

Executive Summary of Strategic Plan

Drawing upon an economic overview of conditions in South Carolina agriculture, testimony from field interviews, and responses to our producer survey, the following key conclusions and recommendations are made in the Making Small Farms into Big Business strategic plan:

South Carolina's Unique Assets

South Carolina holds exceptional and unique assets:

1. Land is relatively plentiful
2. Farmers have multiple growing seasons each year
3. Water is often adequate
4. Charleston is an important culinary center, and excellent local restaurants are emerging in Beaufort, Columbia, Georgetown, Greenville, the Catawba region, and elsewhere across the state
5. Urban populations are large enough and sufficiently close to farmland that farmers and food buyers need not travel long distances to meet
6. Key leaders know each other well and the state is small enough to coordinate effectively
7. South Carolinians seek connection and authenticity

Issues and Opportunities

Yet our research also uncovered unsettling conditions that should be addressed. These create rich and emergent opportunities:

- Demand for local food exceeds supply
- South Carolinians are concerned about protecting the integrity of “local” food trade
- If the state food system does not reduce hunger, the system will not be sustainable
- Direct sales reward farmers adequately
- Farmers are often skeptical of aggregation and debt
- More farmers are needed
- The State plays a central role
- Infrastructure investments must accomplish multiple goals
- Regulatory barriers must be removed
- This is long-term work

What is a small farm?

In the context of this Making Small Farms into Big Business study, small farm cannot be defined simply by either its acreage, or the amount of food it sells. For this initiative, a “small farm” is one that participates directly in efforts that create new, relational commerce, and strategic partnerships trading locally produced food. State funding will be directed solely to this purpose. Drawing upon supportive infrastructure, these small farms will form (and join) clusters of interrelated businesses to convey food from South Carolina farms to South Carolina customers.

Concise Summary of Recommended Strategies

Our recommendations are listed in detail below (*see full report, beginning page 25*); key action items are outlined here:

1. **The State of South Carolina must adopt a formal commitment to creating a solid economy focused on local food production for local markets.** This policy commitment will both set a tone enabling food initiatives to thrive, but will also allow state staff to participate more fully in supporting these local foods initiatives.
2. **Emerging “food production nodes” should be strengthened by offering funding through a competitive grant program.** These production nodes will be defined and described in better detail below. Their key quality is that they are clusters of farmers working in close proximity to each other. The state will embrace and support financially community level activity that is attempting to connect these farmers with local consumers – not attempt to develop a single template that will apply across the state.
3. Expansion of local food production through food production nodes will be enhanced by **expansion of Clemson’s New and Beginning Farmer Program, and by expansion (or adaptation) of Lowcountry Local First’s incubator farm**, where appropriate, into new regions in concert with food production nodes.
4. **Food hubs such as GrowFood Carolina (Charleston)** are also essential facilities for larger regions. Food hub leaders think that perhaps three or four food hubs could be supported across the state; their creation and growth will draw upon a web of food production nodes, and must be coordinated on a statewide basis.
5. **Supportive state policy** will also be required, including:
 - Effectively coordinating local foods activity
 - Strengthening the Certified South Carolina Grown program
 - Engaging in an energetic marketing campaign calling upon state residents, for example, to “Eat Five, Buy Five:” that is, to eat five fruits and vegetables each day, and to buy \$5 of food directly from a farm in the state each week.

Core Recommendation:

The State must make a formal commitment to supporting small farms that grow food for South Carolina markets. Such a commitment would allow State agencies to make a priority of supporting the expansion of local food production, distribution, and marketing efforts. This should be done as part of legislation with lasting force.

In order to demonstrate the state's commitment to small farms, and to reduce anxieties about uncertain markets, a customer base loyal to local foods must also be consciously cultivated. South Carolina Department of Agriculture should mount a **broad, long-term educational and marketing process** that engages state residents in learning productive skills in growing food, food handling, food preparation, and smart consuming. More on these marketing processes will be found below.

Much like any other educational process, these educational steps taken will not totally pay for themselves in a competitive economy. Yet some of this work will happen most effectively in social-entrepreneurial ventures that earn at least part of their income through competitive economic activity, and rely upon support as needed to carry out less lucrative educational functions.

