

2013 Policy Recommendations by the
Michigan Food Policy Council

Cultivate a safe, healthy, accessible food supply and build Michigan's economy

More investment in local food sector infrastructure will build capacity and help grow jobs

*Farmers market sector is key to healthier
people and economic growth*

*More accessible and nutritious food supply
can positively impact serious health issues*

*Food sector has tremendous potential to create
new jobs, continue to provide a safe food supply*



www.michigan.gov/mfpc





The issue:

Quality food access improves health, spurs economic growth

By improving access to healthy foods, Michigan has the opportunity to not only improve the health of its residents, but also enhance the growth of local economies and the state's entire agricultural industry.

The demand for locally produced food has increased each year and the food sector has tremendous potential to create new jobs and stable employment in economically disadvantaged urban and rural communities. At the same time, a more accessible and nutritious food supply can positively impact serious health issues, such as Michigan's high obesity rate and the incidence of diet-related chronic disease.

As the state's second largest industry, the agri-food sector already employs more than one million residents, but more jobs can be created as sectors of the industry grow. The aggregate economic impact generated by many small farms operating in an area is significant.

Michigan can spur livable communities and new business growth in rural and urban communities by developing and expanding viable healthy food retailers that anchor economic and community improvement.

MFPC Recommendations

- 1.** Build capacity of Michigan's farmer market sector to increase access to healthy foods.
- 2.** Help small-scale farms achieve food safety certification to increase their sales to the retail food industry, institutional buyers and consumers.
- 3.** Support a state **Healthy Food Financing Initiative (HFFI)** to provide access to financial capital for job creation in the local food system.

Established in June 2005, the Michigan Food Policy Council recommends programs and policies that enhance economic growth through the state's diverse agriculture industry, while cultivating a safe, healthy and available food supply for all Michigan residents. MFPC plays a unique role in bringing state government to the table to support our food system and economy. This publication is a summary of a full report available for download at www.michigan.gov/mfpc.

Better food access promotes equity, sustainability in underserved areas

Michigan can create new opportunities for agricultural producers by expanding access into underserved consumer markets and stimulating greater overall demand for healthy food.

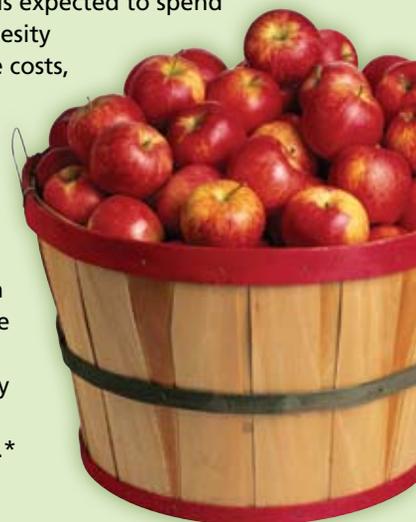
- Close to one million people in Michigan live in underserved communities – urban neighborhoods and rural towns without ready access to fresh and healthy food.*
- One in ten people in Michigan need to use a food bank each year because of food emergencies (can't afford to buy or lacks access to food).
- Michigan is the 2nd most agriculturally diverse state, after California, yet 80 percent of Michigan youth do not consume adequate servings (five or more) of fruits and vegetables per day.



Access to healthy food helps reduce chronic disease, obesity

Poor access to healthy food is associated with obesity and other diet-related chronic diseases. Michigan has the 10th highest obesity rate in the US. Obesity is 52 percent higher in neighborhoods that lack supermarkets, grocery stores or farmers markets.

In 2018, Michigan is expected to spend \$12.5 billion on obesity related health care costs, if rates continue to increase at current levels. If the 2008 obesity rate just remains constant, however, Michigan is estimated to save \$867 per adult in health care costs by 2018, a savings of almost \$6.9 billion.*



Shift to local food adds economic benefits

If Michigan residents and institutions shifted just 20 percent of food purchasing to local sources, the supply shift would create jobs, revitalize communities and boost the economy. It's a model for food system redesign that also enhances ecological sustainability, better health and more civic engagement.

Just a 20 percent shift to local food would:

- Create new jobs (New food businesses, new supply chain spending, new spending by employees)
- Put unemployed Michigan residents back to work
- Generate additional state and local annual tax revenues



Emerging food businesses need capital to grow

Access to nutritious food is essential to better health outcomes, yet access is hindered along the food supply chain. Food businesses need capital to add equipment, secure land, upgrade facilities and market to buyers.

A **Healthy Food Financing Initiative (HFFI)** is a viable alternative to securing loans from traditional lenders. HFFI encompasses a wide variety of financing efforts designed to encourage the development and preservation of healthy food sales in underserved communities. Many are partnerships involving philanthropic, state and local government agencies, food access groups and Community Development Financial Institutions (CDFI). Millions of dollars in federal funds for HFFIs are available. Stakeholders in Michigan are working to generate matching funds needed to accept a federal HFFI grant.

