
  - Rye
  - Aquaculture
- Eligible facility types include:
  - Grain bins
  - Hay barns
  - Bulk tanks
  - Cold storage facilities
- Drying/handling and storage equipment are also eligible, including trucks.
- Facilities and equipment may be new or used, portable or permanently affixed.

[7] The Lasting Legacy of the First Farmland Preservation Program, May 11, 2022, Hannah Selinger

Organic Certification Cost Share Program — USDA and Illinois: Organic Certification Cost Share Program (OCCSP) (usda.gov)

- Provides cost share assistance to producers and handlers of organic products (certified under the National Organic Program).
- Producers can apply for cost share assistance for organic certification expenses paid between October 1 and September 30; applications due next business day after October 31.

Farmers may need to obtain more or different equipment to expand production. This is often mid-scale equipment. It would be helpful if there were options to obtain this equipment without individuals taking on additional debt. Perhaps the equipment could be available for lease or for rent. A co-op could be formed to make this happen. Moving it from farm to farm could be a challenge.

Other Assistance

Center for Rural Affairs: Sources for help with farm financial planning, including a variety of avenues to get farm funding.

United Stated Department of Agriculture Farm Service Agency: Step-by-step information on the USDA Farm Loan Programs.

Farm Aid: Farm Aid Resource Guide for Farm Financing.

Illinois Farm Business Farm Management (FBFM): FBFM is a cooperative educational-service program designed to assist farmers with management decision-making. It provides help with business and family records. Computer assisted record processing options are available either on farm or at service centers. It provides financial and production business analysis reports. An experienced Farm Analysis Specialist helps interpret analysis reports and counsels on management problems. The specialist meets regularly with each cooperator throughout the year.

System Improvement Funding

Beyond production expenses, the system itself needs to grow to accommodate the needs of all players. Sources of funding for these improvements are as follows.

Specialty Crop Block Grants: provide funds to support projects that are intended to expand the availability of fresh, locally grown produce and strengthen the competitiveness of the state's specialty crop industry. To encourage further expansion of this industry, and to take full advantage of the allocated funds, the department invites the development of projects pertaining to the following issues affecting the specialty crop industry:

- Enhancing food safety
- Improving the capacity of all entities in the specialty crop distribution chain to comply with the requirements of the Food Safety Modernization Act, for example, by developing "Good Agricultural "Practices," "Good Handling Practices," "Good Manufacturing Practices," and in cost-share arrangements for funding audits of such systems for small farmers, packers and processors
- Investing in specialty crop research, including research to focus on conservation and environmental outcomes
- Developing new and improved seed varieties and specialty crops
- Improving pest and disease control
- Increasing child and adult nutrition knowledge and consumption of specialty crops
- Improving efficiency and reducing costs of distribution systems
- Sustainability

More and Stronger Farmers

Another way to grow production is to bring new farmers into the food system. This section looks at opportunities for Hispanic and Black farmers, women, veterans, and new farmers in general.

Disadvantaged Persons in Agriculture

Throughout the history of the United States, agriculture has been one of the country's most important industries and an important driver of economic growth. While people of all races and genders have attempted to make a profit through farming, people who are not white or male have been subjected to discriminatory laws and policies that made successful farming especially difficult. To remedy these past injustices, the United States Department of Agriculture and several state agencies have created numerous assistance programs to help socially disadvantaged farmers enter and become more active in our nation's food system. This section of the report provides a snapshot of the current situation for certain disadvantaged groups of farmers in Illinois, describes various assistance programs that socially disadvantaged farmers can utilize, and provides recommendations for providing further assistance, including increasing knowledge of the various assistance programs described in this report and marketing agriculture as a career path.

In Illinois, 156 farms have a Black or African American producer, with 146 farms having a Black or African American principal producer; 821 farms have a Hispanic or Latino producer, with 641 farms having a Hispanic or Latino principal producer; 11,534 farms have a producer who is a military veteran, with 10,734 farms having a principal producer who is a military veteran; and 33,195 farms have a female producer, with 19,494 farms having a female principal producer (the largest difference between the number of total producers and the number of principal producers). The following tables provide additional details (Source for all tables: US Census of Agriculture 2017).