With a dual commitment to generating new supply and new market demand in a balanced manner in place, South Carolina is well-positioned to make investments, primarily at the direct and regional sales level, to increase production of foods for local markets. Our favored strategy to accomplish this end is to develop 15-20 food production “nodes” is across the state. These should not be imposed by state action, but rather the existing work already underway in South Carolina communities should be leveraged with state funds that help strengthen local work and also help it become better coordinated. In turn this will inspire other regions to take action of their own, building a statewide enthusiasm for local food.

This state commitment to local foods will penetrate activity in all five tiers of the South Carolina food system, as outlined below.

Tiers of the Food System

Our action plan addresses all five tiers of the South Carolina food system (see Figure 2), from household to global. These include:

- Household level
- Direct and regional level
- Strategic partners level
- Large volume aggregation and distribution level
- Global anonymous level

The most effective work toward strengthening local food sales in South Carolina will begin with the direct and regional level, spilling over into all other levels as progress is made.

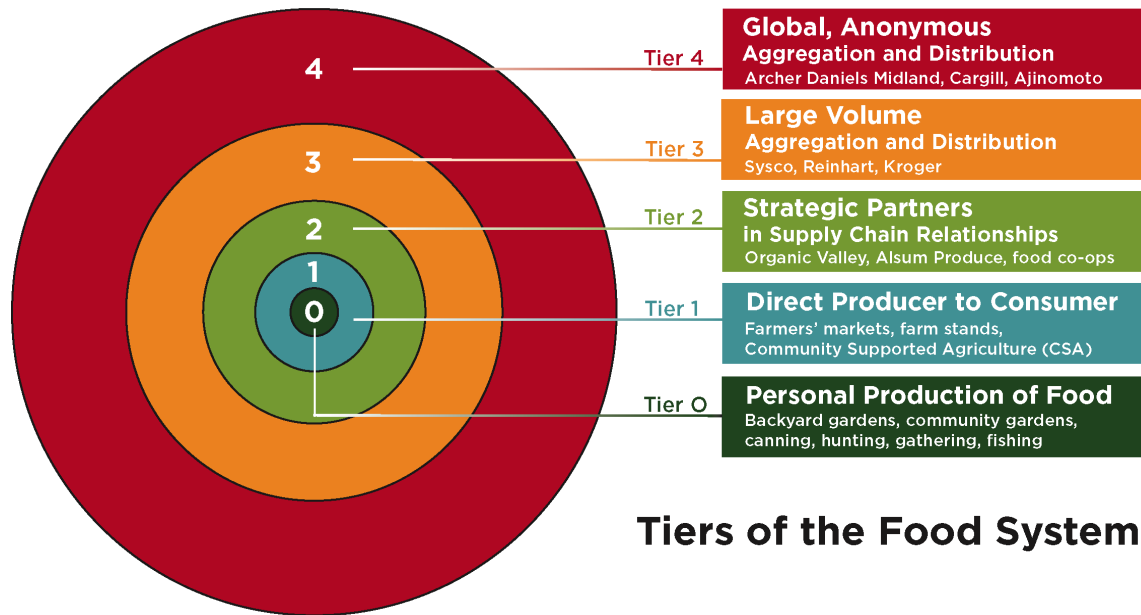


Figure 2: Diagram created by University of Wisconsin Center for Integrated Agricultural Systems (CIAS). See full report for citation.

At the direct and regional sales levels:

Food production “nodes” are emerging across the state, and should be strengthened through a competitive grant program. These nodes are essential to building a network of supportive relationships and physical infrastructure that will allow larger-scale initiatives (such as food hubs, processors, and other facilities) to thrive. This network might be called a “food web.” Building such a web of interconnection is the essential precondition for building an economy in which small farms may become big business.

The term “node” comes from natural sciences and systems analysis.¹ A *food production node* is cluster of farms in close proximity to each other, working in collaboration and using common food production infrastructure. Strengthening food production nodes is a solid way to create lasting infrastructure that ensures South Carolina communities both maintain a sustainable agriculture system, and can feed themselves. Importantly, each builds local efficiencies in food trade. For example, such a cluster of producers might build a joint-use building that allows each of them to wash, sort, and package their products for local sale. It would also have enough storage capacity to hold this food safely for later distribution.