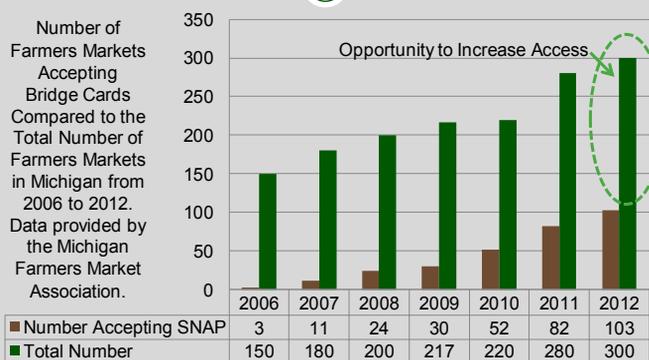
Large food purchasers need more local food sources

Retail and institutional buyers are looking for local food sources. Business policies often require third party food safety certification. Of the estimated 6,500 Michigan fruit and vegetable producers that market directly to consumers, less than five percent participated in a formal **USDA Good Agricultural Practices (GAP)** audit in 2010. GAP certification is often a barrier and requires a documented food safety plan.





Growth of SNAP Acceptance in Michigan



Data provided by the Michigan Farmers Market Association (MIFMA), www.mifma.org

Farmers markets provide a boost to local communities

Farmers markets are important community assets. They bring access to fresh and healthy food and contribute to the unique “sense of place” in local communities. Clearly, the sector provides a social and economic benefit. In 2012, SNAP (formally the food stamp program) recipients spent \$1.5 million in federal benefits at Michigan farmers markets, making our state the leader in SNAP sales at markets in the Midwest, despite only one-third of markets participating. The Governor’s Health and Wellness Dashboard identifies SNAP sales at farmers markets as a key performance measure of healthy communities.

Training and technical assistance would increase access and sales. In 2012, 103 of the 300 Michigan farmers markets were authorized to accept SNAP in 38 counties. SNAP is administered via EBT (Electronic Benefits Transfer), and not all farmers markets have the capacity to utilize EBT. The other 65 percent of farmers markets that don’t yet accept SNAP need training, technical assistance and support to join the program and expand access to healthy food. EBT would enable more people to buy food at farmers markets, especially those using SNAP.

An investment in the infrastructure of Michigan’s farmers market sector is a strategy for building the capacity of community-based farmers markets and increasing access in underserved communities.

GAP audits are financial, logistical challenge for very small farms

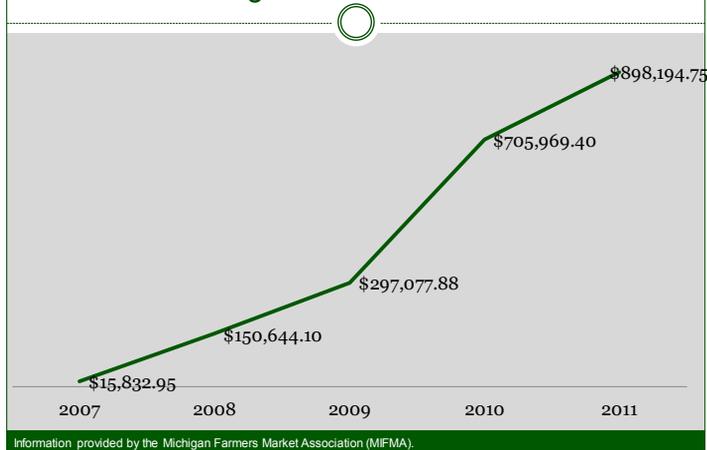
Demand for locally grown food is greater than ever but in order to meet the demand and sell into larger markets, farmers often face financial hurdles as they try to achieve GAP certification.

Cost and scale of GAP is often unrealistic for a small-scale farm with small acreage, a wide variety of crops and a small labor force.

Although not a regulatory requirement for any farm, GAP certification is usually required by retail, wholesale and institutional buyers who look for adherence to GAP and traceability when making purchases. Regardless of the size of the farm, a safe food supply is paramount for the food industry. Help with GAP compliance for food safety certification would allow more farms to scale up and sell their food to a broader market.

Michigan’s small scale farmers are business entrepreneurs and need scale-specific technical, financial and business support such as with industry wide food safety certification.

SNAP Benefits Redeemed at Michigan Farmers Markets



Information provided by the Michigan Farmers Market Association (MIFMA).



MFPC Recommendations

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Long term goal is healthier, more available food supply

- Increase access to healthy food
- Increase farmers' food production capacity
- Expand local food sources for retailers and institutions
- Improve food sector sustainability and job creation

**For references, please see full report at www.michigan.gov/mfpc.*



"I believe that Michigan is in a strong position to create a Healthy Food Financing Initiative. We have a clear need for improved access to healthy food; however, we also have the leadership and financing opportunities to solve many of the nutrition, health and economic problems we face."

- US Senator Debbie Stabenow, Michigan

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Special thanks to:

W.K. Kellogg Foundation

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Michigan Farmers Market Association

MSU Center for Regional Food Systems

Fair Food Network