Hispanic-Owned Farms

County	All Farms	All Producers	All Acreage	Principal Farmers	Principal Producers	Acreage
Boone	11	16	1789	11	11	1789
Carroll	1	1	D	1	1	D
DeKalb	2	2	D	2	2	D
Jo Daviess	10	10	1687	10	10	1687
Kane	19	19	1155	4	4	175
Lee	11	12	369	10	10	305
Ogle	21	26	13764	13	17	6983
Stephenson	15	19	4651	8	11	3273
Whiteside	13	17	2490	8	12	1247
Winnebago	6	7	1588	6	7	1588

Veteran-Owned Farms

County	All Farms	All Producers	All Acreage	Principal Farmers	Principal Producers	Acreage
Boone	77	86	15342	72	80	14720
Carroll	79	83	20450	75	78	20247
DeKalb	101	102	23872	97	97	20864
Jo Daviess	172	173	38376	158	159	36403
Kane	66	74	15603	61	62	15565
Lee	123	126	61072	114	115	59906
Ogle	150	154	50724	132	133	48190
Stephenson	128	132	20373	121	121	19665
Whiteside	124	138	40604	119	128	39330
Winnebago	116	120	16731	109	111	15208

African American-Owned Farms

County	All Farms	All Producers	All Acreage	Principal Farmers	Principal Producers	Acreage
Boone						
Carroll						
DeKalb	1	1	D	1	1	D
Jo Daviess						
Kane	2	2	D	2	2	D
Lee	3	3	D	2	2	D
Ogle	6	10	5499	4	8	5200
Stephenson						
Whiteside						
Winnebago						

Women-Owned Farms

County	All Farms	All Producers	All Acreage	Principal Farmers	Principal Producers	Acreage
Boone	234	247	30173	154	164	17822
Carroll	277	295	96931	162	166	52809
DeKalb	360	397	156213	192	208	83204
Jo Daviess	418	447	102257	267	276	66041
Kane	286	321	38880	199	208	17543
Lee	345	361	156938	197	201	78912
Ogle	487	505	157258	277	283	92700
Stephenson	472	506	132316	308	313	77943
Whiteside	412	432	115420	221	225	57940
Winnebago	357	390	74740	207	220	42197

At the beginning of the 20th Century, African Americans made up one in seven farmers in the United States.[8] However, in the following decades, Black farmers were dispossessed of nearly 13 million acres of land, and many Black farmers migrated northward to seek jobs in other industries, including manufacturing. This chain of events led to many Black farmers becoming estranged from their ancestral backgrounds in agriculture. Today, Black farmers are re-entering the agricultural sector, especially in the Northeast. However, many obstacles still stand in the way of starting a farm for Black farmers. These include rising costs and the longstanding problem of lending discrimination, or redlining.

[8] https://www.npr.org/2020/08/25/904284865/make-farmers-black-again-african-americans-fight-discrimination-to-own-farmland

Veterans and women also face burdens to either starting a farm or sustaining sufficient farm operations to make a profit. Small and independent farmers, many of whom are veterans, have been disproportionately affected by the supply chain crisis caused by the COVID-19 pandemic and have struggled to keep their farming operations afloat. Women have made significant strides in the agricultural sector; according to the American Farmland Trust, as of today, 43% of U.S. farmland is either farmed or co-farmed by women. While many of these women share conservationist beliefs, they also face several gender-related barriers to making their land sustainable in the long term.

Latinos are strongly represented in farming but not in farm ownership. While Latino people make up about 83% of field laborers in the U.S., they own only about 3% of farms (US Census of Agriculture).

Dr. Rubén Martinez works as director of the Julian Samora Research Institute at Michigan State University, which helps integrate Latino farmers into the agriculture industry.

"Nationwide, Latinos are one of the fastest-growing minority groups in agriculture," Martinez says. "They tend to have modest-size farms, mostly between 10 to 180 acres. Many are part-time farmers working elsewhere while they try to get their farm started."

A major challenge for Latinos when trying to make connections in the agriculture industry is a culture gap that has nothing to do with language, he says.