¹ The root of “node” is the Latin word for “knot.” The Oxford English Dictionary defines a node as a “central or connecting point.” http://oxforddictionaries.com/us/definition/american_english/node

A node may also be the place where local consumers turn to buy fresh food from a farm. Indeed, depending upon the vision of local food leaders, available resources, and production levels, a food production node could take on many other capacities as well. Yet its essential importance is to focus the vision and resources required to maintain local agriculture serving local producer needs, as negotiated with local consumers.

A food production node differs from a *food hub*. A food hub is more of a regional facility that focuses on aggregation and distribution of local foods for larger markets, such as restaurants, grocery stores, educational institutions, or wholesalers. South Carolina may have the potential for as many as four food hubs: the existing GrowFood Carolina near Charleston, and others in the Greenville/Spartanburg region, near Columbia, near Florence, or in Horry County.

A *food production node* will be created by clusters of farmers and food producers who are in very close proximity to each other, and to their intended markets. South Carolina may be able to support 15-20 nodes in different parts of the state; each feeding into a web of connections that helps supply food hubs and larger wholesale accounts, as well as local consumer needs (see Figure 3).

A “food web” is formed by networking food production nodes and food hubs

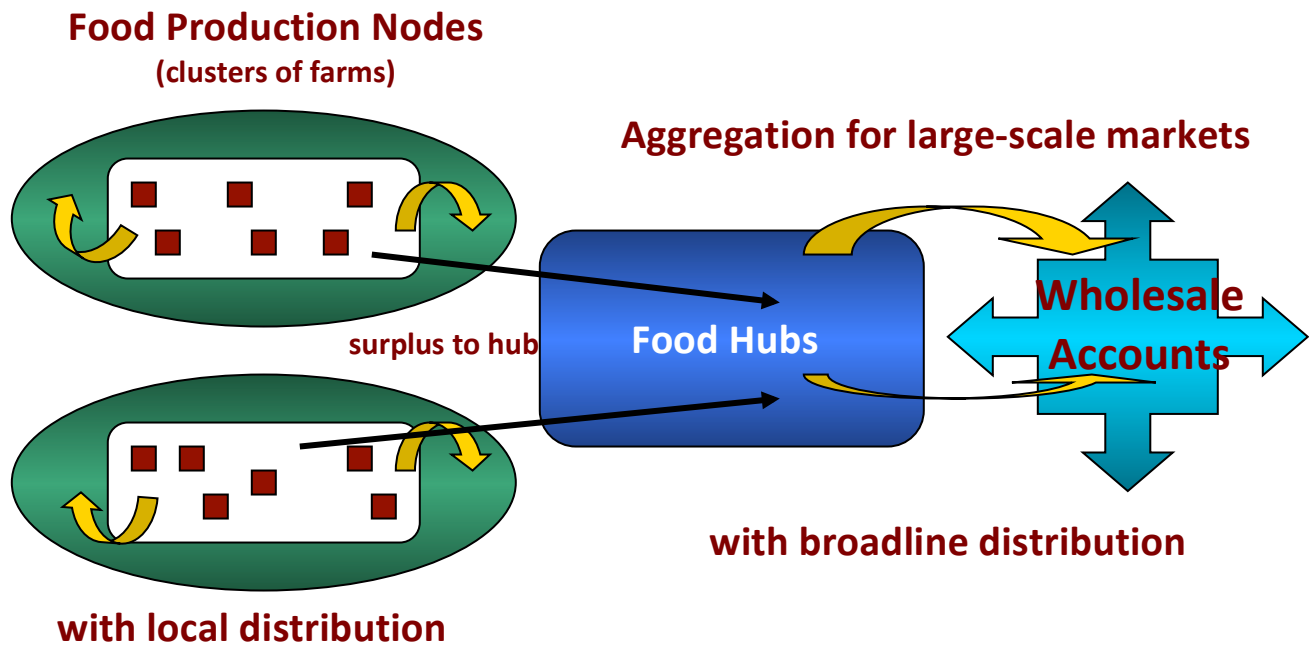


Figure 3: *Elements of the future South Carolina food web. Note that food production nodes (farm clusters) and food hubs may have similar facilities, yet each serves a distinct purpose in the food web.*

Building a network of food production nodes is the essential infrastructure required to create a web of support around these regional food hubs. Without sufficient supply of food, these hubs cannot thrive. Conversely, without regional food hubs, it will be difficult for the farmers at each production node to find adequate markets. The food production node is the connecting point that brings

farmers and food hubs into solid collaboration, but it also is the facility that focuses the attention of local farms on local markets. Food hubs also help bring farmers into collaboration, but cover a larger geography, and focus their distribution efforts on larger regional markets.

