

July: Value Chain Development: Food LINC Project



***REMINDER:** *In order to make the most out of our Board Study discussion, we ask you to please read these research materials before coming to the Board of Directors meeting on May 17.*

INSTRUCTIONS

SYNOPSIS: In this Board Study, participants will explore unique partnerships established between USDA Rural Development and national/regional philanthropic entities aimed at strengthening value chains in local food systems. This effort is called the *Leveraging Investment for Network Coordination* (“Food LINC Project”), and is connecting demand for local food in ten selected urban areas with supply from farmers and ranchers - further bolstering each region’s local food business sector while also increasing consumer access. This program also employs Value Chain Coordinators by establishing a Cooperative Agreement with USDA. This is what has enabled La Montanita to hire its current Value Chain Coordinator. This program is not only innovative in the way it leverages private funds, but it is also unique with its intention to create VCD “templates” that can be reproduced around the country.

La Montanita’s value chain coordination team believe that value chain development (VCD) is embedded in the food cooperative’s efforts and fully support using VCD as a tool for achieving the cooperative’s Ends. In particular, the team would like to demonstrate how their efforts are supporting La Montanita’s Ends. Value chain coordination stories illustrate how La Monanita is changing the food system in ways that are not limited to local and organic.

AGENDA

One hour is allotted to the Board Study in each Board of Directors meeting:

1. 15-20 minutes: Introduction to Food LINC Project
2. 15-20 minutes: Presentation from La Monanita’s Value Chain Coordinator
3. 15-20 minutes: Open-Ended Discussion/Preparation for Next Board Study

GOALS

Key goals of this Board Study include:

1. Discuss the goals of the Food LINC Project as well as opportunities to be explored in establishing partnerships between USDA, the philanthropic sector, and regional food systems.
2. Learn more about La Montanita’s agreement with USDA and how the cooperative’s Value Chain Coordinator has helped the cooperative better achieve its Ends.
3. Discuss the changing roles of the Value Chain Coordinator in the context of future value chain research, coordination, and development.
4. Explore others ways La Montanita’s Value Chain Development team can work with diverse farm operations in order to scale, brand, and market value-added products.

5. Identify specific products and/or services to apply value chain analysis at upcoming Board of Directors meetings.
6. Identify how Value Chain Development could be used as a tool for helping La Montanita assess whether or not it is achieving its Ends.
7. Open up discussion to member/owners who would like to explore different strategies for achieving its Ends.

BOARD STUDY MATERIALS

Supplemental materials for this Board Study include the following:

A) MAP/DIAGRAM:

- Food LINC Project Summaries (Published May 22, 2016)
 - Summary:** This diagram maps the 10 urban areas that were selected to engage in the Food LINC Project while also giving a quick overview of their VCD efforts. In particular, the summary mentions La Montanita's VCD team working with diverse farm operations to find new markets for locally-grown products, including pumpkins, apples, carrots, and cucumbers. The summary also mentions that the team is working to scale, brand, and market value-added products beyond the State and that it is exploring the feasibility of increasing local chicken, egg, and buffalo production and marketing in New Mexico.
 - **Link:** <http://www.usda.gov/documents/food-linc-project-summaries.pdf>

B) ARTICLES:

- *New USDA Initiative Aims to Build Capacity and Strengthen Local Food Systems* - Blog by the National Sustainable Agriculture Coalition (Published March 31, 2016)
 - **Summary:** This article outlines the partnership that was established between USDA, the Appalachian Regional Commission (ARC), Delta Regional Authority (DRA), and 15 philanthropic partners. The article discusses how the inaugural roll out of the initiative is targeting 10 regions across the country, connecting rural producers with urban buyers using a combined public/private investment of \$3 million. The article also discusses how the initiative is being launched as part of USDA's Know Your Farmer, Know your Food (KYF2) effort spearheaded by the Obama Administration.
 - **Link:** <http://sustainableagriculture.net/blog/food-linc-launches/>
- *Can Philanthropy Help the Feds Bring Sustainable Food Systems to Scale?*
 - **Summary:** This article tracks USDA's funding of local food projects back to 2009 and explains the initiative's intention to establish best practices to be communicated with the rest of the country's regional food community. The article also discusses the larger movement in philanthropy to return control of resources like energy, food, and water back to communities, and otherwise fund equity in relation to local resources.
 - **Link:** <http://www.insidephilanthropy.com/home/2016/4/7/can-philanthropy-help-the-feds-bring-sustainable-food-system.html>

C) REPORTS:

- Moving Food Along the Value Chain: Innovations in Regional Food Distribution (Published March 2012)

Summary: This report examines the aggregation, distribution, and marketing of eight diverse food value chains to glean practical lessons about how they operate, the challenges they face, and how they take advantage of emerging opportunities for marketing differentiated food products. A focus on the operational details of food value chains—business networks that rely on coordination between food producers, distributors, and sellers to achieve common financial and social goals—demonstrates how to facilitate moving differentiated products from regional food suppliers and buyers to customers.

- *Link:* <http://www.redtomato.org/wp-content/uploads/2014/07/USDA.pdf>

- Financing the Evolving Role of the Value Chain Coordinator: Guiding Questions, Participant Insights

Summary: While some of this report relates to the financing of the value chain coordinator position, a great deal of the document discusses the malleable job description and role(s) of this individual. The report identifies 5 roles of the value chain coordinator: Holder of values, Connector, Researcher and big picture holder, Leader/innovator, and Communicator. Although these roles have been defined differently in other research, this report provides great summaries of these different types of roles.

- *Link:* <http://www.wealthworks.org/sites/default/files/resources/evolving-role-of-value-chain-coordinator.pdf>

TAKEAWAYS

A few takeaways from the Board Study materials include:

1. The roles of value chain coordinator in regional value chain development can evolve in different ways.
2. Considering growing city populations, struggling rural economies, and the high carbon footprint of industrial agriculture, scaling local food is central to sustainability, equity, and public health.
3. Urban farming is an inefficient way to feed a dense population and supply chains that connect rural farms to nearby cities have atrophied because of industrial agriculture. Cities need to reconnect with surrounding rural areas in a way that allows small farmers to make a good living and that meets the diverse needs of residents.
4. A big rationale for philanthropic engagement with this program is having local presence, just as much as local funds.
5. La Montanita's VCD work has identified a few locally-grown products, including pumpkins, apples, carrots, and cucumbers that have the opportunity to be scaled, branded, and marketed as value-added products.

What are your takeaways from this Board Study? (Please use this space to take notes during the Board Study)