"A lot of agencies in agriculture haven't developed multicultural capabilities to serve all populations," Martinez explains. "Their view is, 'We are here to serve you if you walk through our doors,' but in Latino culture, it is necessary to get to know a person before you get down to business. Americans are more task-oriented, while Latinos are more people-oriented."[9]

Laura-Anne Minkoff-Zern, an assistant professor of food studies and agriculture researcher at Syracuse University points out another obstacle: "Many Latino farmers might also miss out on government loans and organic certification because they require extensive record-keeping that they may not be accustomed to completing due to language and education-related barriers."[10]

The survey of farmers within the nine counties asked about the background of the farmer. Many chose not to reply to this question, but among those that did, women were strongly represented. The other groups discussed above were less well-represented. Resources for increasing the diversity of farmers in the nine-county area follow.

Assistance for Disadvantaged Farmers

There are many programs available to assist disadvantaged persons in overcoming these challenges. A selection is described below.

U.S. Department of Agriculture's Farm Service Agency (FSA): FSA makes and guarantees loans to eligible socially disadvantaged (SDA) farmers to buy and operate family-sized farms and ranches. Each fiscal year, FSA targets a portion of its direct and guaranteed farm ownership (FO) and operating loan (OL) funds to SDA farmers. Non-reserved funds can also be used by SDA individuals.

[9] February 16, 2021 by Jessica Mozo
[10] https://farmflavor.com/michigan/michigan-farm-to-table/latino-farmers-overcome-challenges-to-find-success-in-agriculture/

Farming Opportunities Training and Outreach Grant Program (FOTO): FOTO is the combination of the Beginning Farmer and Rancher Development Program (BFRDP) and the Outreach and Assistance to Socially Disadvantaged and Veteran Farmers and Ranchers Program (2501 Program).

Department of Veterans Affairs' (VA) Home Loans: VA loans may be used to purchase a farm. There must be a farm residence on the land, and the Veteran must live in it as his or her primary residence. VA-guaranteed loans can only be used for residential purposes, and not to purchase a business. This means that some farm properties may not be eligible for purchase using a VA-backed home loan.

Homegrown by Heroes: This program allows Illinois farmers, ranchers, fishermen, and producers who have served or are still serving in any branch of the U.S. military to use a special logo on the agricultural products they sell to the public.

MANRRS: MANRRS is a national nonprofit organization that encourages ethnic minorities to consider careers in agriculture and related sciences. There are multiple programs and opportunities for students at the high school and college level. Reaching out to this organization could be part of outreach to students in Northern Illinois.

Black Farmer Restoration Program Act: This bill currently in the Illinois General Assembly aims to support producers by, in part, granting Black producers farmland. It mirrors efforts in Congress and other states to redress racial disparities in farming in the state.

There are several organizations dedicated to women in agriculture. These include:

- Women in Agriculture (national and Illinois chapters, https://www.nwiaa.org/, https://womeninag.extension.org/women-in-ag-programs/women-in-ag-programs-illinois/)
- Women for the Land (https://farmland.org/project/women-for-the-land/)
- Illinois Agriwomen (https://www.illinoisagriwomen.org/)
- Annie's Project: Offers classes for women in farming in record keeping, problem solving, and decision making. https://www.anniesproject.org/

FaRM: This program is offered by the Julian Samora Research Institute and is an example of a Michigan program that could be replicated in Illinois. The 18-month project addresses risk management and mitigation approaches related to production, financial, and human risks and provides information to beginning, Latino, limited resources (LR), and socially disadvantaged (SD) specialty crop producers. It helps producers identify and mitigate risk and provides information on crop insurance and disaster assistance programs. These activities help producers improve their economic sustainability by deepening their knowledge of risk management and mitigation issues, encouraging behavioral change, and promoting the development of relationships with insurance agents, educators, and technical service providers.[11]

[11] Educating Underserved and Socially Disadvantaged Farmers on Risk Management and Mitigation — Julian Samora Research Institute at Michigan State University https://jsri.msu.edu/

The Michigan Family Farms Conference: Another example from Michigan that could be considered for Illinois, this project offers bilingual webinars and coordinates workshops designed for Latino, beginning, and socially disadvantaged producers. It includes:

- An overview of farming risks
- An introduction of basic social capital concepts including its five motives
- An introduction to how social capital facilitates the risk mitigation process within the farm
- The different approaches available to farmers to respond to production and financial risks
- An in-depth analysis of crop insurance for/and mitigation of financial risks options
- Information for selecting and approaching insurance agents, policy options, and eligibility requirements

New Farmers

New farmers are critical to continuing and expanding the local fresh food system. New farmers, whether from disadvantaged groups or not, face hurdles to beginning their agricultural endeavors. Concerns range from philosophical to funding.