The map below (Figure 4) shows what this might look like in the future.

Already, food production nodes are emerging across the state, yet each is hampered by a lack of resources. Some examples:

- A resident initiative in **Chester** has obtained use of a historic building in the downtown area. This has been carefully refurbished to create an indoor market where farmers bring food to sell on Saturday mornings. Equipment has already been purchased to install a commercial kitchen on the site. In the future, organizers hope to build a cluster of farms adjacent to the market where food will be grown year-round in greenhouses and hoopouses. Organizers hope this will spur further food-oriented development in the urban core.
- Retiring Clemson extension agent York Glover is helping organize Gullah Co-op, a farmers' cooperative on **St. Helena's Island**. The farmers already market products together at the Bluffton Farmers' Market, and hope to launch their own market in a more visible location soon. They also plan to draw upon an existing commercial kitchen on the island for light processing. The Penn Center also has built considerable food production capacity.
- Hub City Farmers' Market is drawing up formal plans for an urban site in a low-income neighborhood of **Spartanburg** that would combine farms, a commercial kitchen, and storage areas. Although organizers currently consider this to be a "food hub," its primary importance (in our view) is as a facility that will encourage production of food in an urban setting, and as an educational facility that fosters healthy eating in the community. The site is close to the existing farmers' market so this will also strengthen food sales at the market.

The “Food Web” of the Future in South Carolina

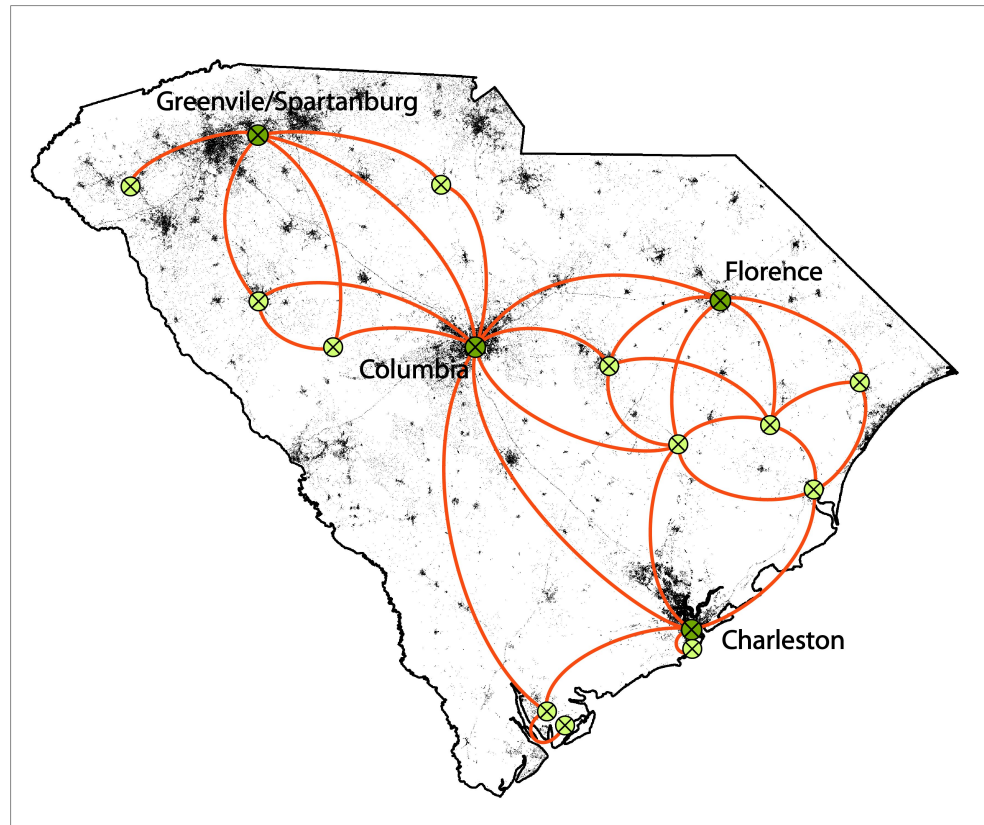


Figure 4: *Note that each food production node funnels food into local markets as well as to food hubs.*
– Map by Adam Cox based on design by Crossroads Resource Center research team.