Among college students preparing for careers in agriculture, there is greater interest in farming related careers rather than farming itself. Food based research, agribusiness, equipment development, farm chemicals, finance, or other fields attract more students. These careers are seen as problem solving and/or more likely to result in a stable and attractive income.

New farmers are often drawn to specialty crops because they believe in the importance of local fresh food or farming in a sustainable way. Those interested in small scale animal-based farming often want to demonstrate a more humane way to farm. These philosophical motivations are important because farms like those envisioned by these new farmers may not yield the income of larger, commodity-based farms. Therefore, rewards and motivation other than monetary are powerful.

While specialty crops don't generate as much income as commodity crops, they are an easier point of entry for new farmers. A new farmer can start with less land and equipment, and it is easier to break into the market.

Mentorship and succession planning are also topics that should be considered. The farmers in the region are aging and as they reach retirement age, the options are having another farmer continue to farm the land or having it go out of production and possibly converted to another use. Succession planning would help the retiring farmer keep his or her land in production. This is beneficial to the entire system. There also could be an opportunity to mentor a beginning farmer and bring a new farmer into the system rather than expanding an existing farm. The beginning farmer could work with the established farmer for a number of years before taking over the farm. Various options exist for how ownership is transferred. A mentorship program could be housed at one or more of the community colleges.

Highland Community College, Sauk Valley Community College, and Kishwaukee College all have agriculture programs. The topics vary from one to another and Associate Degrees and/or certificates may be offered. These programs are opportunities to reach out to people interested in beginning farming, including those from disadvantaged groups.

Several existing programs serve beginning farmers and are described below. Additional details can be found by following the links.

Beginning Farmer Bond Program: The purpose of the Beginning Farmer Bond Program is to provide affordable financing to new, low net worth farmers for financing capital purchases. IFA works with the borrower's local lender to provide this financing. IFA issues a tax-exempt bond for the amount and with the terms of the loan. Because the interest income to the lender is exempt from federal income tax, the lender can charge a lower rate to the borrower.

Young Farmer Guarantee Program: The Young Farmer Guarantee Program is designed to enhance credit availability for younger farmers who are purchasing capital assets such as land, buildings, machinery, equipment, and breeding livestock, as well as soil and water conservation projects. Applicants must have a net worth of at least $10,000 and meet other financial requirements.

Illinois Young Farmers Coalition: The Northern Illinois chapter, formed in 2021, aims to support the major themes in National Young Farmers Coalition's policies, including supporting equity in access to land and resources to farmers of color and indigenous farmers, and changing the current landscape to bring underserved individuals and communities to the table and to power in agriculture. The chapter welcomes farmers in rural, suburban, and urban areas.

Farm Credit Illinois FreshRoots program: Farmers up to age 40 or in their first 10 years of farming are eligible for lending assistance through FCI's FreshRoots program. Each young and beginning farming entity can receive loan pricing discounts for five years on up to $1 million in farm real estate loans and $500,000 in operating loans.

Beginning Farmers: This page contains comprehensive information about finding financial help for starting your farm business.

The Land Connection PSA Programs Guide: This guide describes the programs FSA offers that support beginning and non-commodity crop farmers, including the eligibility requirements of each program, the application process, and a list of further resources available through FSA. The agency offers many programs in addition to those described here, including programs designed for commodity crops.

V. Strategies and Next Steps

The market for fresh local food, like many other products, can grow in two ways:

- Demand-pull: Consumer demand increases, pulling along production to catch up. In this model, the greatest risk is to the marketers (retailers, restaurants). They make the investment in the product to meet the perceived demand. Producers have little risk because they are responding to the desire of the buyers.
- Supply-push: Supply is increased, with the assumption that there is unmet demand or that demand will increase when the supply is available. In this model, the producers (farmers, aggregators and others on the supply side) make the investment and assume the risk.

An ideal food system network plan would promote growth from both perspectives. However, the plan presented here is primarily supply-push, based on the assumption that excess demand exists or that sufficient demand can be created through marketing and education. While a supply-push plan shifts risk to the producers, the plan for a northern Illinois food systems network minimizes risk by pursuing incremental growth, establishing relationships between producers and buyers that result in a close match of supply and demand, and shifting some risk to nonprofits or the public sector. A description follows.