Several other food initiatives that are already underway represent complementary efforts to build a web of relationships below the level of a regional food hub. Each contains some of the elements of a food production node – but this is not to suggest any should force themselves into that specific model. Still, each might be considered by the competitive grant program for support to expand their reach.

- Sea Islands Local Outlet (SILO) in **Habersham** is part of a new housing community west of Beaufort that aims to incorporate agricultural land into a development project. SILO began by launching an “online farmers’ market” where local shoppers can order directly from as many as 40 producers. Orders are filled at the SILO storefront each Friday: farmers bring their products in the morning, and these are apportioned into shopping bags according to each order. Customers pick up their orders on Friday afternoon, or in Palmetto Bluff on Tuesday afternoons. While currently SILO considers itself a “local grocer with two shopping methods,” offering over 800 different products after two years in business, its long-term aim is to foster food production within the new development of Habersham. At that point, it may take on more of the quality of a food production node.
- Millgrove Farms near **Georgetown** runs a retail food store on the edge of the city that serves multiple functions, including helping to coordinate harvest and shipping among half a

dozen local farms. The Charleston food hub GrowFood Carolina makes specific plans with each Georgetown grower to raise food that will meet the anticipated needs at the food hub, and then asks Millgrove owners, Ben and Carol Williams, to help coordinate the harvest with the growers. Products can be brought to the store to make up a shipment for GrowFood Carolina. Each farmer can also sell products to the store for retail sale.

Other examples may well exist; due to limitations of time and resources we were unable to learn about all of the activity currently underway; we regret any such omissions.

Such food production nodes might include the following essential elements, but every node will reflect the unique capacities and needs of its own locale. For example, when a historical building is available, and funds exist to fix it up, a node may form around a building site, as in Chester; when a food processor wants 200 acres of fresh produce, the node might form around the industrial food processor.

Core elements of a food production node would be unique to each place, but most nodes would want to make sure all farmers have access to the following facilities so that they are able to meet food safety protocols such as Good Agriculture Practices (GAP). Many could be constructed from used equipment; farmers who are able to construct their own buildings may also save on costs:

- Hoophouses, greenhouses, or other season extension facilities
- Irrigation including wells and drip irrigation systems
- Training programs (such as the New and Beginning Farmer Program or adaptations)
- Washing, sorting, and packing facilities
- Food storage (refrigerated and non-refrigerated)
- Local distribution capacity (refrigerated trucks, mobile markets, vans, etc.)
- Farm stand or small retail market to meet local consumer demand

Local plans for food production nodes might also incorporate the following (or other) elements. Clearly, some of these elements may already be in place:

- Incubator farm with plots available for emerging farmers
- Eventual access to farm land nearby for graduates of the training program, who could remain involved in local aggregation efforts and farm nearby
- Training in soil-building
- Community kitchen for training and/or small-scale value-added processing
- Classrooms, meeting rooms, laboratories, or training facilities
- Shared equipment where advisable
- Individually owned or leased equipment as advisable
- Marketing assistance
- Business planning assistance
- Small-scale processing appropriate to local markets (vacuum wrapping, perhaps flash freezing)
- Food transportation such as refrigerated trucks, logistics coordination, and distribution
- Waste recycling and composting
- Renewable energy production that fuels these facilities and machinery
- Seed-saving equipment and storage

- Knowledge bases that help local food leaders understand how to work effectively in local market conditions, reach out to producers and consumers, and make compelling cases to outside investors
- Food safety training
- Training in food preparation
- Agri-tourism sites or coordination of on-farm visits
- Software for planning planting cycles, direct food sales to local customers, etc.²

The specific mix of such ingredients would be determined by each node based on local conditions. State moneys would leverage local plans and investments.

The purpose of such food nodes shall be to increase community capacity to produce food for itself, create local efficiencies by clustering local activity in close proximity to each other, create permanent physical facilities that ensure access to food for local residents, foster local collaboration, and scale up production as appropriate for regional food hubs. Indeed, the emerging food hub in Charleston desires to see more availability of on-farm storage and packing facilities to help farmers safely store food for distribution.

Note that food production nodes would not be new intermediaries that would require a cut of the value of what a farmer produces; they would be places where farmers could collaborate to prepare, and market their products directly to South Carolina consumers under their own labels (or a cooperative local label). Each will create local efficiencies that allow farmers to potentially increase their margins; state assistance will also help reduce costs to farmers. Some might include retail sales area to help build local awareness and an income stream. Once a statewide network of food nodes has been effectively built, it will become more clear where larger aggregation centers should be sited.

A host of local, regional, and state partners could play important roles in the creation of such food nodes: food processors, churches, faith-based organizations, public and private schools, community nonprofits, land trusts, food banks, South Carolina Department of Agriculture, the South Carolina Farm Bureau, technical colleges, Clemson Extension, South Carolina State University Extension, University of South Carolina, other colleges, technical colleges, economic development officials, county or city governments, academic researchers, foundations, private investors, and many more.

A list of communities where our research has found activity that might lend itself to creation of a food production node is on the next page. No commitment to creating a “node” has been made by any group listed. This list is simply meant to illustrate that potential sites already exist.

² Such software is already being beta-tested by Bytech in Columbia.

Emerging & potential food nodes in South Carolina

July, 2013

No order of priority is intended; nor is this a complete list, nor would local players consider themselves food production “nodes” at this time.

Yet each community has activity that could lend itself to expansion into a formal node.

1. Beaufort (Sea Islands Local Outlet -- SILO)
2. Charleston (Lowcountry Local First incubator farm)
3. Chester (urban farm + indoor market + kitchen)
4. Clemson (student farm at Clemson)
5. Columbia (Clemson New & Beginning Farmer Program; potential Sandhill campus incubator farm)
6. Conway / Myrtle Beach (Clemson experiment station)
7. Florence (land trust, food bank)
8. Greenville (perhaps around Amy's Kitchen)
9. Greenwood (Piedmont Farmers' Marketing Co-op)
10. Georgetown (Millgrove Farm)
11. Greeleyville (Farmers' Cooperative and Community Improvement Association)
12. John's Island (middle school)
13. Nesmith (People's Farmers' Cooperative)
14. St. Helena's Island -- (Gullah Co-op and CDC); (Penn Center Small Farmers' Cooperative)
15. Saluda (perhaps around Titan Produce)
16. Spartanburg (Hub City Market + Urban farm)
17. Sumter (SCF Organic Farms)
18. Williamsburg County (existing co-ops)

This list could also include seafood processing for small fishermen
(Mt. Pleasant, Georgetown, Murrell's Inlet, Beaufort, St. Helena's, etc.)

Future food production nodes may look very different from these early initiatives, if only because they will be able to draw upon additional resources through a state-funded competitive grant program, outlined in this strategic plan.

Each farm cluster faces an interesting challenge, as do food hubs: how to grow supply in ways that are matched to consumer demand at every step, inside a rapidly changing environment in which locally raised foods are energetically being sought by consumers. Food production nodes may wish to adapt modular strategies that allow them to add capacity rather easily as business grows.

Several food production nodes may also want to incorporate explicit, ongoing training programs that grow new farmers. Recent graduates of farm training programs may wish to settle close to the farm where they were trained, to take advantage both of the physical infrastructure they are accustomed to, but also to retain and build upon relationships with other farmers they have forged during training.

Two key programs are already in place that should help fulfill this education effort:

South Carolina New and Beginning Farmer Program, launched by Clemson University, receives excellent reviews. The state should extend its funding if the federal Farm Bill does not allocate money for programs that have funded this work in the past.

Lowcountry Local First has developed an **incubator farm model** that brings emerging farmers together to learn farming and marketing skills, develop business plans, share equipment, and prepare foods for direct and larger markets. South Carolina would do well to foster several such programs around the state, in response to local groups that organize an effective will to collaborate on training programs.

Our recommendation is that these Emerging “food production nodes” should be strengthened by offering funding through a **Competitive Grant Program (CGP)**. While this grant program would consider proposals from individuals, the primary purpose of this program would be to support collaborations among growers, food processors, and consumers at the very local level. Individual grants would be capped at \$10,000; food production node grants might run as high as \$500,000 per site, perhaps over a multi-year period allowing staged and balanced growth.