Underlying Approach

The components exist within the nine-county area to grow a local food systems network serving the Chicago area and other markets. However, there is much work to be done to bring it to fruition. The plan for the proposed network builds on strengthening existing assets and fostering collaboration to build the systems, rather than large investments in new facilities or organizations. This strategy minimizes risk, gives existing businesses and organizations a strong stake in the systems, honors established relationships, can be approached incrementally, and is more cost-effective than extensive new facilities and organizations.

Leadership

Central leadership is needed to pull the components of the network together. The lead organization will more often coordinate rather than carry out tasks. There are existing organizations that could provide leadership. Examples include Blackhawk Hills Regional Council, Northwest Illinois Economic Development, each of the region's community colleges, Illinois Farm Bureau, University of Illinois Extension, and others. However, there is a reluctance to take on this role because of the lack of staff or mission mismatch. Thoughts on organization mission can be discussed and may be flexible, but dedicated staff is necessary to make real progress. An option to cover staff cost might be having multiple organizations and jurisdictions contribute to cover the expense. Another option is to work with AmeriCorps to provide a staff person. There may be other nonprofit funding sources that can be investigated. Regardless of the source of the funding, it is important to be able to retain the staff person for multiple years. A complex system will require acquiring much institutional knowledge and establishing relationships. Annual turnover in staff will result in continual loss of these valuable assets.

Technical Assistance

Expanding production is critical to making the nine-county area a major source of fresh food for Chicago and elsewhere. The farmers are interested in growing their production and operating more efficiently, but most divide their time between the farm and another job. Growing revenue may eventually allow them to focus entirely on their farms, but for now they have little time to do more than they are already doing. Assistance of all sorts is available but finding it and jumping through the hoops to participate requires time they don't have. An individual whose job is to assist the farmers in locating and taking advantage of the assistance available will increase the likelihood of success. This role might be assigned to the leadership staff but also could be delegated to other organizations with well-suited expertise. The narrower role of this position makes it a better fit with the mission of existing organizations.

Next Steps

After leadership has been established, undertaking the following tasks will begin to build a northern illinois food systems network.

- **Use Farmers' markets as a starting point.** The farmers' markets in the Chicago area are a relatively easy entry to the Chicago market. By coordinating booth rentals, labor, and transportation, multiple farms can participate in the markets. Teams of farmers can attend different markets, allowing the fresh food from the region to reach customers across the area. Competition between farmers can be minimized by teaming farmers with complementary rather than identical products whenever possible.
- **Establish connections with restaurants and other food service providers.** Personal connections were cited by both farmers and restaurants as the key to working together. Farmers' markets are where these two groups can come together to establish these connections. Farmers can provide the information restaurants need and restaurants can be invited to stop by and sample the products. This is the beginning of a business relationship.
- **Position a small-scale storage, aggregation, and distribution-site within a reasonable distance of all farmers.** Build from the JDLF model, perhaps using JDLF, the People's Market, and, when completed, the Community Food, Health and Education Center. Add other sites as needed, but retain the small scale of each, minimizing investment and risk.
- **Support improved meat processing through one or more new or expanded facilities.** Lend support to the proposed projects that appear to have a good chance of success.
- **Coordinate transportation of products through truck sharing.** In some instances, the availability of a truck is less of a problem than finding someone to drive it. Start by inventorying the trucks that are available. Local routes, including those into Chicago, most likely will not require a CDL driver, so that task can be shared among participating farms.
- **Work with community colleges to expose members of disadvantaged groups to opportunities in agriculture.** This may include participating in events, outreach to high schools, and outreach within the existing college student body. Create a critical mass of prospective farmers representing disadvantaged groups so that they can support each other. Establish ties with supportive established farmers and others in agriculture.
- **Set up a mentor system for new farmers, perhaps focusing on those in or near retirement.** This might be housed within one or more of the community colleges. Perhaps local lenders would be interested in supporting a mentorship program for their borrowers, increasing their chances of success.
- **Establishing a food systems network will make it easier to ensure that branding local products is successful.** Once infrastructure is in place, mechanisms to ensure quality and consistency can be established.

The first step towards implementing this plan is to share the findings of this report and bring local stakeholders together to discuss the contributions each can make. Organizations and individuals in the nine-county area stand ready to assist with this effort.