One level up in the food system, food hubs will continue to be critical elements of the state food infrastructure, drawing upon surplus production from food production nodes as well as established commercial farms.

At the strategic partners level:

Food hubs **such as GrowFood Carolina (Charleston) are essential facilities**. As mentioned above, food leaders think that perhaps three or four food hubs could be supported across the state. Hubs are being contemplated in Spartanburg, Greenville, Horry County, and Florence. Columbia is also well-positioned to serve as a statewide food hub due to its central location and freeway access.

Yet a network of support must be built around each food hub, including farmers that produce for local markets, with on-farm washing, packing, and storage facilities, and a steady commitment from South Carolina eaters to buy local. Without such support, any new food hub may require years of subsidy. Food production nodes are integral to the web of support required to create sustainable food hubs.

Further, our report recommends critical investments at the state level as well. As the instigator of the Making Small Farms into Big Business initiative, state officials will also want to focus attention on building knowledge and other infrastructure that will create effective coordination of food service activity at all levels. Suggestions for creating this capacity follow.

Supportive State Policy:

- **More effectively coordinate local food activity** across all parts of the state, through the food policy council and/or a “community of practice” engaging food leaders from diverse sectors and locations. Several good examples for such an approach exist. The appropriate model for South Carolina should be developed by the South Carolina Food Policy Council in conversation with diverse stakeholders; potential sponsors for such a coordination strategy might well be a nonprofit, the Palmetto Agribusiness Council, or Clemson University. This strategy would be advanced by hiring a **statewide coordinator** to make sure local food system stakeholders are convened regularly, to serve as a facilitator for state action, and to intervene as needed to uphold the state’s commitment to local foods.

Expanded marketing will also be critical. Two initiatives are most immediate:

- The state should also **strengthen the Certified South Carolina Grown (CSC)** program to (a) ensure that food sold in the state is **identified by the specific farm** (or farmer collaborative) where it was produced. Future marketing endeavors would also highlight (b) the need for consumers to support local food production at food nodes, (c) the importance of knowing the farmer who supplies one’s food, and (d) should invite state residents to help shape the food web of the future. Our interview respondents also suggested that the CSC program should be expanded to **allow opportunities for regional branding** of foods (for example the Catawba region, or Lowcountry region), or for SC farmers to participate in multi-state regional branding (such as a Piedmont label).
- We further recommend an **energetic marketing campaign** similar to one launched in Southwest Colorado by a LiveWell group. This campaign advocates that residents eat five fruits and vegetables each day (the minimum number recommended by health professionals to reduce risks of disease), and to buy \$5 of food directly from South Carolina farmers each week. This “**Eat Five, Buy Five**” campaign, run by the State, will set the proper tone to encourage consumers to support food production nodes, food hubs, and food businesses that feature local products. According to a 2010 study by the Moore School of Business at USC, the potential economic impacts of the Certified South Carolina Grown Campaign may have already totaled as much as \$265 million of new agricultural revenue, resulting in \$23 million of new tax revenue for the state (Willard, 2010).³ Results of this new campaign could be even more potent, since it will suggest more localized sales. The potential impact if every South Carolina resident purchased \$5 of food each week directly from a farmer in the state would be about \$1.2 billion.

The above strategies are highlighted because they offer the most leverage using the fewest resources to set South Carolina on a solid path of supporting local farmers who produce for local markets, and fostering loyalty to local farmers on the part of state consumers. Still, our report also recommends

³ Willard, D. (2010). The economic impact of agribusiness and the return of the Certified South Carolina Grown Campaign. Moore School of Business, Division of Research, April, p. 9.

related strategies that will be important in both the short and long term as resources become available (*see sections beginning on page 52 for further details*).

Expanding local production to meet state markets will require effective coordination, supportive infrastructure that creates efficiencies for the local, and staged growth from very low levels to higher sales – with supply and demand balanced at each step of the journey. This task involves considerable complexity, and will require new forms of collaboration undertaken from a long-term vision of creating a stronger economy and a more cohesive state.

To help South Carolina achieve these ambitious goals, Crossroads Resource Center has provided a wealth of analytical research, examples of nodes, and cost estimates in the full report, available at <http://www.crcworks.org/scfood.pdf>